



INVESTMENT STRATEGY

June 2020

EQUITIES

Performances in EUR	Price	YTD	12m rolling
MSCI World	2,147.88	-7.9%	5.6%
MSCI Europe	116.58	-16.5%	-6.3%
MSCI EMU	109.09	-17.2%	-6.8%
MSCI Belgium	65.02	-27.4%	-22.0%
MSCI Netherlands	155.68	-7.4%	6.7%
MSCI France	136.29	-20.5%	-9.3%
MSCI Germany	132.96	-13.4%	-2.7%
MSCI UK local	1,721.91	-20.2%	-16.5%
MSCI Spain	83.77	-25.5%	-22.1%
MSCI Italy	48.19	-23.9%	-11.3%
MSCI Switzerland	1,313.90	-5.8%	7.8%
MSCI USA	2,918.45	-4.0%	11.9%
MSCI Japan	945.53	-7.0%	5.1%
MSCI Emerging Markets	930.35	-15.5%	-6.2%
MSCI Hong Kong	12,141.89	-18.9%	-19.5%
MSCI China	80.68	-4.3%	10.7%
MSCI Brazil	1,338.18	-42.9%	-35.6%

GOVERNMENT BONDS (JPM INDICES)

Performances in EUR	Price	YTD	12m rolling
1 - 3 y	227.49	-0.4%	-0.1%
3 - 5 y	311.89	-0.1%	0.8%
5 - 7 y	417.22	0.3%	2.1%
7 - 10 y	498.64	0.7%	3.0%
> 10 y	746.73	2.8%	10.4%

CURRENCIES

Performances in EUR	Price	YTD	12m rolling
EUR - USD	1.11	-1.0%	-0.6%
EUR - GBP	0.90	6.3%	1.7%
EUR - JPY	119.77	-1.6%	-1.0%
EUR - CHF	1.07	-1.7%	-4.5%
EUR - NOK	10.79	9.6%	10.3%

COMMODITIES

Performances in USD	Price	YTD	12m rolling
Gold	1,730.27	14.0%	32.5%
Crude Oil (Brent)	35.33	-46.5%	-45.2%

ALTERNATIVE INVESTMENTS

Performances in EUR	Price	YTD	12m rolling
Global Hedge Funds (HFRXGL Index)	1,256.38	-1.6%	3.5%
Market Neutral (HFRXEMN Index)	889.63	-5.7%	-6.9%
Event Driven (HFRXED Index)	1,601.21	0.1%	8.6%
Macro Multi-Strategy (HFRXMMS Index)	-	5.1%	8.6%

CORPORATE BONDS (JPM INDICES)

Performances in EUR	Price	YTD	12m rolling
AAA	236.46	1.6%	2.2%
AA	244.86	1.9%	3.5%
A	240.11	-1.5%	-0.2%
BBB	258.13	-3.4%	-0.5%
Investment Grade	251.14	-0.3%	1.3%
High Yield	266.40	-8.1%	-3.1%

Source: Bloomberg

- The positive momentum of April continued in May, fuelled by supportive central banks and governments, the reopening of the economies and reported progress on a COVID-19 vaccine. Developed markets outperformed emerging markets.
- US 10-year interest rates remained almost stable, European interest rates became less negative and interest rates of Pheriphery countries came down after earlier upsurges.
- Gold remained relatively stable, while oil recovery strengthened. In currencies, the USD lost ground against other currencies.

Figures at 29/05/2020

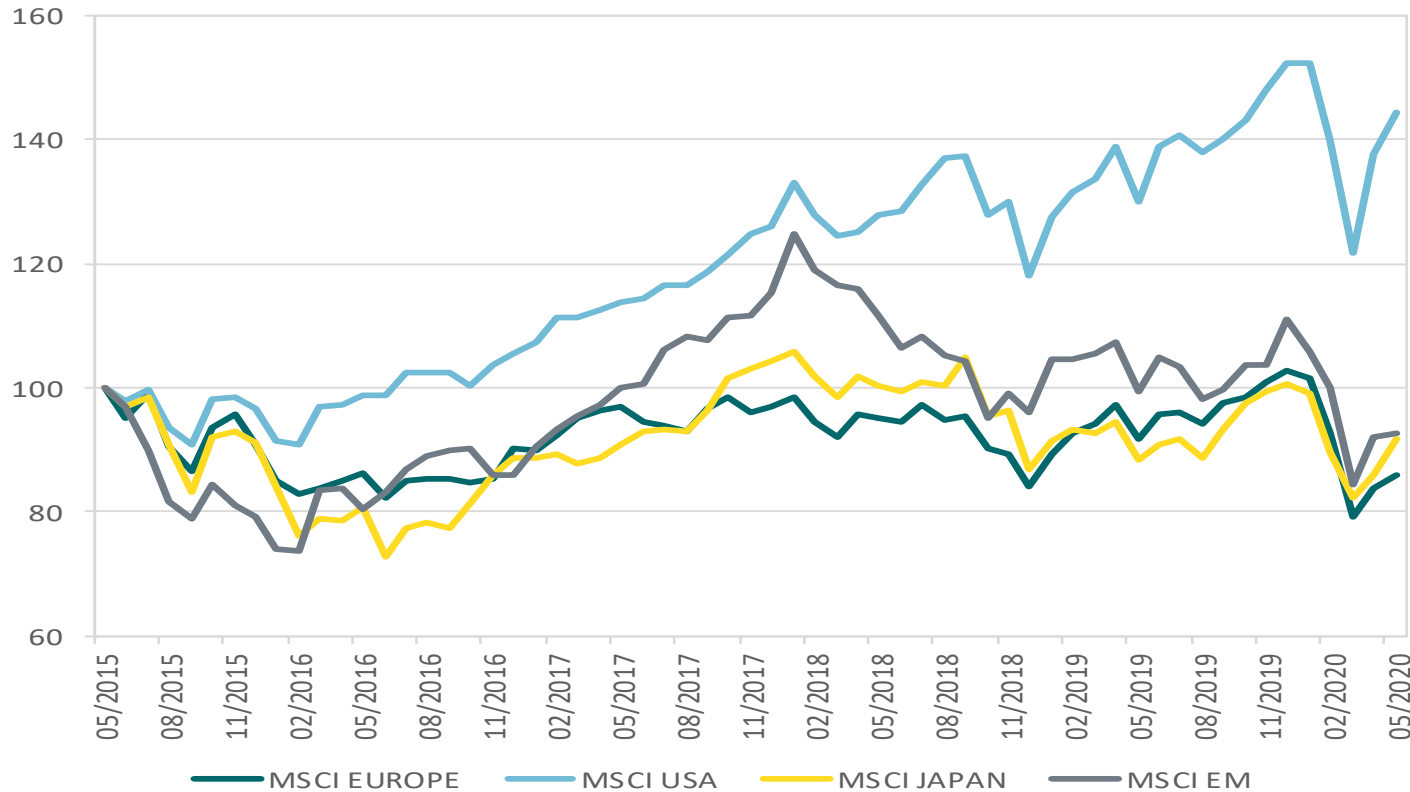
EUROPEAN SECTORS (MSCI INDICES)

Performances in EUR	Price	YTD	12m rolling
Auto & Auto Components	128.99	-26.5%	-18.4%
Banks	29.26	-40.3%	-35.2%
Materials	237.47	-15.4%	-4.2%
Chemicals	348.85	-9.3%	5.5%
Construction Materials	120.95	-22.4%	-9.4%
Financials	44.14	-31.4%	-23.3%
Food Beverage & Tobacco	318.21	-9.9%	-3.7%
Health Care	224.18	1.6%	21.9%
Industrials	220.45	-18.8%	-4.2%
Insurance	61.99	-28.5%	-19.0%
Media	62.36	-32.1%	-29.3%
Oil Gas & Consumable Fuels	88.78	-38.6%	-39.7%
Household & Personal Products	468.02	-3.1%	-2.2%
Real Estate	124.57	-25.2%	-17.8%
Retailing	122.36	-6.3%	13.7%
Information Technology	121.78	-3.4%	11.7%
Telecom Service	46.78	-19.2%	-17.5%
Hotel Restaurants & Leisure	102.71	-36.5%	-26.5%
Utilities	118.48	-6.1%	8.6%

Source: Bloomberg

- By sector, technology outperformed, while the financial and defensive sectors lagged the broader aggregate.
- Cyclical sectors also performed well.
- Mid/Smalls generally outperformed large globally.

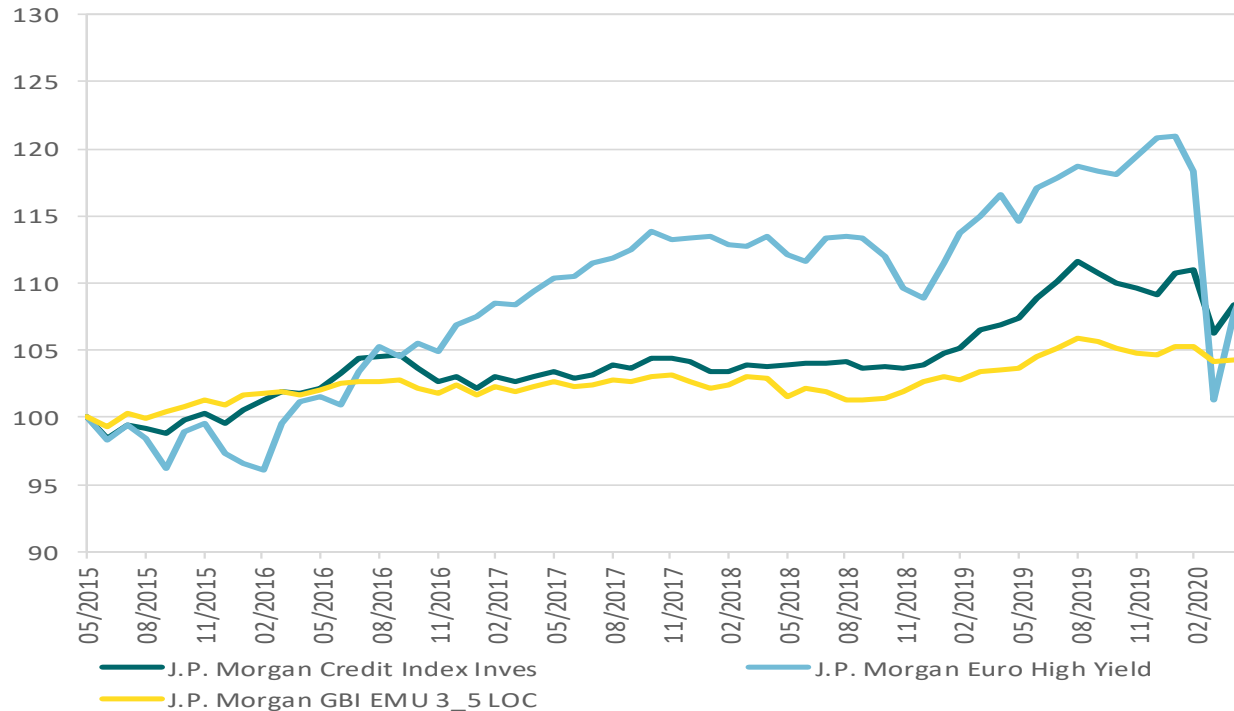
Evolution Equity Markets (in currency)



Source: Bloomberg

- The underperforming European indices have caught up with Wall Street, which had already recovered in recent weeks. Japanese shares also showed a good performance.
- Investors are now focusing also on equities that are lagging behind, but offer good recovery potential.

