

January 23, 2019

# Interim Asset Allocation Committee – January 22nd 2019



The Investment Committee met today to assess our positioning in light of current market dynamics.

We find ourselves in a benign market context, with positive sentiment having made a comeback. In January, investors have demonstrated a renewed appetite for risk and are once again seeing the glass as half full. As a result, equities have made a firm recovery - since the S&P 500's nadir on Christmas Eve, it has clocked four consecutive weeks of gains, led by Financials, Technology and Industrials.

Now that we are out of the trough, we take this as an opportune moment to rebalance the risk across our portfolios and lock-in part of the profits realized on the equity exposure since December's lows. To do so, we will reduce our equity overweight in each risk profile – but we remain positive (i.e. overweight) on equities since our fundamental view is unchanged.

We keep the cash in high quality liquid bonds, because we did not want to engage it in another type of risk in the midst of the earnings season, and we wish to be able to deploy it again rapidly should the circumstances justify. But of course, we stand ready as well to cut risk further if we

see a clear deterioration in fundamentals, making our equity overweight irrelevant.

## Strategic Asset Allocation

09/01/2019		DEFENSIVE		LOW		MEDIUM		HIGH	
		Stance	Change	Stance	Change	Stance	Change	Stance	Change
Global Allocation	Equities	●	↔	●	↓	●	↓	●	↓
	Bonds	●	↔	●	↑	●	↑	●	↑
	Commodities	●	↔	●	↔	●	↔	●	↔
Currencies	EUR	●	↔	●	↔	●	↔	●	↔
	USD	●	↔	●	↔	●	↔	●	↔
	Other	●	↔	●	↔	●	↔	●	↔
Equities	Europe	●	↔	●	↓	●	↓	●	↓
	USA	●	↔	●	↓	●	↓	●	↓
	Japan	●	↔	●	↓	●	↓	●	↓
	Emerging Markets	●	↔	●	↓	●	↓	●	↓
Bonds	Government Bonds - Developed	●	↔	●	↑	●	↑	●	↑
	Corporate - Investment Grade	●	↔	●	↔	●	↔	●	↔
	Corporate - High Yield	●	↔	●	↔	●	↔	●	↔
	Emerging Market Debt	●	↔	●	↔	●	↔	●	↔
	Total Return	●	↔	●	↔	●	↔	●	↔
Commodities	Oil	●	↔	●	↔	●	↔	●	↔
	Gold	●	↔	●	↔	●	↔	●	↔

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