

ASSET ALLOCATION
IPE QUEST EXPECTATIONS INDICATOR



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

IPE polled 44 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 page 3.

| | Location | EQUITIES | | | | | BOND PRICES | | | | CURRENCIES | | |
|-----------------------------------|----------|----------|-----------|-------|------|----|-------------|----|----|----|------------|------|------|
| | | US | Euro-zone | 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 | ▲ | ▲ | ■ | ■ | ▲ | ▲↑ | ▼ | ▲↑ | ▲ | ▼ | ▼ | ▼ |
| Fonditel | Spa | ▼ | ▼ | ▼ | ▼ | ▼ | ▲ | ■ | ▲ | ▲ | ▼ | ■ | ■ |
| Franklin Templeton Inv. Solutions | UK | ■ | ▼ | ■ | ▲ | ■ | ▲ | ▼ | ▲ | ▲ | ■ | ▼ | ■ |
| Generali Asset Management | Ger/It | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▼↓ | ▼ | - |
| GNB Gestao Activos | Por | ■ | ▲↑ | ▲ | ▲ | ■ | ▲ | ▼ | ▲ | ▲↑ | ■ | ▲ | ■ |

| | Location | EQUITIES | | | | | BOND PRICES | | | | CURRENCIES | | |
|---|----------|----------|-----------|---------|---------|---------|-------------|---------|---------|---------|------------|---------|---------|
| | | US | Euro-zone | Japan | Asia | UK | \$ | ¥ | £ | € | \$/€ | \$/¥ | \$/£ |
| Graphene Investments | Fra | ■ | ■↑ | ■ | ▲↑ | ■ | - | - | - | - | ▲ | ■ | ▲ |
| Irish Life Investment Managers | Ire | ▲ | ▲ | ▲ | ▲ | ■ | ▲ | ■ | ■↓ | ▲ | ■↑ | ■↑ | ■ |
| Mandarine Gestion | Fra | ▼ | ■↓ | ■ | ▲↑ | ■ | ▲ | ■ | ▲↑ | ▲↑ | ■↑ | ▼ | ■ |
| Manulife Investment Mngt. | US | ▲ | ▲ | ▲ | ▲ | ▲ | ■ | ■ | ■ | ■ | ▲ | ■ | ▲ |
| MEAG | | ■ | ▲↑ | ▼↓ | - | ▲↑ | ■ | ▼↓ | ▲↑ | ▲↑ | ■ | ▲ | ■ |
| 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 | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▼↓ | ▲ | ▲ | ▼↓ | ▼ | ■ |
| ONE Swiss Bank | Swi | ▲ | ▲ | ▲ | ▲ | ■↓ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Ostrum Asset Management | Fra | ▲↑ | ■ | ■↑ | ■ | ■ | ■↓ | ■ | ■↓ | ■↓ | ■ | ▼ | ■ |
| Pictet Asset Management | Swi | ■ | ▲ | ▲ | ■ | ■ | ▲ | ■ | ■↓ | ■ | ■ | ■↑ | ■ |
| PineBridge Investments | US | ▲ | ▲ | ▲ | ▲ | ▲ | ■ | ■ | ■ | ■ | ▲ | ■ | ▲ |
| Russell Investments | US | ▼ | ▼ | ▼ | ▼ | ▼↓ | ▲ | ■ | ■ | ▲ | ■ | ■ | ■ |
| Salus Alpha Capital | Liecht | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ■ | ▲ | ■ | ■ | ▲ | ■ |
| SEB Investment Management | Swe | ▲ | ▲ | ■ | ▲ | ■ | ▲ | ■ | ▲ | ▲ | ▼ | ▼ | ■ |
| Tokio Marine Asset Mngt. | Jap/UK | ▲↑ | ▲↑ | ▲ | ▲↑ | ▲↑ | ▲ | ▼↓ | ▲ | ▲ | ■ | ▲ | ■ |
| Union Bancaire Privée | Swi | ▲ | ■↓ | ▲ | ■↓ | ▲ | ▼ | ▼↓ | ■↑ | ▼ | ■ | ▼ | ■ |
| Union Investment Institutional | Ger | ▲ | ■ | ▲ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ▼ | ■ |
| % predicting rise (previous month) | | 50 (49) | 57 (58) | 46 (59) | 51 (48) | 41 (47) | 70 (64) | 12 (12) | 63 (60) | 60 (57) | 16 (18) | 17 (17) | 10 (16) |
| % predicting stability (previous month) | | 36 (36) | 34 (29) | 42 (27) | 41 (45) | 52 (44) | 23 (30) | 46 (55) | 34 (33) | 35 (39) | 54 (55) | 37 (40) | 73 (68) |
| % predicting fall (previous month) | | 14 (15) | 9 (13) | 12 (14) | 8 (7) | 7 (9) | 7 (6) | 42 (33) | 3 (7) | 5 (4) | 30 (27) | 46 (43) | 17 (16) |