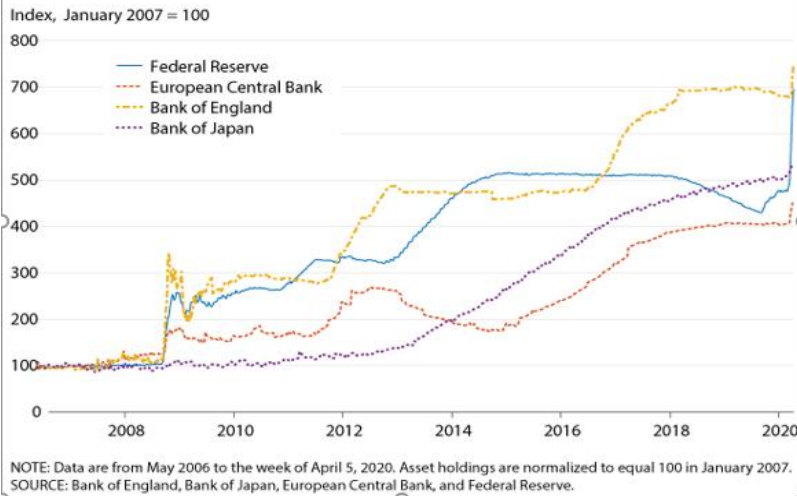
Evolution Bond Markets



Source: Bloomberg

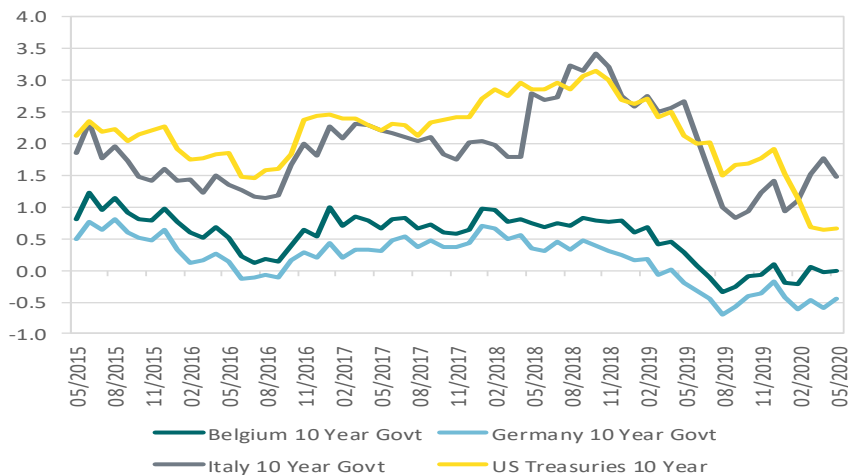
- The appetite for bonds is high.
- Inflow to Investment Grade bonds, High Yield bonds and Emerging Market bonds is at its highest level for a long time.
- Government bonds are less popular and had an outflow.

Central Bank Assets



- The pace and path of the virus outbreak will determine the pace and path of the economy reopening – it's happening, but rather slowly.
- The good news is that China has bottomed, the US is stabilising and Europe seems slightly behind but is improving too.
- The policy stance is very expansionary and likely to stay so for a long time. We expect even more monetary and fiscal stimulus.
- Financial conditions are easing, although at an uneven pace – we assume the feed-through will continue over time.

Evolution Yields



Eurozone Core Inflation YoY



- Before we see higher inflation because of money creation, the odds for disinflation are bigger at first because of the economic fall-out.

GDP Growth (%)	2019	2020	2021	2022
Global	2.9	-3.2	5.7	4.2
US	2.3	-6.3	4.5	3.5
China	6.1	1.2	9.2	5.0
Euro Area	1.2	-8.0	4.7	2.8
UK	2.3	-5.9	4.7	2.5
Japan	0.7	-5.5	3.0	1.8
CPI Inflation (%)	2019	2020	2021	2022
Global	3.6	3.0	3.3	3.6
US	1.8	0.6	2.2	2.4
China	2.9	3.0	2.6	3.0
Euro Area	1.2	0.2	1.0	1.4
UK	1.8	1.2	1.5	1.8
Japan	0.5	0.2	0.4	0.5

Central Banks (%)	2019	2020	2021	2022
Fed	1.625	0.125	0.125	0.375
ECB	-0.50	-0.50	-0.50	-0.50
BoE	0.75	0.10	0.10	0.25

10Y Yields (%)	Spot	2020	2021	2022
Treasuries	0.69	0.75	0.80	1.05
Bunds	-0.51	-0.40	-0.30	-0.20
Gilts	0.27	0.35	0.40	0.55

Foreign Exchange	Spot	2020	2021	2022
EUR/USD	1.08	1.12	1.13	1.14
GBP/USD	1.22	1.22	1.26	1.28
EUR/GBP	0.88	0.92	0.90	0.89

Note: 2020-22 are Quintet forecasts; annual averages for GDP and CPI; end of period for policy rates, 10-year yields and FX; spot #s as of May 15th

Source: Quintet, IMF, FactSet

PMI COMPOSITE

Source: Bloomberg

PMI Composite

	2018												2019												2020				
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
World	54.5	54.7	53.3	53.8	54.0	54.2	53.7	53.4	52.8	52.9	53.1	52.7	52.1	52.5	52.8	52.2	51.2	51.2	51.7	51.3	51.1	50.8	51.4	51.5	52.1	46.1	39.2	26.2	36.3
Developed	54.9	55.4	53.6	54.4	54.8	55.0	54.2	54.1	53.3	53.6	53.3	52.7	52.3	52.9	52.7	52.0	51.1	51.3	51.7	51.0	50.7	50.3	50.9	51.2	52.1	49.5	36.4	22.2	33.2
Eurozone	58.8	57.1	55.2	55.1	54.1	54.9	54.3	54.5	54.1	53.1	52.7	51.1	51.0	51.9	51.6	51.5	51.8	52.2	51.5	51.9	50.1	50.6	50.6	50.9	51.3	51.6	29.7	13.6	31.9
Germany	59.0	57.6	55.1	54.6	53.4	54.8	55.0	55.6	55.0	53.4	52.3	51.6	52.1	52.8	51.4	52.2	52.6	52.6	50.9	51.7	48.5	48.9	49.4	50.2	51.2	50.7	35.0	17.4	32.3
France	59.6	57.3	56.3	56.9	54.2	55.0	54.4	54.9	54.0	54.1	54.2	48.7	48.2	50.4	48.9	50.1	51.2	52.7	51.9	52.9	50.8	52.6	52.1	52.0	51.1	52.0	28.9	11.1	32.1
Italy	59.0	56.0	53.5	52.9	52.9	53.9	53.0	51.7	52.4	49.3	49.3	50.0	48.8	49.6	51.5	49.5	49.9	50.1	51.0	50.3	50.6	50.8	49.6	49.3	50.4	50.7	20.2	10.9	33.9
Spain	56.7	57.1	55.8	55.4	55.9	54.8	52.7	53.0	52.5	53.7	53.9	53.4	54.5	53.5	55.4	52.9	52.1	52.1	51.7	52.6	51.7	51.2	51.9	52.7	51.5	51.8	26.7	9.2	29.2
UK	53.4	54.5	52.4	53.2	54.4	55.1	53.5	54.2	54.1	52.1	50.8	51.4	50.3	51.5	50.0	50.9	50.9	49.7	50.7	50.2	49.3	50.0	49.3	49.3	53.3	53.0	36.0	13.8	30.0
US	53.8	55.8	54.2	54.9	56.6	56.2	55.7	54.7	53.9	54.9	54.7	54.4	54.4	55.5	54.6	53.0	50.9	51.5	52.6	50.7	51.0	50.9	52.0	52.7	53.3	49.6	40.9	27.0	37.0
Japan	52.8	52.2	51.3	53.1	51.7	52.1	51.8	52.0	50.7	52.5	52.4	52.0	50.9	50.7	50.4	50.8	50.7	50.8	50.6	51.9	51.5	49.1	49.8	48.6	50.1	47.0	36.2	25.8	27.8
Emerging	53.5	53.2	52.3	52.4	52.2	52.4	52.5	51.8	51.6	51.3	52.6	52.5	51.5	51.6	52.9	52.5	51.3	51.0	51.5	51.8	51.8	51.8	52.6	52.1	52.2	38.9	44.9	34.6	42.7
China	53.7	53.3	51.8	52.3	52.3	53.0	52.3	52.0	52.1	50.5	51.9	52.2	50.9	50.7	52.9	52.7	51.5	50.6	50.9	51.6	51.9	52.0	53.2	52.6	51.9	27.5	46.7	47.6	54.5
India	52.5	49.7	50.8	51.9	50.4	53.3	54.1	51.9	51.6	53.0	54.5	53.6	53.6	53.8	52.7	51.7	51.7	50.8	53.9	52.6	49.8	49.6	52.7	53.7	56.3	57.6	50.6	7.2	14.8
Russia	54.8	55.2	53.2	54.9	53.4	52.0	51.7	52.1	53.5	55.8	55.0	53.9	53.6	54.1	54.6	53.0	51.5	49.2	50.2	51.5	51.4	53.3	52.9	51.8	52.6	50.9	39.5	13.9	35.0

➤ In just about every country, every region, PMI-levels have fallen to record lows

