

Quarterly Investment Letter – Q2 2017

Q2/2017

The Reflation Trade Lifting Markets

Looking back at our latest Macro Outlook 2017 letter, published at the beginning of the year, we stated that Mr. Trump's U.S. presidency win would accelerate the global shift from monetary to fiscal policies, forcing Governments across the world to promote more pro-growth policies. This is what we are witnessing at the moment. Not only in the U.S. but also other countries and regions are starting to shift their mindset from austerity to growth initiatives, particularly in Europe.

The mindset change has resulted in **the majority of risky assets having a very profitable YTD-performance**, led by global equities and Developed Market corporate High Yield and Emerging Market bonds.

Chart 1: Equities, High Yield and Emerging Market Bonds



Source: Bloomberg / Marcuard Heritage / Alpinum Investment Management

One of the most significant risk factors for the year was the political uncertainty related to the rise of populism in Europe. After the Dutch election and the victory of Mr. Macron in the French elections, we feel now more comfortable that the feared populism wave in Europe is receding, although Italy might still cause issues.

Another significant risk factor we identified in our Macro Outlook 2017 was related to a potential escalation of tensions between the U.S. and China. Interestingly, Mr. Trump proved to have been willing to

Summary Points

- The first four months of the year were very positive for risky assets as investors focused on the positive impacts resulting from the U.S. upcoming pro-growth policies.
- Global equities posted a gain of +7.9% during the first four months of the year, with Emerging Markets leading the way on Chinese and commodities' stabilization.
- Europe, plagued by continuing banking problems and political uncertainty with the rise of populism, has been able to post stronger than expected economic numbers.
- The populist wave in Europe seems to be receding but we are cautious on Italy which is still in a precarious economic and political situation.
- Emerging Markets have finally turned the corner with corporate profits rebounding and commodities stabilizing.
- Emerging equities, but also Emerging Debt Bonds offer selectively attractive investment opportunities in local currency as the USD strength has started to fade.
- The global economic landscape has been very conducive for High Yield bonds. However, current tight credit spreads make the risk-reward less appealing.
- Corporate loans benefit from a strong economic backdrop and the "adjustable rate attribute" is in favor of this asset class when rates increase.
- US Government bonds lagged performance-wise as rising rates were a significant headwind. The outlook remains uninspiring.
- Gold has been recovering strongly on a YTD-basis even against rising interest rates, providing a hedge against potential inflation pressures.

quickly reverse his stance on many of his campaign's rhetorical speeches, and the **fear of a significant trade war between the countries has subsided** lately since the U.S. has softened its tone regarding China. Global trade may still suffer some headwind, but the fear of any significant collapse is low, unless there would be a coordinated global recession, which we feel is unlikely for 2017 and 2018.

The outlook for the rest of the year seems actually less uncertain from an economic and political standpoint than just a few months ago. However, the economic fundamentals will now have to live-up to high expectations.

Model Portfolio Positioning

Our Absolute Return model portfolio was positioned to profit from the global paradigm shift from monetary to fiscal policies and from austerity to pro-growth initiatives. We had expected that investors' mindset would turn optimistic and that it would translate into higher prices for all risky assets around the world. We had positioned the portfolios for this specific outcome and we steadily reaped the benefits with a significant **contribution coming from global equities, global corporate high yield and emerging market bonds.** (European) Equities got an "extra-boost" driven by the French election results.

Given our then positive short-term outlook for risky assets and their improved risk-reward on the back of the many pro-growth U.S. promised policies by the Trump administration, we managed the portfolio with a slightly higher risk than usual, to capture a significant part of our yearly performance target already in the first months of the year and giving us a performance cushion for the remainder of the year.

