IPE EXPECTATIONS INDICATOR

Political risk

Financial markets are wary of political instability in the UK, as Nigel Farage's Reform keeps trailing Labour and the Conservatives in the polls. The US administration has switched its focus back on tariffs, and attitudes in Europe and other parts of the world differ significantly, with European companies seemingly happy to pivot towards China.

Asset allocation

Most net equity statistics, with the exception of the UK, remain closely bunched together, showing generalised faith in future economic growth.

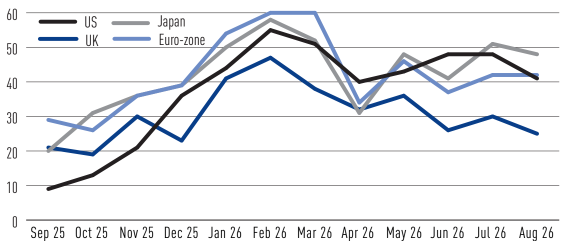
Most net bond indexes went down again, being still positive only in the UK, where analysts favour equities over bonds by a small margin. The UK figures seem dependent on inflation expectations and the lack of faith that the government can control the debt levels.

Country allocation

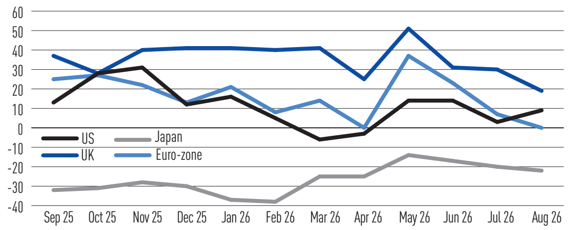
All analysts favour equity over bonds by a large margin, except in the UK, where equity wins by the smallest margin. Timelines are typically sideways lately. The level of uncertainty is relatively stable in all regions. It is highest for UK equity, lowest for US equity.

PETER KRANEVELD, INTERNATIONAL PENSIONS ADVISER, PRIME BV

Net sentiment equities



Net sentiment bonds



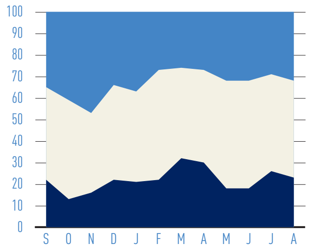
KEY FOR EXPECTATIONS GRAPHS

- % of managers expecting rise
- % of managers expecting stability
- % of managers expecting fall

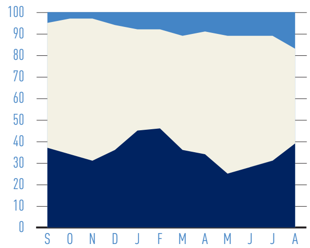
Each month, IPE polls asset managers on their six-to-12-month views on regional equities, global bonds and currency pairs as shown below.

For more details see the next page.