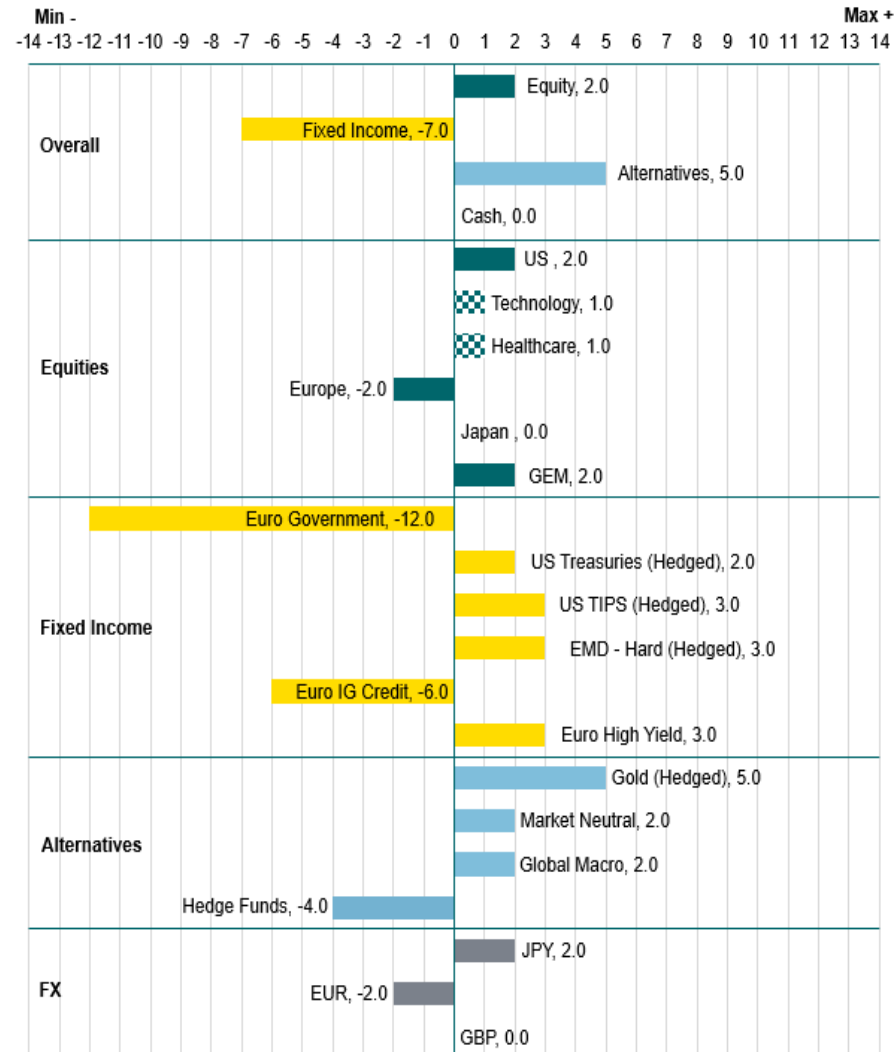
6/4/2020

BOND YIELD MATRIX													
	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year	10 Year	20 Year	30 Year
Switzerland		-0.77	-0.71	-0.69	-0.64	-0.61	-0.58	-0.54	-0.51	-0.45	-0.41	-0.24	-0.29
Germany	-0.57	-0.58	-0.64	-0.63	-0.61	-0.58	-0.56	-0.52	-0.46	-0.41	-0.34	-0.07	0.13
Denmark	-0.55	-0.62	-0.53		-0.51	-0.43			-0.31		-0.20	0.08	0.28
Netherlands	-0.55	-0.55	-0.57	-0.59	-0.55	-0.52	-0.40	-0.34	-0.28	-0.21	-0.15	0.10	0.16
Austria		-0.54	-0.56	-0.50	-0.47	-0.37	-0.30	-0.26	-0.18	-0.11	-0.06	0.20	0.41
Finland		-0.73	-0.60	-0.60	-0.52	-0.52	-0.39	-0.35	-0.23	-0.16	-0.08		0.35
Sweden			-0.31			-0.24	-0.17		-0.09		-0.01	0.36	
Japan	-0.21	-0.18	-0.18	-0.17	-0.15	-0.11	-0.10	-0.07	-0.06	-0.02	0.02	0.37	0.53
France	-0.52	-0.51	-0.53	-0.50	-0.47	-0.39	-0.33	-0.23	-0.18	-0.08	0.01	0.47	0.78
Belgium	-0.52	-0.50	-0.49	-0.52	-0.45	-0.37	-0.23	-0.14	-0.08	0.00	0.06	0.51	0.78
Ireland		-0.59	-0.45	-0.36	-0.30	-0.21	-0.10	-0.01	0.06		0.14	0.58	0.87
Slovakia		-0.68		-0.39		-0.24	-0.12	0.00	0.03	0.09	0.20		0.93
Slovenia	-0.52	-0.45	-0.39	-0.33	-0.17	-0.12	-0.08	0.01	0.16	0.31	0.43	1.00	1.09
Spain	-0.51	-0.41	-0.35	-0.20	-0.14	-0.02	0.09	0.28	0.36	0.46	0.62	0.96	1.41
Portugal	-0.44	-0.43	-0.37	-0.24	-0.19	0.06	0.13	0.23	0.40	0.47	0.57	1.03	1.39
Bulgaria		-0.53	-0.42	-0.06	0.05	0.21	0.26	0.29			0.96	1.30	
Italy	-0.01	0.09	0.33	0.51	0.59	0.91	1.07	1.23	1.35	1.44	1.55	2.24	2.50
United States	0.15	0.16	0.19	0.24		0.37		0.58			0.75	1.30	1.54

- Central banks are forcing investors who are looking for income into the stock market.
- Interest rates will stay low longer.
- The interest rate differential between the US and Europe has narrowed.

- We keep a moderate risk stance in portfolios, supported by:
 - Our expectation of a rebound in global growth, combined with sizeable and effective monetary and fiscal policy stimulus, and our hopeful view that Covid-19's direct negative impact on the world economy will be short-lived.
- Given the above, our tactical asset allocation is as follows:
 - Small overweight in equities, with a preference for US equities (via the overweight to the Technology and Healthcare sectors), and emerging market versus European equities.
 - Overweight credit, with a preference for euro high yield and emerging market sovereign hard currency bonds (hedged).
 - Overweight portfolio diversifiers, namely gold (hedged), US Treasuries (hedged), and the Japanese Yen.
 - Underweight euro government and investment grade bonds.

VECTOR FOR EUR BALANCED PORTFOLIO



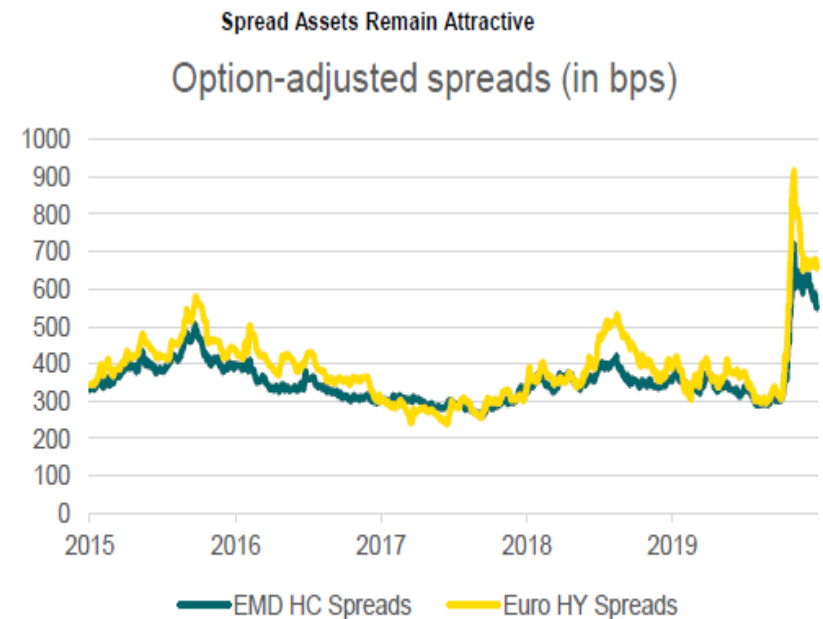
- **Overweight US equities:** The US market has compelling characteristics in terms of innovation drivers, sector composition and higher profitability dynamics. We prefer the more attractive sectors, such as Technology and Healthcare. Headline valuations look less attractive when compared to other markets, but adjusted for sector composition US equities are only mildly more expensive than European ones.
- **Overweight Technology:** We continue to see good asymmetry for Tech companies. In the short term, their strong balance sheets are a positive versus other sectors, while the long-term dynamics of technological disruption and innovation remain intact. We believe the wave of disruption starts with Retail, followed by Transportation, Healthcare and Finance, to name but a few.
- **Overweight Healthcare:** We also see good asymmetry for Healthcare companies. In the short term, their solid balance sheets and increased growth prospects are supporting share prices. Additionally, they benefit from long-term tailwinds such as an ageing global population, rising healthcare spending and product innovation.
- **Overweight Emerging Market equities:** Asia dominates in the index with around 75% and China is a major driver. We like EM longer term due to the cheap absolute and relative valuations, the higher growth characteristics and the sector composition.
- **Underweight European (including UK) equities:** The region continues to suffer from weaker relative economic growth prospects. European equity markets have an unattractive sector composition, with a lack of technology and higher exposure to the 'old economy'.

Sector Composition is Key

Net Income Sector Split	US - S&P 500	Europe - Stoxx600
Financials	23.5%	31.6%
Technology	22.7%	2.6%
Health Care	13.0%	11.6%
Consumer Services	12.6%	5.5%
Industrials	10.3%	15.9%
Consumer Goods	7.6%	15.3%
Utilities	3.5%	4.3%
Telecommunications	3.1%	3.1%
Oil & Gas	2.2%	2.5%
Basic Materials	1.5%	7.6%

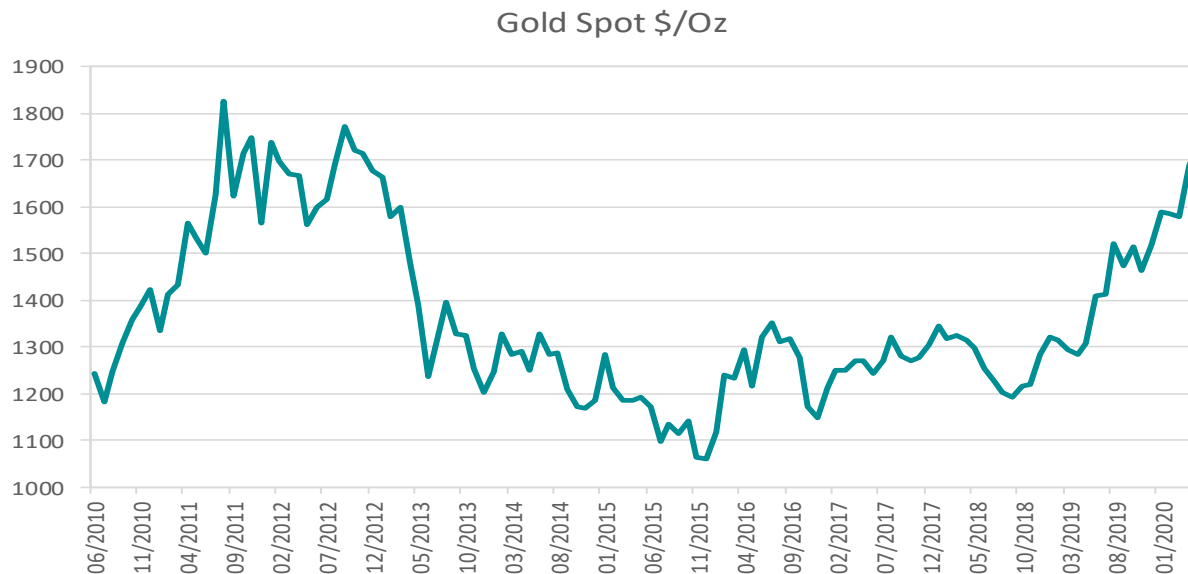
Source: Quintet, Bloomberg

- **Overweight US Treasuries (hedged):** US Treasuries remain the most compelling portfolio diversifier among government bonds, given their higher yield to maturity and global safe-haven status.
- **Overweight EUR High Yield (hedged):** Credit spreads are attractive by historical standards and price in a level of default similar to that of realised defaults in the global financial crisis, which we believe to be excessive.
- **Overweight EM Hard Currency (hedged):** This segment of the credit markets offers compelling value at current spreads. The sensitivity of EM HC to both the oil price and trade-weighted US dollar should provide a catalyst for positive performance.
- **Underweight EU and UK Government Bonds:** Their attractiveness in the long term is very low from current yield levels and they are merely a short-term diversifier.
- **Underweight Investment Grade (IG) Credit:** Although IG spreads also widened in March, high-yield spreads are more attractive and the risk of fallen angels –given the high BBB weighting –in Investment Grade is a clear risk.