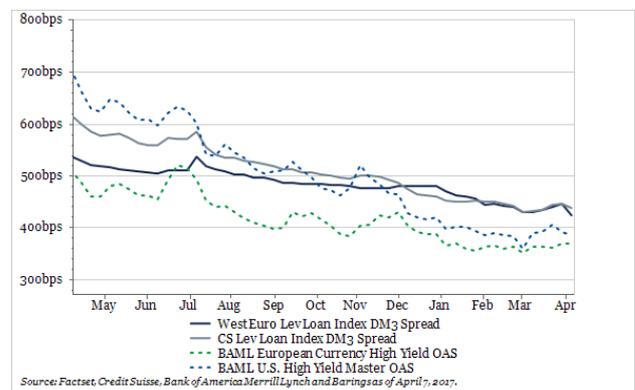
As the majority of risky assets reaching new highs we believe it is **reasonable to take some profits and we have therefore decreased some of the risk exposure going into the summer months.**

The markets are generally pricing a very optimistic scenario in the U.S. based on the different promised new policies surrounding corporate deregulation, corporate and individual tax cuts and significant infrastructure spending. Although we agree with the medium to longer-term positive impacts of such policies, we are skeptical that their approval and direct impact will happen and be felt as quickly and uneventfully as the markets seem to imply. This leaves plenty of room for disappointments, which could temporarily hurt U.S. and global risky assets, specifically the ones which have had a strong recent

performance. However, in such an event, we should **stand ready to buy on any equity or credit weakness.**

High yield bonds still provide interesting value and the economic environment is supportive for this asset class. However, given the recent price appreciation (while yields compressed significantly) the risk-reward is no longer as attractive as a few quarters ago. **At current valuation levels we favor loans over high yield bonds** as they offer us an additional credit spread (please see Chart 2 below for illustration), while we are at the same time positioned higher in the capital structure and are better protected in case of further accelerating interest rates (as loans bear adjustable interest rates) in the U.S. and Europe in the second part of the year.

Chart 2: Loans and High Yield Bond Credit Spreads



Source: Factset, Credit Suisse, BoAML, Barings

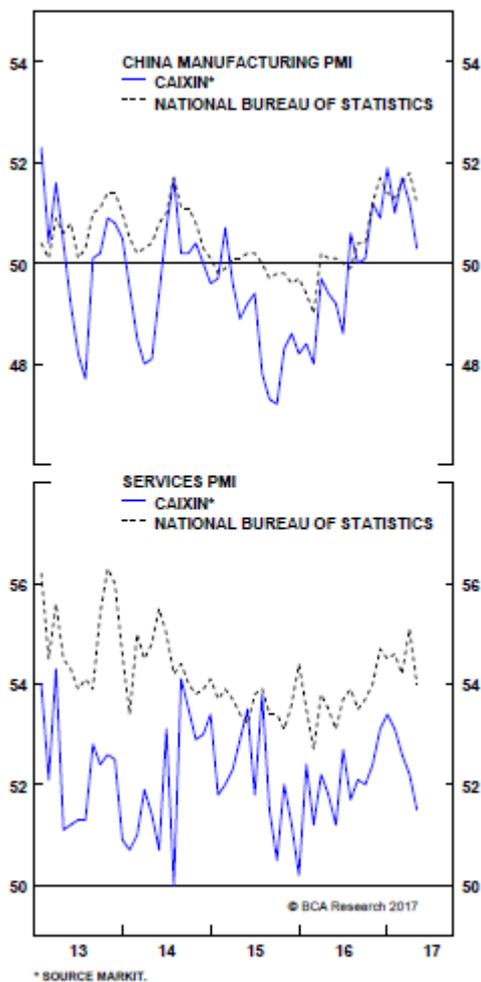
While we feared that significant volatility could be caused by the upcoming European elections, the better than expected European economic performance seems to have helped calm down this rising tide. Absent of new negative surprises for the remainder of the year, we believe **European equities are offering significant outperformance potential**, especially versus U.S. ones.

Emerging Markets in general have been recovering from years of collapsing energy/commodity prices, falling profit margins, declining growth in China and lackluster growth in U.S and Europe. Many investors rightfully feared a continued strong USD which would have put significant additional pressure on many Emerging Market countries but instead, the USD retreated significantly against many currencies, easing the pressure.

The Emerging Markets recovery has been led by a stabilizing Chinese economy which has also

helped many commodity prices to recover. However, since 2015, the Chinese economy has been stimulated aggressively by credit growth acceleration, to prevent a hard landing. While the strategy proved to be successful, such credit growth pace is unsustainable and the economy might soon experience what we could describe as a hangover and surprise to some extent the (EM) markets. Most recent PMI readings indicate that the inflection point has already been reached at the end of 2016 as it is also illustrated in chart 3 below.

