Risk and volatility concerns in 2017

Top risk concerns | % Market volatility Geopolitical risk 38 Interest rates

50

65

43

38

2017 (%)

35.5

31.5

22

Top sources of volatility Geopolitical events

US election

Interest rates

2017 allocation calls

2016 (%) 33.8 **Eauities** Fixed income 35 18 **Alternatives**

Real estate 7.4 5.1 Cash Others 0.6

6.2 4.5 0.2 NOTE: Institutional investors will increase equity allocations slightly, to 35.5 per cent from 33.8 per cent, and dial back on fixed income, to 31.5 per cent from 35 per cent. They will shift more towards alternative

investments raising their allocations to 22 per cent from 18 per cent of assets. Source: NATIXIS GLOBAL ASSET MANAGEMENT SUNDAY TIMES GRAPHICS