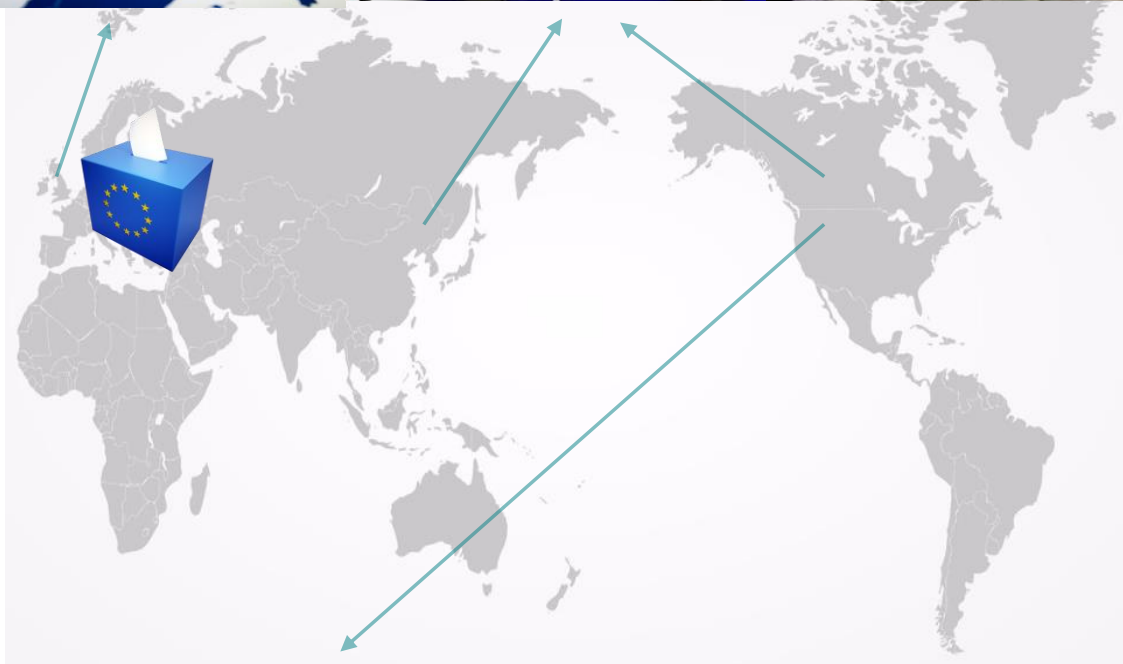
Source: Quintet, Bloomberg

- **Overweight JPY:** The Japanese yen acts as a portfolio diversifier. The yen tends to benefit at times of heightened volatility as Japanese investors repatriate assets back home. The yen also remains very cheap on long-term valuation metrics.
- **Overweight Gold (hedged):** In a highly indebted world and likely lower-for-longer rate environment, demand for gold from central banks and investors could continue to support the price of gold. Gold is more than a store of value; it is also a hedge against price instability and a genuine portfolio diversifier because of its low correlation to other financial assets.



The background is a solid teal color. It features several thin, white, concentric circles of varying radii. Some circles are centered on the left side, some on the right, and some are partially visible at the edges, creating a layered, organic feel.

INTERESTING SLIDES



Avoiding a second wave of COVID-19 contamination



There is a **growing risk** of **escalation** of the **US- China trade and tech war**

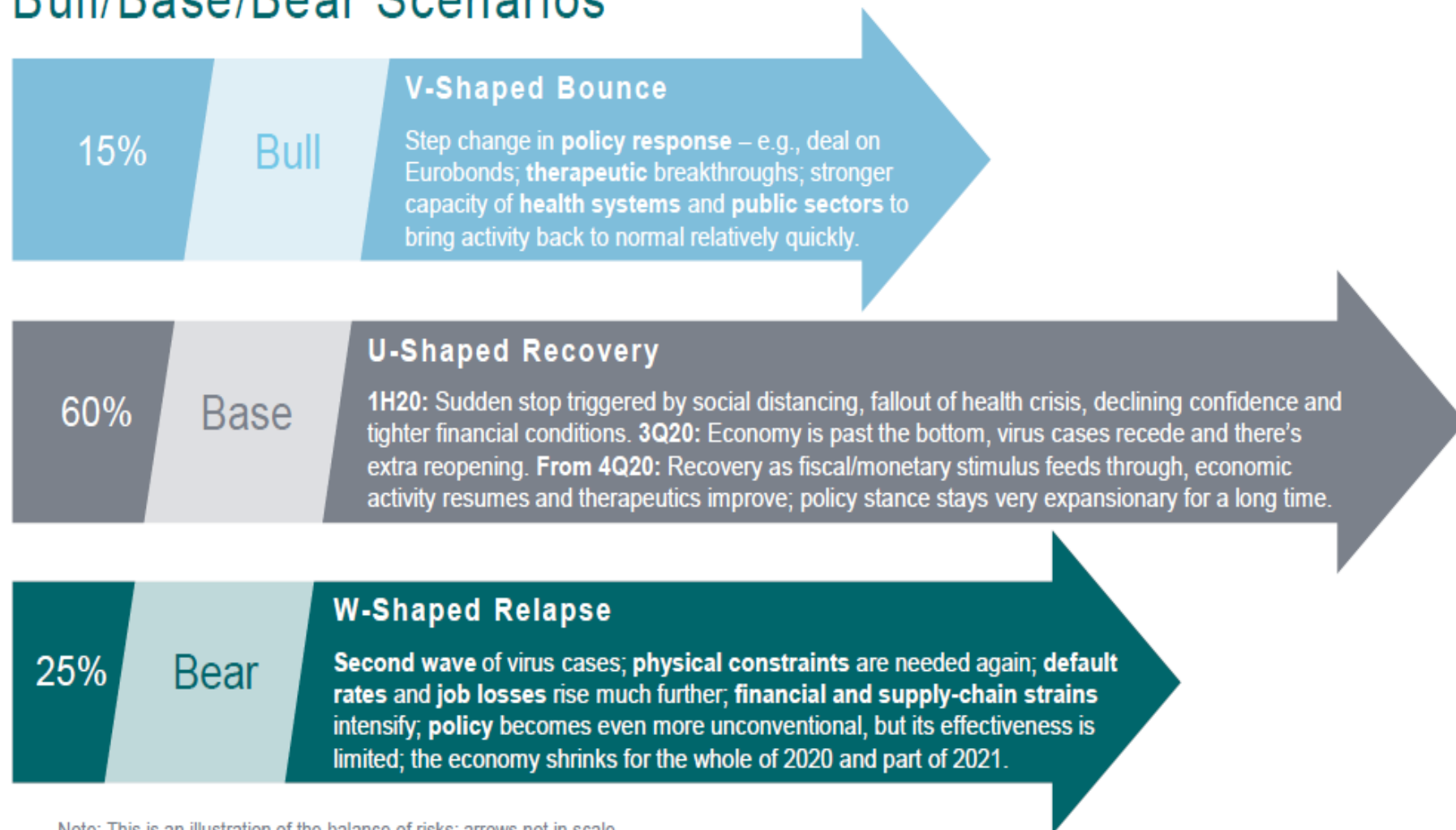


Fiscal plans from Governments

Central Banks to the rescue



Bull/Base/Bear Scenarios



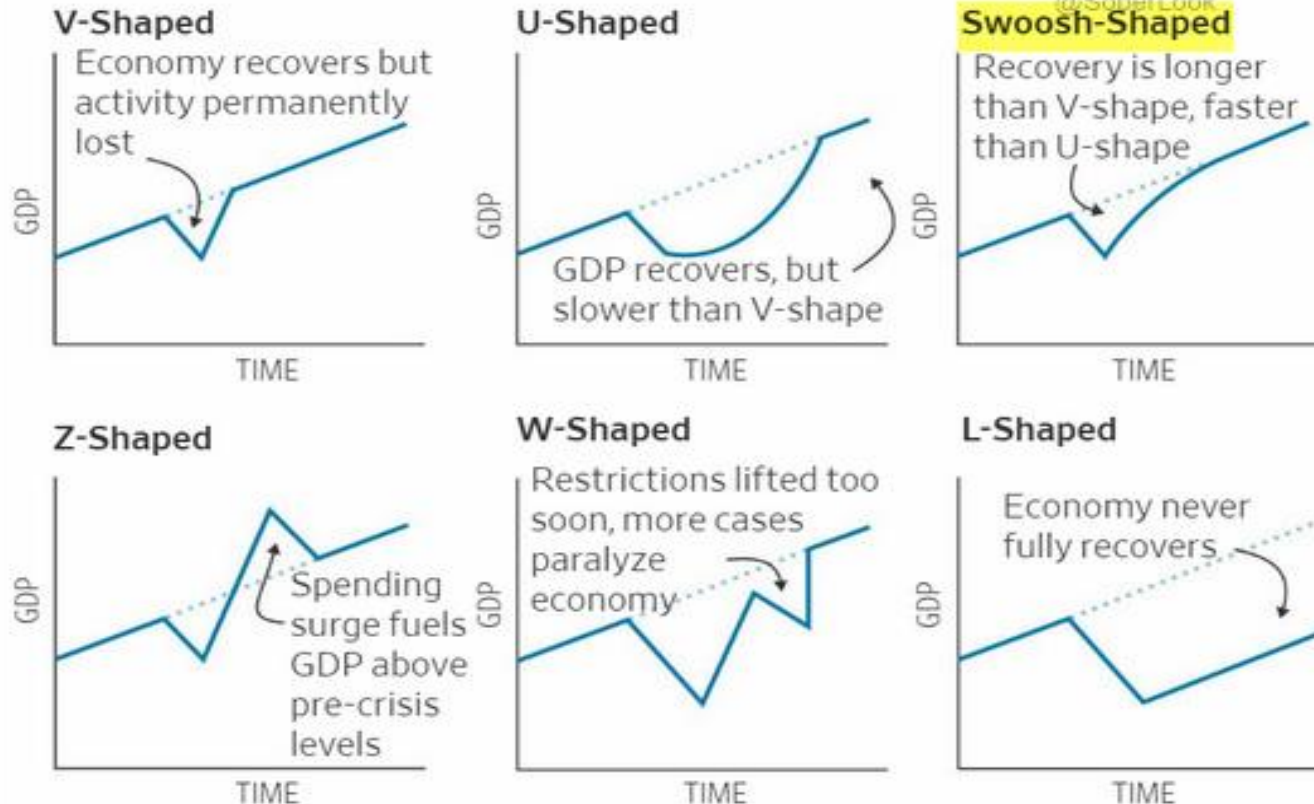
Note: This is an illustration of the balance of risks; arrows not in scale

Recovery Alphabet

Economists compare the shape of potential recoveries to letters of the alphabet, and a swoosh