Chart 3: Chinese PMI's



Source: Markit / BCA

It is possible that this negative effect will be compensated by a stronger than anticipated global recovery, especially in Europe or alternatively in the U.S. Otherwise, the evolving weaker Chinese economy would at least feed through a part of the emerging markets complex.

Regardless of the potential slower growth perspective for the Chinese economy, **the longer term prospects on Emerging Markets ("EM") are**

still very much intact, especially if growth in the developed economies firms up or stays at least robust. **EM equities** have underperformed in recent years and **offer today more upside potential** as compared to developed markets and specifically versus the U.S. We also **identify opportunities in EM fixed income and currencies**, but an investor should be very selective in choosing his investment themes as the divergence within the EM bloc is immense.

For example, we have been structurally positive for Indian assets (equities and bonds) for more than a year. More recently, with Prime Minister Narendra Modi's strong state election results in March, India's reform project is back on track. This success will enable the Prime Minister to continue with his pro-business policies, which include further initiatives against corruption or the swift implementation of the national Goods and Services Tax (GST), which will be favourable for Indian investments in general.

With respect to our **Indian bond exposure**, we held only tactical exposure for most of the past year as the global macro environment was simply too choppy. However, the top down-led "risk-on/-off" market behavior has faded somewhat in 2017 and correlations across EM countries have broken down. This favours bottom up driven investment themes and we identify a few attractive investment opportunities in the local emerging debt and rates market. Thereof, we continue to like our exposure in Indian government bonds, especially as the Rupee gets support by lower inflation pressure.

Chart 4: Performance of our Indian Bond exposure in USD



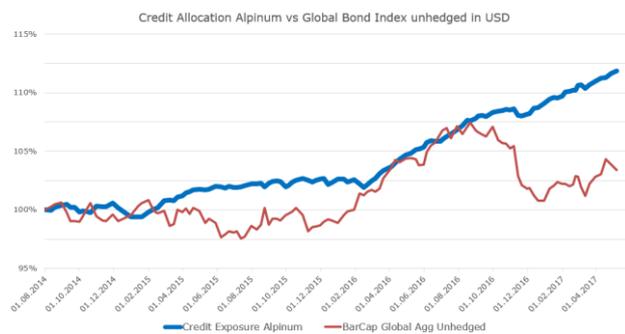
Source: Bloomberg / Alpinum Investment Management

In times of low nominal interest rates across the globe, Indian government bonds bear a very attractive nominal yield. For example, 10 year government bonds trade currently with a yield of 6.7% (and at 3.5% in real terms). We enjoy the attractive

nominal yield and feel comfortable in holding the local currency. This is based on the fact that the Reserve Bank of India (“RBI”) shifted its policy stance in early May from “accommodative” to “neutral”. This means that the Indian Rupee remains supported by high interest rates for the foreseeable future. Moreover, the inflation outlook remains benign, especially in case commodity and energy prices don’t resume their upside trend.

Our **fixed income allocation** has been **biased towards credit sensitive investments** since many years and this has well paid off. Our structural building blocs in US short term high yield bonds and European loans have been constant and **delivered attractive and relatively stable income**. This exposure gets complemented by opportunistic investment themes such as the just illustrated Indian bond exposure, our structured credit allocation or our holdings in subordinated debt of strong financial institutions. While our fixed income exposure showed very limited volatility, it still generated attractive performance as the following chart illustrates.