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IPE QUEST EXPECTATIONS INDICATOR



All trends maintained

Joe Biden's weakness was a lucky stroke for Donald Trump, who has shown similar symptoms for years. It remains to be seen what effect Kamala Harris has on the polls. Trump and his chosen VP are both proponents of weakening the USD. Unexpected US inflation and an impediment on international trade have become part of US political risk. If Harris chooses an equally appealing VP candidate, she has at least the same chances as Biden a few weeks earlier. Polls will have to show her appeal soon. Meanwhile, she is a positive political risk.

EU chip producers have the US and China as major markets. Since the US market is larger and more predictable, they are expected to follow US-induced restrictions on sales to China, while retaining their part in US market. The new UK government talked itself into a corner with promises on taxes that preclude great changes on spending. It is counting on renewed growth. It is not clear how far the government wants to go on coming to terms with the EU.

With a wet autumn looming, bogging down heavy military equip-

ment and both sides exhausted and under-supplied with ammunition, there is a rational case for a ceasefire in Ukraine. This would likely have a noted positive effect on equity.

Asset allocation

Net equity sentiment remains positive and rising in very close concert. It is too strong to call the EU an outlier, but its clearly scores above the others, at very close to 50, while in the US, Japan and the UK, it is still at around 35. Net bond sentiment remains quite stable, with Japan as outlier.

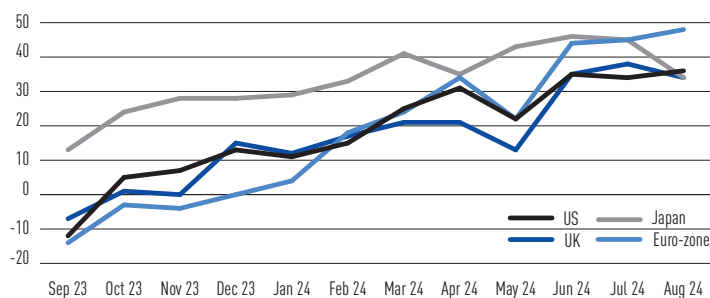
Country allocation

Japan stands out for a negative and stable outlook on bonds. An interest rate move is expected and fully priced in, but the Bank of Japan still has not moved beyond ending negative rates. Japan's equity scores are in line with the others, which may be a vote of confidence that the economy will thrive on its external sector.

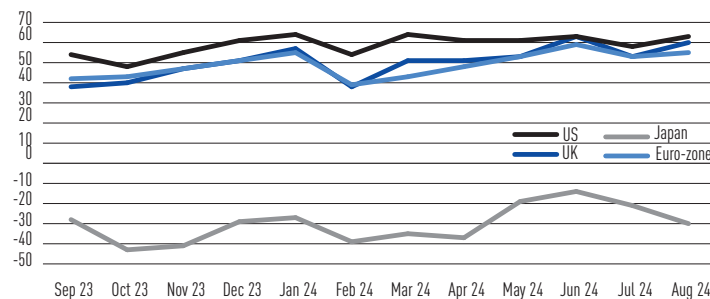
Elsewhere, net equity sentiment keeps approaching net bond sentiment, but is poised to surpass it only in the EU.

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.