Posted on
WSJ, The Daily Shot
14-May-2020

@SoberLook



Note: Recoveries are using sample data
Source: Brookings Institution

PMI-MANUFACTURING – ABSOLUTE LOWS

PMI Manufacturing

	2018												2019												2020				
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
World	54.1	53.9	53.1	53.3	53.0	52.8	52.6	52.4	52.0	51.9	51.8	51.4	50.6	50.5	50.5	50.4	49.8	49.4	49.3	49.6	49.8	49.8	50.3	50.1	50.3	47.1	47.3	39.6	42.4
Developed	56.2	55.7	54.8	55.1	54.7	54.4	54.0	53.8	53.6	53.2	52.8	52.3	51.7	50.3	49.9	50.2	49.2	48.9	48.6	48.7	48.6	48.7	49.5	49.1	49.8	49.5	45.9	36.8	39.5
Eurozone	59.6	58.6	56.6	56.2	55.5	54.9	55.1	54.6	53.2	52.0	51.8	51.4	50.5	49.3	47.5	47.9	47.7	47.6	46.5	47.0	45.7	45.9	46.9	46.3	47.9	49.2	44.5	33.4	39.4
Germany	61.1	60.6	58.2	58.1	56.9	55.9	56.9	55.9	53.7	52.2	51.8	51.5	49.7	47.6	44.1	44.4	44.3	45.0	43.2	43.5	41.7	42.1	44.1	43.7	45.3	48.0	45.4	34.5	36.6
France	58.4	55.9	53.7	53.8	54.4	52.5	53.3	53.5	52.5	51.2	50.8	49.7	51.2	51.5	49.7	50.0	50.6	51.9	49.7	51.1	50.1	50.7	51.7	50.4	51.1	49.8	43.2	31.5	40.6
Italy	59.0	56.8	55.1	53.5	52.7	53.3	51.5	50.1	50.0	49.2	48.6	49.2	47.8	47.7	47.4	49.1	49.7	48.4	48.5	48.7	47.8	47.7	47.6	46.2	48.9	48.7	40.3	31.1	45.4
Spain	55.2	56.0	54.8	54.4	53.4	53.4	52.9	53.0	51.4	51.8	52.6	51.1	52.4	49.9	50.9	51.8	50.1	47.9	48.2	48.8	47.7	46.8	47.5	47.4	48.5	50.4	45.7	30.8	38.3
UK	55.2	55.3	54.8	53.8	54.3	54.0	53.9	52.9	53.7	51.1	53.3	54.3	52.8	52.1	55.1	53.1	49.4	48.0	48.0	47.4	48.3	49.6	48.9	47.5	50.0	51.7	47.8	32.6	40.7
US	55.5	55.3	55.6	56.5	56.4	55.4	55.3	54.7	55.6	55.7	55.3	53.8	54.9	53.0	52.4	52.6	50.5	50.6	50.4	50.3	51.1	51.3	52.6	52.4	51.9	50.7	48.5	36.1	39.8
Japan	54.8	54.1	53.1	53.8	52.8	53.0	52.3	52.5	52.5	52.9	52.2	52.6	50.3	48.9	49.2	50.2	49.8	49.3	49.4	49.3	48.9	48.4	48.9	48.4	48.8	47.8	44.8	41.9	38.4
Emerging	51.8	51.9	51.3	51.3	51.1	51.2	51.0	50.8	50.3	50.5	50.7	50.2	49.4	50.5	51.0	50.5	50.4	49.9	50.1	50.4	51.0	51.0	51.1	51.0	51.0	44.6	49.0	42.7	45.4
China	51.5	51.6	51.0	51.1	51.1	51.0	50.8	50.6	50.0	50.1	50.2	49.7	48.3	49.9	50.8	50.2	50.2	49.4	49.9	50.4	51.4	51.7	51.8	51.5	51.1	40.3	50.1	49.4	50.7
India	52.4	52.1	51.0	51.6	51.2	53.1	52.3	51.7	52.2	53.1	54.0	53.2	53.9	54.3	52.6	51.8	52.7	52.1	52.5	51.4	51.4	50.6	51.2	52.7	55.3	54.5	51.8	27.4	30.8
Russia	52.1	50.2	50.6	51.3	49.8	49.5	48.1	48.9	50.0	51.3	52.6	51.7	50.9	50.1	52.8	51.8	49.8	48.6	49.3	49.1	46.3	47.2	45.6	47.5	47.9	48.2	47.5	31.3	36.2

➤ The manufacturing sector is recovering but remains deep in the red

PMI-SERVICES – ABSOLUTE LOWS

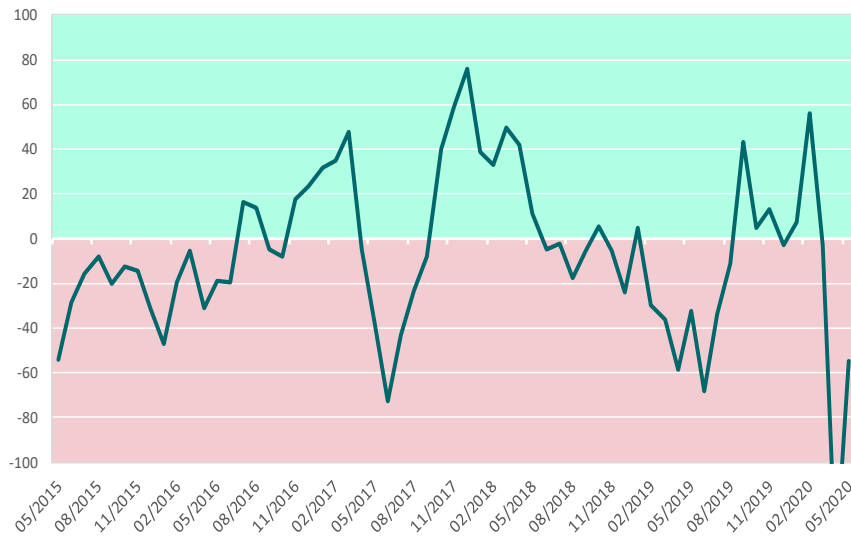
PMI Services

	2018												2019												2020				
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
World	54.2	54.8	53.2	53.8	54.3	54.6	54.0	53.5	52.9	53.4	53.7	53.0	52.6	53.3	53.8	52.8	51.6	51.9	52.6	51.8	51.4	51.0	51.6	52.0	52.7	47.1	36.8	23.7	35.2
Developed	54.3	55.3	53.4	54.2	54.9	55.3	54.4	54.1	53.2	53.9	53.7	52.8	52.5	53.8	53.8	52.5	51.6	52.0	52.7	51.5	51.3	50.7	51.1	51.9	52.7	49.7	34.9	20.9	33.0
Eurozone	58.0	56.2	54.9	54.7	53.8	55.2	54.2	54.4	54.7	53.7	53.4	51.2	51.2	52.8	53.3	52.8	52.9	53.6	53.2	53.5	51.6	52.2	51.9	52.8	52.5	52.6	26.4	12.0	30.5
Germany	57.3	55.3	53.9	53.0	52.1	54.5	54.1	55.0	55.9	54.7	53.3	51.8	53.0	55.3	55.4	55.7	55.4	55.8	54.5	54.8	51.4	51.6	51.7	52.9	54.2	52.5	31.7	16.2	32.6
France	59.2	57.4	56.9	57.4	54.3	55.9	54.9	55.4	54.8	55.3	55.1	49.0	47.8	50.2	49.1	50.5	51.5	52.9	52.6	53.4	51.1	52.9	52.2	52.4	51.0	52.5	27.4	10.2	31.1
Italy	57.7	55.0	52.6	52.6	53.1	54.3	54.0	52.6	53.3	49.2	50.3	50.5	49.7	50.4	53.1	50.4	50.0	50.5	51.7	50.6	51.4	52.2	50.4	51.1	51.4	52.1	17.4	10.8	28.9
Spain	56.9	57.3	56.2	55.6	56.4	55.4	52.6	52.7	52.5	54.0	54.0	54.0	54.7	54.5	56.8	53.1	52.8	53.6	52.9	54.3	53.3	52.7	53.2	54.9	52.3	52.1	23.0	7.1	27.9
UK	53.0	54.5	51.7	52.8	54.0	55.1	53.5	54.3	53.9	52.2	50.4	51.2	50.1	51.3	48.9	50.4	51.0	50.2	51.4	50.6	49.5	50.0	49.3	50.0	53.9	53.2	34.5	13.4	29.0
US	53.3	55.9	54.0	54.6	56.8	56.5	56.0	54.8	53.5	54.8	54.7	54.4	54.2	56.0	55.3	53.0	50.9	51.5	53.0	50.7	50.9	50.6	51.6	52.8	53.4	49.4	39.8	26.7	37.5
Japan	51.9	51.7	50.9	52.5	51.0	51.4	51.3	51.5	50.2	52.4	52.3	51.0	51.6	52.3	52.0	51.8	51.7	51.9	51.8	53.3	52.8	49.7	50.3	49.4	51.0	46.8	33.8	21.5	26.5
Emerging	53.7	53.4	52.6	52.7	52.5	52.7	52.9	51.7	52.1	51.9	53.7	53.6	52.9	52.0	53.7	53.4	51.7	51.6	52.2	52.3	51.7	51.7	53.1	52.2	52.5	39.7	42.1	31.5	41.4
China	54.7	54.2	52.3	52.9	52.9	53.9	52.8	51.5	53.1	50.8	53.8	53.9	53.6	51.1	54.4	54.5	52.7	52.0	51.6	52.1	51.3	51.1	53.5	52.5	51.8	26.5	43.0	44.4	55.0
India	51.7	47.8	50.3	51.4	49.6	52.6	54.2	51.5	50.9	52.2	53.7	53.2	52.2	52.5	52.0	51.0	50.2	49.6	53.8	52.4	48.7	49.2	52.7	53.3	55.5	57.5	49.3	5.4	12.6
Russia	55.1	56.5	53.7	55.5	54.1	52.3	52.8	53.3	54.7	56.9	55.6	54.4	54.9	55.3	54.4	52.6	52.0	49.7	50.4	52.1	53.6	55.8	55.6	53.1	54.1	52.0	37.1	12.2	35.9

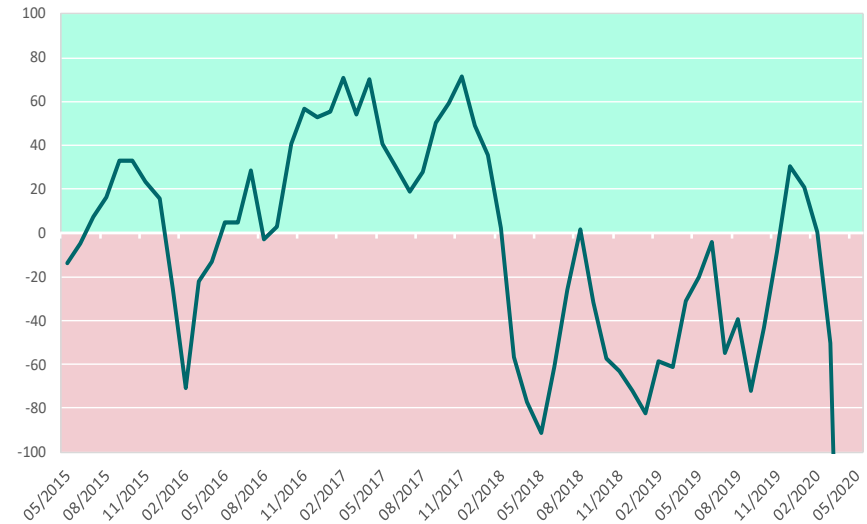
➤ The services sector is recovering but remains deep in the red