Chart 5: Alpinum Credit Exposure vs Global Bond Index

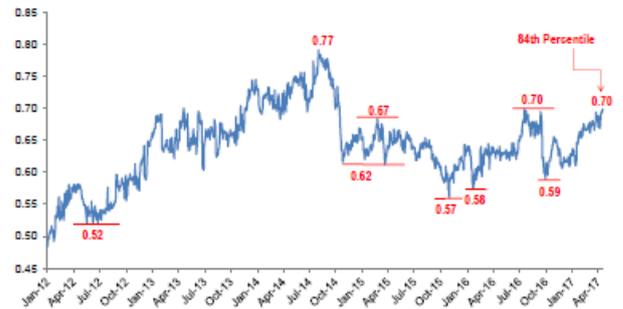


Source: Bloomberg / Alpinum Investment Management

Hedge funds performed well on a YTD basis helped by rising global equity and credit markets and also by having more visibility on what the FED intended to do with USD interest rates for the coming year. The dispersion between regions and sectors has been also helping equity long short funds, which have been able to generate returns that exceed +3% on a YTD-basis. More specifically, equity long short funds have increased their net exposures to the highest levels since 2014 and benefitted from the positive equity markets. The next chart from JPM shows that current levels are high in a historical context. Hence, should equity markets start to decelerate in scale, this would force hedge funds to

trim their long exposure and accelerate the selling pressure.

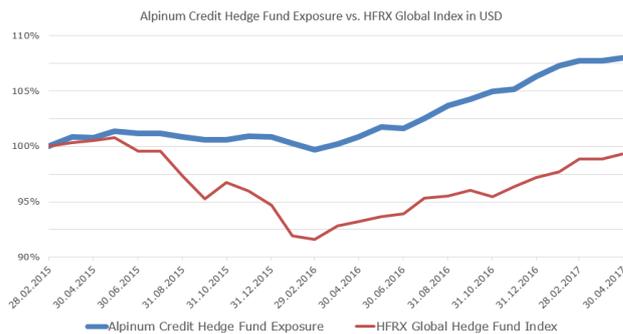
Chart 6: Historical Net Exposure (Equity clients of JPM)



Source: JPM Prime Finance

Our more conservative credit hedge funds and macro managers generated in aggregation a return of around +1.7% over the first four months of the year. Please see in chart 7 the performance of our credit centric HF allocation over the last two years.

Chart 7: Credit centric HF allocation vs HFRX Global Index



Source: Bloomberg / HFRX / Alpinum Investment Management

We expect that the **environment for hedge funds still offers an attractive risk-reward** given the relatively rich valuations of most fixed income securities (from government to corporate investment grade and high yield bonds) and U.S. equities. The **limited drawdown risk provided by our hedge funds** is an important feature to navigate the next few months until the U.S. can finally pass some of their important reforms and bills (tax, deregulation), Europe can get past the German (and potentially new Italian) elections without too much disruptive outcome and Emerging Markets can stabilize on a slower Chinese growth and consolidating commodity prices.

Absolute Return Mandates	Comments
Equities	
<ul style="list-style-type: none"> ▪ Start decreasing equities before summer while overweighting European equities over US equities and take some profits from Emerging Market equities. ▪ Buy U.S. equities on weakness with a bias to growth companies and larger/mid-cap firms as smaller caps would require a larger correction to become attractive again. 	<ul style="list-style-type: none"> ▪ U.S. equities will witness fundamental tailwinds in the coming quarters when Mr. Trump's policies will continue to be delayed and challenged in Congress. Equities are already richly priced on high expectations and the likelihood of disappointment is significant. ▪ European equities may continue to attract global investors as the economic recovery is stronger than anticipated and the political uncertainty is fading.
Credit / Fixed Income	
<ul style="list-style-type: none"> ▪ Do not yet consider Government bonds unless yields on Treasury 10-year reaches close to 3% levels. Buy some US Investment Grade bonds if yields increase and credit spreads are generally slightly wider. ▪ Focus mainly the allocation to US/European loans or to called bonds (to be repaid in a few months). U.S. and European High Yield bonds are currently very rich; favour short term maturities and add longer terms bonds on weakness only. ▪ Emerging Market bonds, still offer pockets of opportunities, with local currency bonds being favoured over hard currency bonds. ▪ Financials via investing into their lower-ranked bonds (for example: preferred securities) still offer great value as banks are recapitalizing and the expected fiscal and de-regulation policies are also positive factors. 	<ul style="list-style-type: none"> ▪ U.S. interest rates should trend steadily higher over time but we expect some retracements when they move upwards too quickly versus the fundamentals as was the case during the first quarter. ▪ Pro-growth policies in the U.S. will continue to support high yield bonds/loans as these companies will be able to increase their sales and margins but loans offer better value at the moment. European credit markets are also enjoying some positive economic developments but watch-out for the ECB hinting about tapering its QE program as it will rattle Government bonds. ▪ Selective Emerging Market bonds in local currency offer investors dual income sources with the yield of the bond and the currencies' potential appreciation. ▪ Consider harvesting the generous premium from illiquid investments such as corporate and personal direct loans.
Alternatives	
<ul style="list-style-type: none"> ▪ Credit long-short strategies, with normalizing interest rates, should continue to do well while equity long-short should continue to benefit from the increased performance dispersion between sectors, mainly in the U.S. and Europe. ▪ Asian-equity long-short funds have had an easier first quarter in 2017 but expected renewed volatility surrounding Chinese and commodity exporting countries might prove more challenging, although it is still a safer way to invest into Asian equities. 	<ul style="list-style-type: none"> ▪ With the FED's normalizing rates, Credit long-short managers will experience a lot more price dispersion between different bonds and are consequently expected to continue to have many opportunities to generate interesting risk-adjusted returns. ▪ Global macro managers should also have more opportunities with the diverging global monetary and fiscal policies between countries.
Real Assets	
<ul style="list-style-type: none"> ▪ Gold might still offer some value but do not expect much more than 1350 - 1400 USD levels. 	<ul style="list-style-type: none"> ▪ As we expected, the gold price has rebounded from the lows but we do not expect much more price appreciation unless inflation expectations would significantly surprise on the upside.