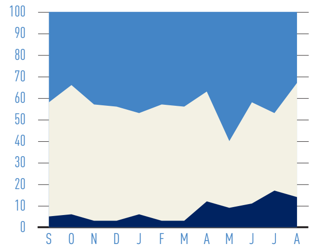
$ BONDS



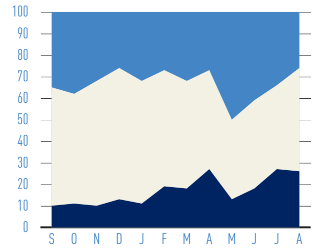
¥ BONDS



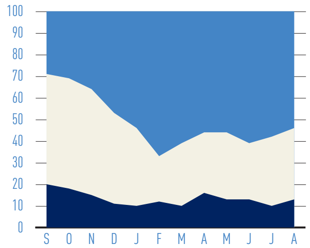
£ BONDS



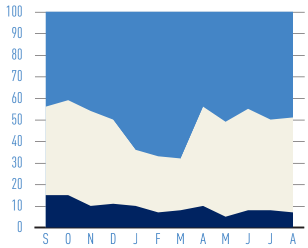
€ BONDS



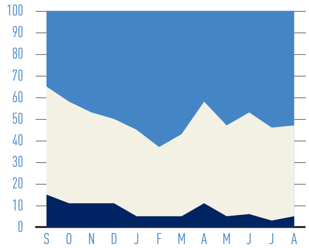
US EQUITIES



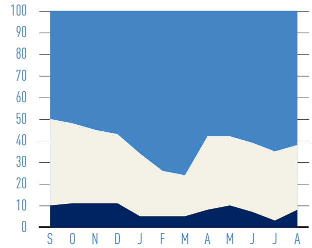
EURO-ZONE EQUITIES



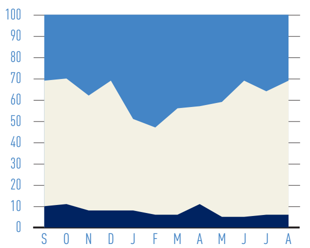
JAPAN EQUITIES



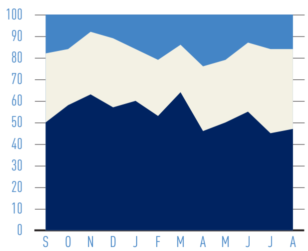
ASIA EQUITIES



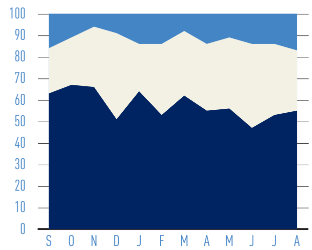
UK EQUITIES



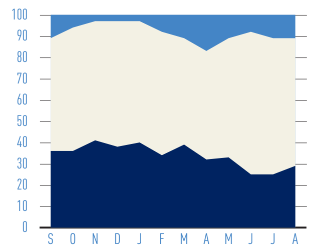
$/€



$/¥



$/£



IPE QUEST EXPECTATIONS INDICATOR

▲ **Rise** ↑ Positive shift (from last month)
■ **Stable** – No view
▼ **Fall** ↓ Negative shift (from last month)

IPE polled 39 asset managers this month on their six-to-12-month views on regional equities, global bonds and currency pairs as shown below. A summary of the survey appears on the previous page.