SURPRISE INDEX – THE ROAD TO RECOVERY IS UNDERWAY BUT CAN TAKE A LONG TIME

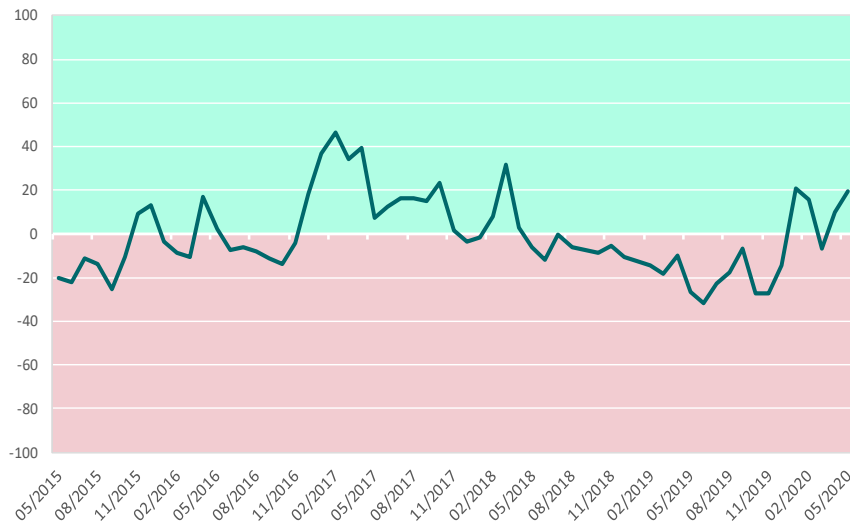
Citi Economic Surprise - United States



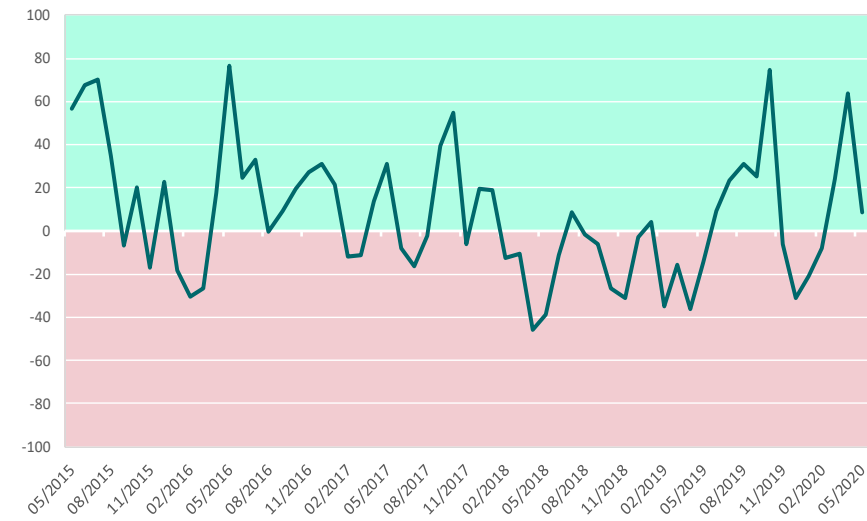
Citi Economic Surprise Index - Eurozone

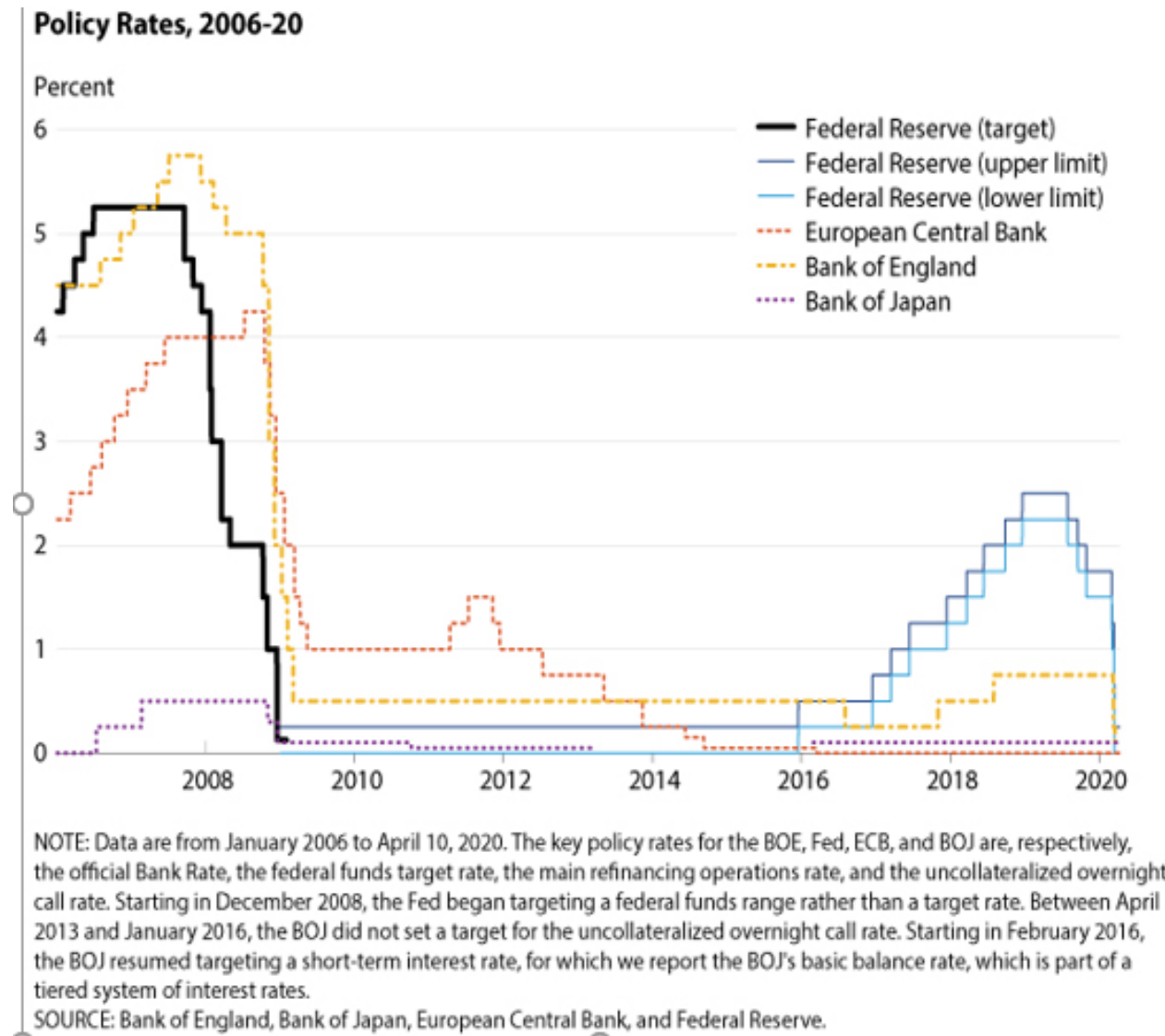


Citi Economic Surprise Index - Emerging Markets



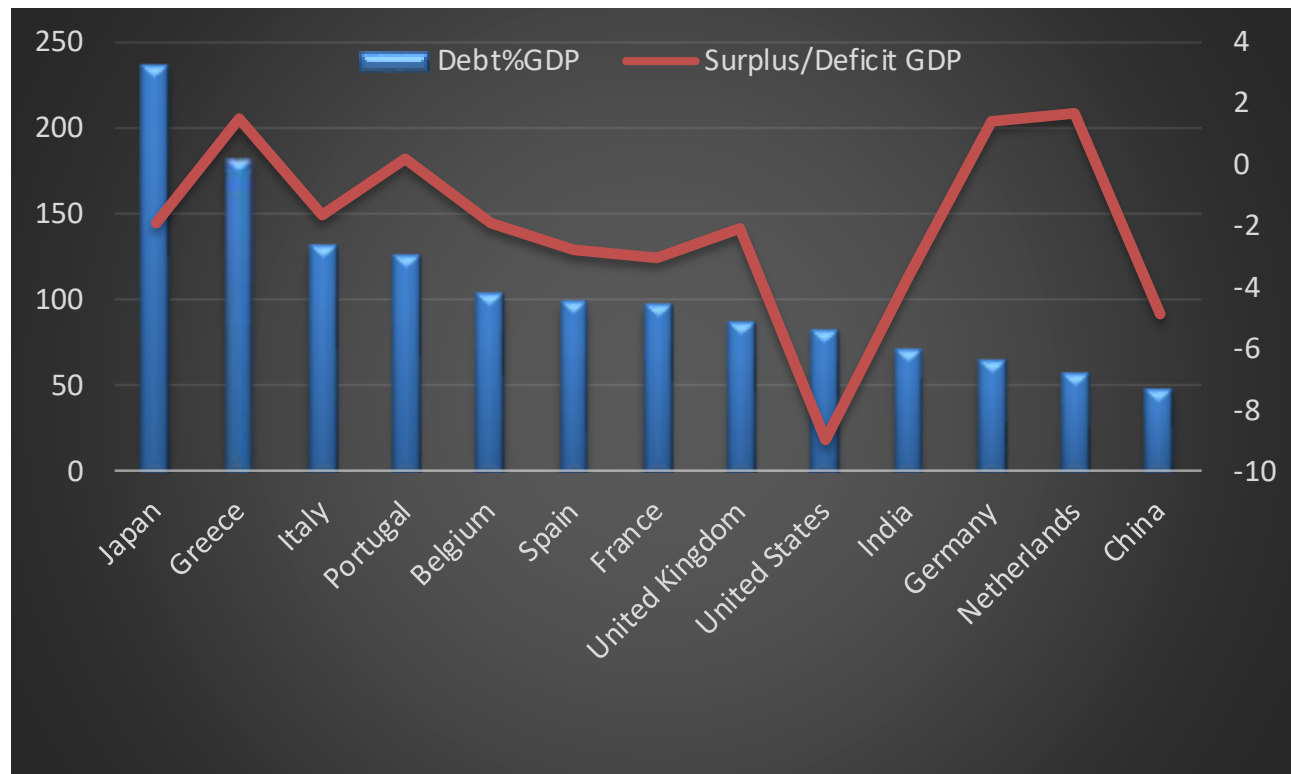
Citi Economic Surprise - Japan



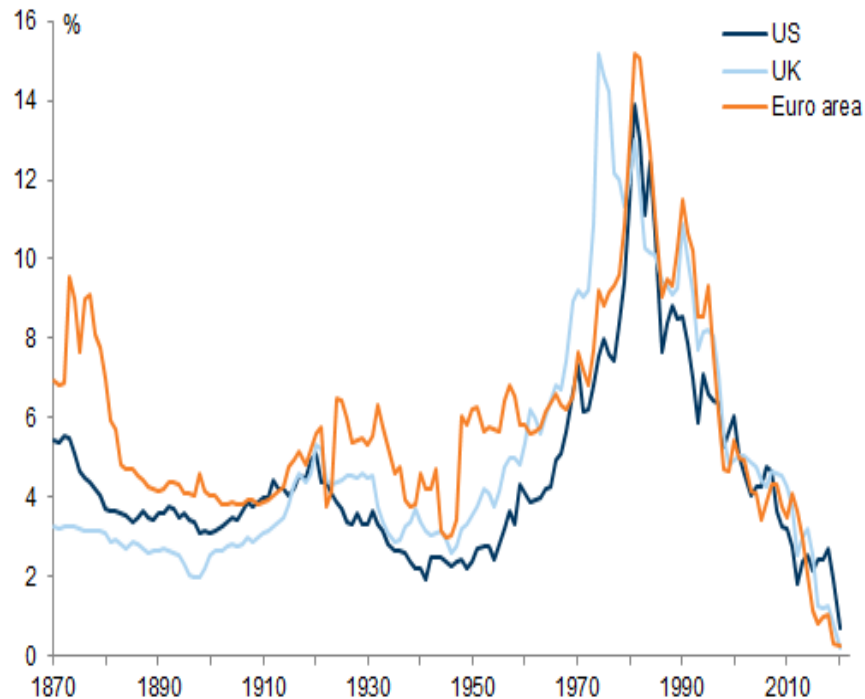




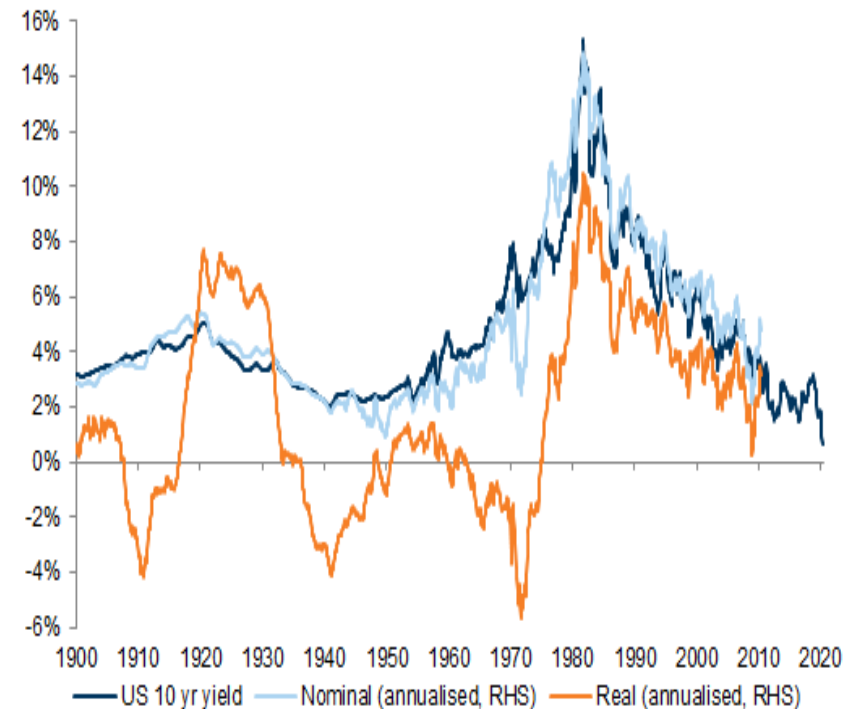
One day these debts will have to be repaid →
who will pay for this?