Long Only Mandates	Comments
Equities	
<ul style="list-style-type: none"> ▪ Start decreasing equities before summer while overweighting European equities over US Equities and take some profits from Emerging Market equities. ▪ Buy U.S. equities on weakness with a bias to growth companies and larger/mid-cap firms as smaller caps would require a larger correction to become attractive again. 	<ul style="list-style-type: none"> ▪ U.S. equities will witness fundamental tailwinds in the coming quarters when Mr. Trump's policies will continue to be delayed and challenged in Congress. Equities are already richly priced on high expectations and the likelihood of disappointment is significant. ▪ European equities may continue to attract global investors as the economic recovery is stronger than anticipated and the political uncertainty is fading.
Credit / Fixed Income	
<ul style="list-style-type: none"> ▪ Do not yet consider Government bonds unless yields on Treasury 10-year reaches close to 3% levels. Buy some US Investment Grade bonds if yields increase and credit spreads are generally slightly wider. ▪ Focus mainly the allocation to US/European loans or to called bonds (to be repaid in a few months). U.S. and European High Yield bonds are currently very rich; favour short term maturities and add longer terms bonds on weakness only. ▪ Emerging Market bonds, still offer pockets of opportunities, with local currency bonds being favoured over hard currency bonds. ▪ Financials via investing into their lower-ranked bonds (for example: preferred securities) still offer great value as Banks are recapitalizing and the expected fiscal and de-regulation policies are also positive factors. ▪ Consider mortgage-backed securities and collateralized-loan-obligations (CLO) structures. Offering great additional yield over traditional corporate bonds. 	<ul style="list-style-type: none"> ▪ U.S. interest rates should trend steadily higher over time but we expect some retracements when they move upwards too quickly versus the fundamentals as was the case during the first quarter. ▪ Pro-growth policies in the U.S. will continue to support high yield bonds/loans as these companies will be able to increase their sales and margins but loans offer better value at the moment. European credit markets are also enjoying some positive economic developments but watch-out for the ECB hinting about tapering its QE program as it will rattle Government bonds. ▪ Selective Emerging Market bonds in local currency offer investors dual income sources with the yield of the bond and the currencies' potential appreciation. ▪ Consider harvesting the generous premium from illiquid investments such as corporate and personal direct loans.
Commodities / Forex	
<ul style="list-style-type: none"> ▪ Gold might still offer some value but do not expect much more than 1350 - 1400 USD levels. ▪ Oil prices might stay in the current trading range around 50 to 55 USD. 	<ul style="list-style-type: none"> ▪ Gold has recently traded solely on the basis of higher U.S. rates and stronger USD but a return of inflation pressure is definitely not priced-in by investors. Slightly increasing gold exposure on weakness could prove an interesting contrarian trade. ▪ The oil price is supported by OPEC-related cuts while the recovering global growth is also a positive. However, there is a lot of potential supply (mainly from U.S. shale oil) which is ready to hit the market when prices would be closer to 60 USD.