		EQUITIES					BOND PRICES				CURRENCIES		
	Location	US	Eurozone	Japan	Asia	UK	$	¥	£	€	$/€	$/¥	$/£
AllianceBernstein	US/UK	▲	▼	▲	▲	▼	▼	▼	▲	▼	▼	■	▼
Allianz Global Investors	Ger/UK	▲	▲	▲	▲	▲	■	▼↓	■↓	▲	■↑	▲↑	■
Allspring Global Investments	US/UK	▲	▲	▲	▲	▲	▲↑	▲↑	▲↑	▲↑	■↑	▲↑	■↑
Amundi Asset Management	Fra	■	▲	▲	▲	■	▲	▲	▲	▼↓	▼	▼	▼
Apo Asset Management	Ger	■↓	■↓	■↓	■↓	■↓	■↑	▼↓	■	■	▼↓	▲	■
Bank J. Safra Sarasin	Swi	■	■	▼↓	▼↓	■	■	■	▲	■	■↑	■↑	■
Bantleon AG	Swi	■	▲	▲	▲	–	▼	–	–	▼	▼	–	–
Berenberg Wealth & Asset Mngt	Ger	▲	▲	■	■↓	■	■	▼↓	▼↓	▼↓	▼↓	■	▲↑
BNY Advisors Investment Institute	UK	▼	■	▲	■	■	▼	■	■	■	–	–	–
CBL Asset Management	Lat	■	■	–	–	–	■↓	–	–	■↓	▲	–	–
Columbia Threadneedle Inv.	US	▲↑	■	■	■↓	■	■	■	■	■	▼↓	▼↓	▼↓
Crédit Mutuel Asset Management	Fra	▲↑	■	■	▲↑	■	▲↑	■	▲	▲	▲	■↓	▲
Currency Research Associates	US	▼	▼	▼	▼	▼	▼	▼↓	▼	▼	▼	▼	▼
DWS Investment	Ger	▲	▲	▲	▲	▲	▲	▲	▲	■	▼↓	▼	▼
Econopolis Wealth Management	Bel	▲	▲	▲	▲	▲	■↓	■	■↓	■↓	■	▼↓	▼↓
Edmond de Rothschild AM	Fra	▼	■↑	■↑	■↑	■↑	■	■	▲↑	■	▼	▼	■↑
Erste Asset Management	At	■	■	■	■	■	▼	■	▼	▼	■	▼	■
Eurizon Capital	It	▲	▲	▲	▲	▲	▲	▲	▲	▲	▼	▼	▼
Fideuram Asset Management	It	▲	▲↑	▲↑	▲	–	▲↑	■	■↓	■↓	▼	▼	■
Generali Asset Management	Ger/It	▲	▲	▲	▲	▲	▼	▼	▲	▼	▼	▼	■
GNB Gestao Activos	Por	▲	▲	▲	▲	▲	▲↑	▼	■↑	▲↑	▲↑	▲	■
Gonet	Swi	■↓	■↓	▲	▲	■↓	■↓	■	■↓	■↓	■	■↑	■
Graphene Investment	Fra	▲	■	■	■	■	–	–	–	–	■	▼↓	–
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■	▲	▼↓	■	▲	▼	▼	■
Mandarine Gestion	Fra	■	▲	■↓	▲	■	■	■	■	■	▼	▼	■
MEAG	Ger	■	■	■	–	–	▼	▼	▼	▼	■↓	▲	■↓
MFI Asset Management	Ger	■	■	■	■	■	■	■	■	▲	▼	▼	▼
Morgan Stanley Inv. Mngt.	UK/US	▲	▼	■	■	■	▲↑	■	■	■	■	▼	■
Muzinich & Co.	UK	▲	■	■	▲	■	■	▼	■↓	■↑	■	■↑	■
Ninety One	UK	▼	▲	▲	▲	▲	▲	▼	■	▲	▼	▼	▼
Oddo BHF Asset Management	Ger	▼↓	■↓	■	▼↓	■	■	▼	▲	▲	▲	■	▲
Ofi Invest Asset Management	Fra	▲	▲	■↓	▲	▲	■↓	■	■↓	■↓	■	■	■
Ostrum Asset Management	Fra	■↓	▲	▲	▲	■↓	▲↑	▲↑	▲	▲	▼	■↑	■↑
Pictet Asset Management	Swi	■↓	■	■	▲	■	■	■	■	■	■	▼	■
PineBridge Investment	US	■	■	■	■	■	■	■	■	■	▲	■	■
Russell Investments	US	▲	■	▲	■	■	▼↓	▼	▼	▼	■↓	▼↓	■↓
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
Union Bancaire Privée	Swi	▲	▲↑	▲↑	▲	■	■	▲↑	■	■	▲↑	▼↓	▲↑
Union Investment Institutional	Ger	▲	▲	▲	▲	▲	▼	▼	■	▼	▼	▼	▼
% predicting rise (previous month)		54(58)	49 (50)	53 (54)	62 (65)	31 (36)	32(29)	17 (11)	33 (47)	26 (34)	16(16)	17 (14)	11 (11)
% predicting stability (previous month)		33(32)	44 (42)	42 (43)	30 (32)	63 (58)	45 (45)	44 (58)	53 (36)	48 (39)	37 (39)	28 (33)	60 (64)
% predicting fall (previous month)		13(10)	7(8)	5 (3)	8 (3)	6 (6)	23 (26)	39 (31)	14 (17)	26 (27)	47 (45)	55 (53)	29 (25)