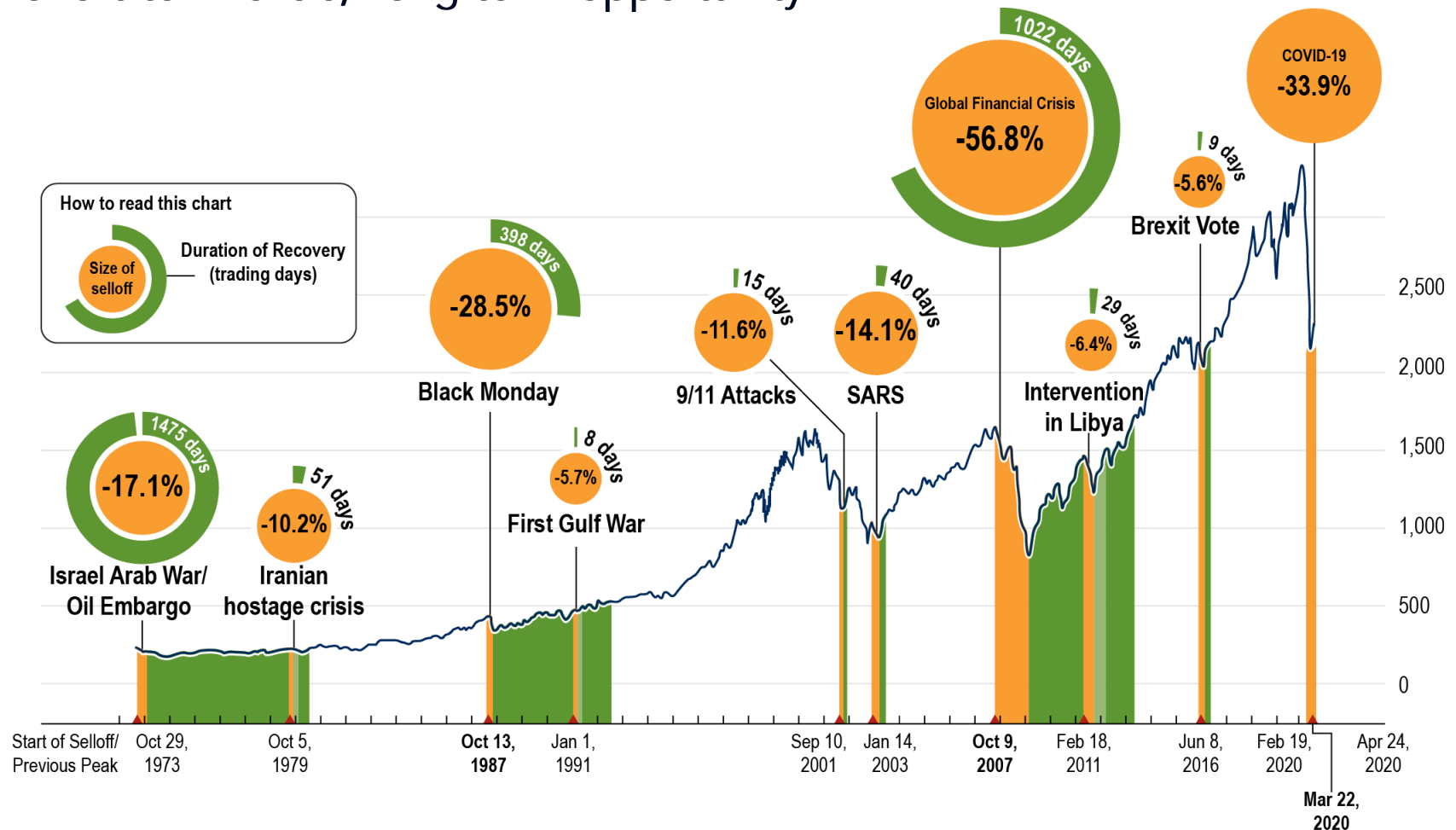
Long-term nominal bond yields in
DM economies