Asset Class Conviction Levels for Absolute Return Mandates

The below conviction table reflects the investment team's view of the absolute expected return of an asset class/strategy in relation to "cash".

Equities	Valuations	Corporate Profitability	Index Momentum	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
North America	Rich	Stable	Neutral	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Europe	Fair	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
China	Cheap	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Japan	Fair	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asia - Emerging Markets	Cheap	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others - Emerging Markets	Cheap	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Fixed Income	Central Banks Policy	Credit Spreads	Expected Default Rates	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
US - Treasury Bonds	Tightening	-	-	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Euro - Government Bonds	Stimulating	-	-	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
US - Investment Grade Bonds	Tightening	Rich	Rising	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Europe - Investment Grade Bonds	Stimulating	Rich	Stable	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emerging Market Local Currency	Mixed	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Emerging Market Hard Currency	Mixed	Rich	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
US High Yield / Loans	Tightening	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
European High Yield / Loans	Stimulating	Fair	Stable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Commodities	Cost of Production	Market Sentiment	Price Momentum	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
Gold	Neutral	Positive	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Hedge Fund: Strategies	HF Strategy Momentum	Equity Index Momentum	Sector Dispersion	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
Equity Long-Short	Positive	Positive	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Long-Short	Positive	Positive	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Event-Driven - Corporate Actions	Positive	-	-	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Global Macro	Neutral	-	-	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Hedge Fund: Regional Focus	Sector Dispersion	Equity Index Momentum	Corporate Activity Level	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
Hedge Fund: North America	Positive	Positive	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hedge Fund: Europe	Positive	Positive	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hedge Fund: China / Japan	Positive	Positive	-	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hedge Fund: Emerging-Markets	Positive	Positive	-	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Asset Class Conviction Levels for Long Only Mandates

The below conviction table reflects the investment team’s view of the relative expected return of an asset class in relation to traditional well-recognized benchmarks such as BarCap Global aggregates (bonds) and MSCI World (equities).

Equities	Valuations	Corporate Profitability	Index Momentum	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
North America	Rich	Stable	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
Europe	Fair	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	← <input type="checkbox"/>	→ <input checked="" type="checkbox"/>
China	Cheap	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
Japan	Fair	Improving	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
Asia - Emerging Markets	Cheap	Improving	Neutral	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
Others - Emerging Markets	Cheap	Improving	Neutral	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>

Fixed Income	Central Banks Policy	Credit Spreads	Inflation	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
US - Treasury Bonds	Tightening	-	Rising	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Euro - Government Bonds	Stimulating	-	Rising	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
US - Investment Grade Bonds	Tightening	Fair	Rising	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Europe - Investment Grade Bonds	Stimulating	Rich	Rising	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
US High Yield	Tightening	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
US Short Term High Yield	Tightening	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>
US Loans	Tightening	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
US Municipal Bonds	Tightening	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
European High Yield	Stimulating	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
European Short Term High Yield	Stimulating	Fair	Rising	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
European Loans	Stimulating	Fair	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
US/EUR Preferred Securities	Stimulating	Cheap	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
US/EUR Asset Backed Securities	Tightening	Cheap	Rising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Emerging Market Local Currency	Neutral	Fair	Mixed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	→ <input checked="" type="checkbox"/>	<input type="checkbox"/>
Emerging Market Hard Currency	Neutral	Fair	Mixed	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
Emerging Market High Yield	Neutral	Fair	Mixed	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commodities	Cost of Production	Market Sentiment	Price Momentum	Underweight	Conviction Level over 6 Months			Overweight
					←	Neutral	→	
Gold	Neutral	Neutral	Positive	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	← <input type="checkbox"/>	<input type="checkbox"/>
Oil (Brent)	Neutral	Neutral	Neutral	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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tax, accounting and regulatory issues before making any investments.

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