

# Active asset allocation views

Asset	Opportunity set	Change	Negative	Neutral	Positive	
<b>Main asset classes</b>	Equities/Bonds		○ ○ ○	○	● ● ○	
	Duration		● ○ ○	○	○ ○ ○	
	Credit		○ ○ ○	●	○ ○ ○	
	Commodities		○ ○ ○	●	○ ○ ○	
	Real Estate		○ ○ ○	●	○ ○ ○	
	Cash		● ○ ○	○	○ ○ ○	
	<b>Preference by asset class</b>	<b>Equities</b>	US large cap		○ ○ ○	○
US small cap				○ ○ ○	○	● ○ ○
Europe ex-UK				○ ○ ○	○	● ○ ○
UK			▲	○ ○ ○	●	○ ○ ○
Japan				○ ○ ○	○	● ○ ○
Asia Pacific ex-Japan				○ ○ ○	○	● ○ ○
Emerging markets				○ ○ ○	○	● ○ ○
<b>Real est.</b>			Direct Real Estate		○ ○ ○	●
		US REITs		○ ○ ○	●	○ ○ ○
<b>Sovereign fixed income</b>		US Treasuries		● ○ ○	○	○ ○ ○
		US TIPS		○ ○ ○	●	○ ○ ○
		Euro, core (Bund)		● ● ○	○	○ ○ ○
		Euro, periphery (BTP)		○ ○ ○	●	○ ○ ○
		UK Gilts		● ○ ○	○	○ ○ ○
		Japanese JGBs		○ ○ ○	●	○ ○ ○
		Canadian govt bonds		● ○ ○	○	○ ○ ○
		Australian govt bonds	▼	○ ○ ○	●	○ ○ ○
<b>Credit</b>		Investment grade		○ ○ ○	●	○ ○ ○
		US high yield		○ ○ ○	○	● ○ ○
		European high yield		○ ○ ○	●	○ ○ ○
		Emerging markets debt	▲	○ ○ ○	○	● ○ ○
<b>Foreign exchange</b>		USD		○ ○ ○	●	○ ○ ○
		EUR		○ ○ ○	○	● ○ ○
		GBP	▼	● ○ ○	○	○ ○ ○
		JPY	▲	○ ○ ○	●	○ ○ ○

NOTE: The asset class views apply to a time horizon of 12 to 18 months, based on data and information up to Sept 2017. They show relative direction and strength of conviction but are independent of portfolio construction considerations.