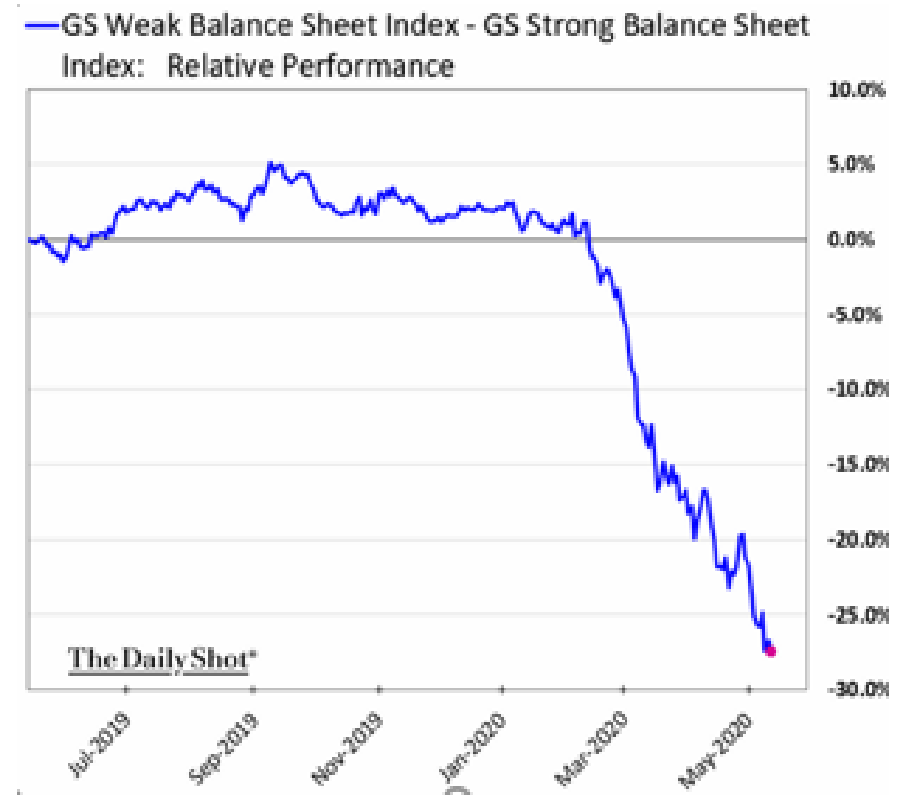


Bond returns are likely to be much
lower compared with the last decade

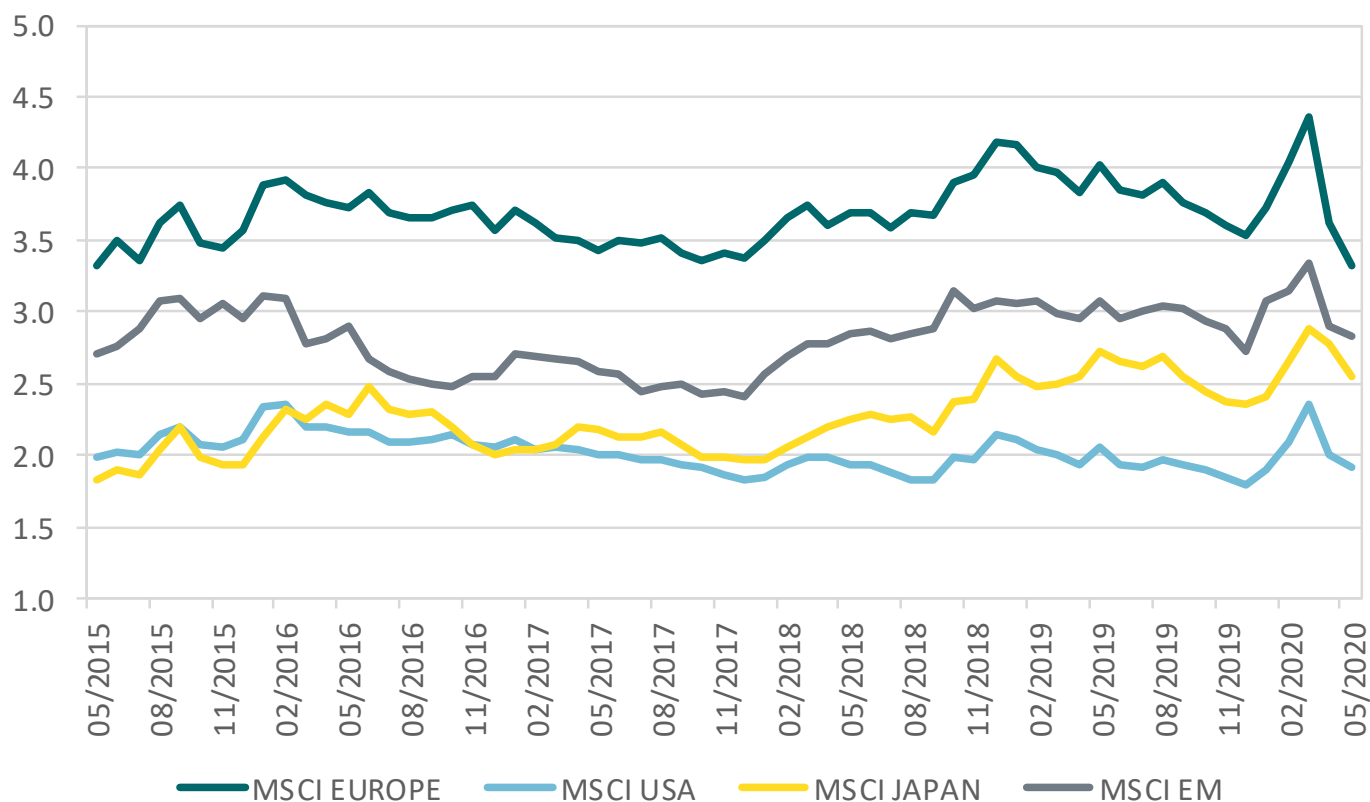


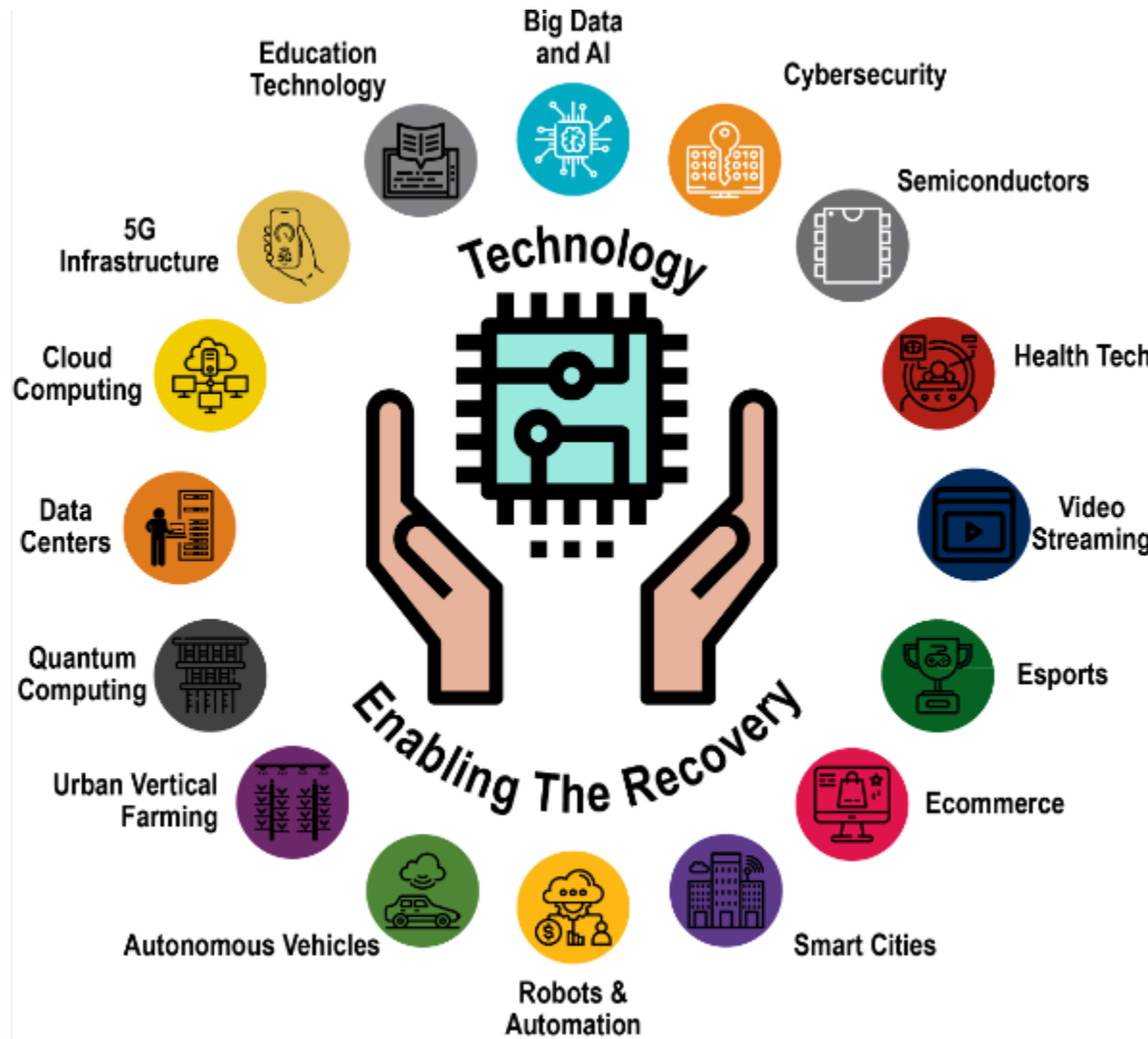
Short-term crisis, Long-term opportunity

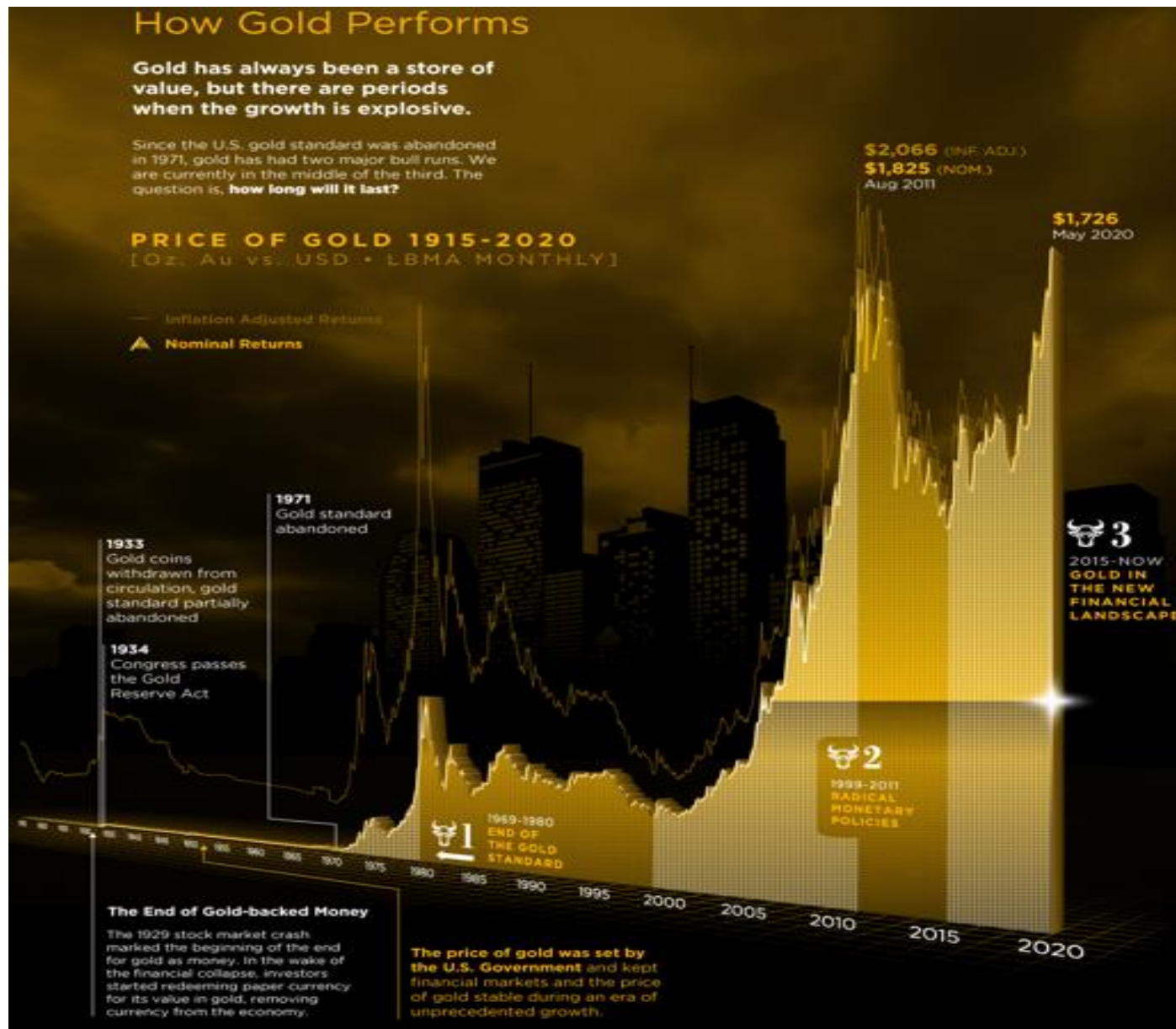


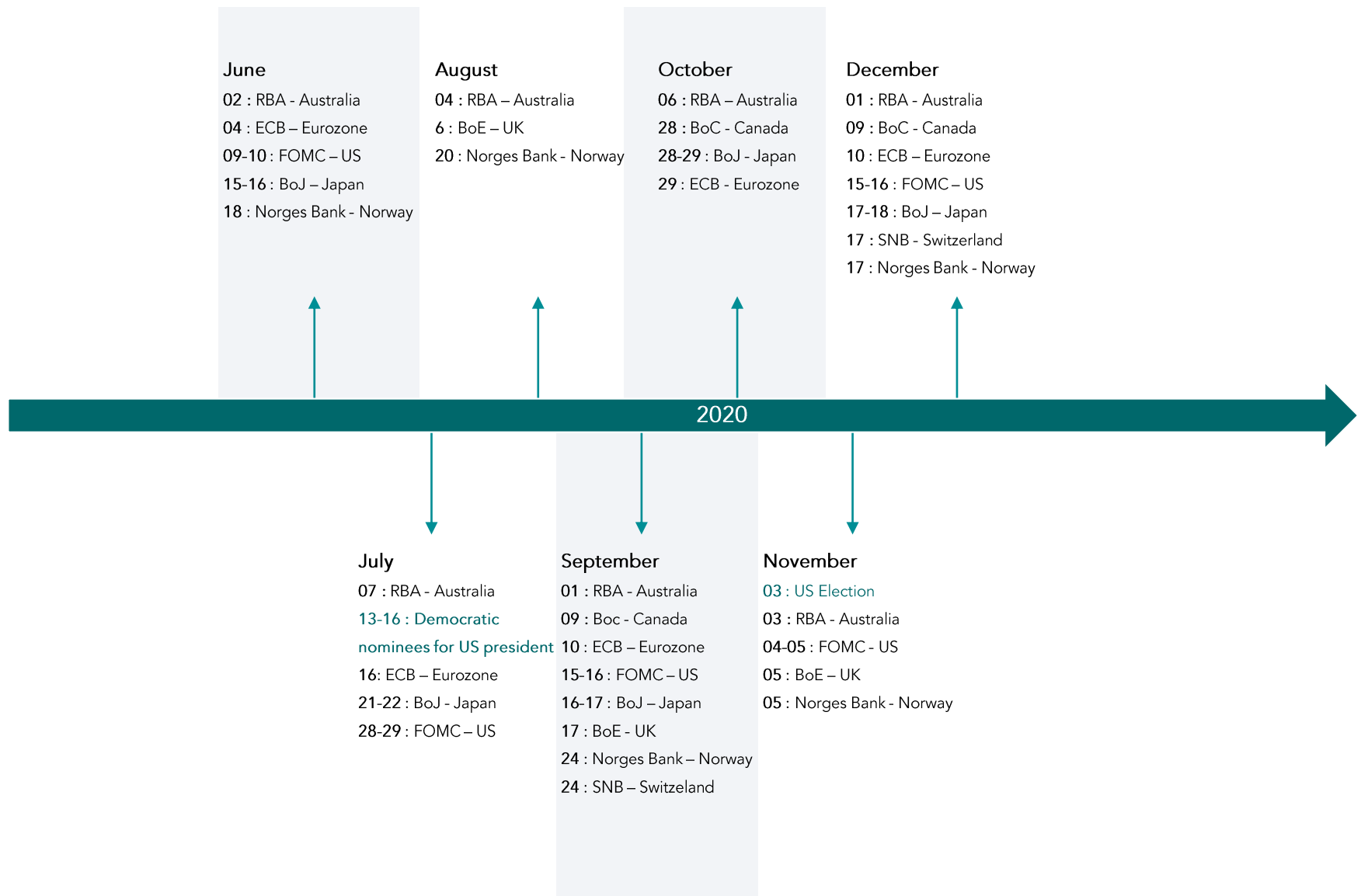


Estimated Dividend Yield









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