

Market Outlook IPE Investment Manager Expectations Indicator

- ▲ Rise ↑ Positive shift (from last month)
 ■ Stable – No view
 ▼ Fall ↓ Negative shift (from last month)

The IPE Investment Manager Expectations Indicator represents the results of a regular monthly survey of asset managers with one or more European segregated mandates. The 6-12 month views of the 96 respondents to this month's questionnaire for equities, bonds and currencies are shown below. For aggregated results and a commentary see the final page.

	Location	EQUITIES					BOND PRICES				CURRENCIES			
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£	
Aberdeen Asset Management	UK	■↓	▼↓	▼↓	■↓	■↓	■	■	▼	▼↓	▼	▼↓	▼	
ACT Currency Partner	Swi	▼	▼	■↑	■	▼	▼	▼	▼	▲	■	▲↑		
ACTIAM	Neth	▲↑	▲↑	▲↑	▲↑	▲↑	▼↓	▼↓	▼↓	▼↓	■	▲	■	
AEGON Asset Management	Neth	■	■	■	■	■	▼	■	■	■	■	■	■	
A.G. Bisset Associates	US	▼	▼	▼	▼	▼	▲	▼	▲↑	▼	▼	▼	▼	
Allianz Global Investors	Ger/UK	■	■	▼	■	■	▼	■	▼	■	■	■↓	▼↓	
Amundi	Fra	■	▲	■	■	■	■	▼↓	▼↓	■	■	■	▲↑	
Apo Asset Management	Ger	■	▼↓	▼↓	▼↓	■	▲↑	■	▲↑	▲↑	■	■	■	
ASR Vermogensbeheer	Neth	▲	▲	▲	▲	■↓	■	■	■	■	■	■	■	
AVANA Invest	Ger	■	■	■	■	■	■	■↑	■	▼	■	▲	■	
Aviva Investors	UK	■	▲	▲	■	■	▼	■	■	■	▲	▲	▲	
AXA Investment Managers	Fra	■	▼↓	▼	▲	■	▲↑	▼	■	■↑	▲↑	▲↑	▲↑	
Bankhaus Lampe	Ger	■	■↓	■	■	■↓	▼	■	▼	▼	■↑	▲↑	▼↓	
BankInvest	Den	■	▲	■	▲↑	■↓	■	▼↓	▼	▼↓	▲	▲	▲	
Bank Degroof Petercam	Bel	■	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■	
Bank Julius Baer & Co.	Swi	■↑	▲	▲	■↓	▲	▼	■↑	■	■↑	■↑	▲↑	▲	
Bank J. Safra Sarasin	Swi	▲	▼↓	▼↓	■	■↓	■↑	▼	▼	▼	▲	▲	■↑	
Baring Asset Management	UK	■↑	■↓	■	■↓	▲	▼	▼	▼	▼	■	■	▲	
BayernInvest	Ger	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	■	▼	
Berenberg Bank	Ger	■↓	▼↓	▼↓	▼↓	▼↓	▲↑	■	▲	▲	▲↑	■↓	▲↑	
BNP Paribas Investment Partners	Fra	■↓	▲	■↓	▲	▼↓	▼	▼↓	▲↑	▼↓	■↓	▲	▲	
BNY Mellon Asset Management	UK	-	-	-	■	■	-	▼	▼	-	-	■	■	
Candriam Investors Group	Lux	▼↓	▼↓	▼↓	▼↓	▼↓	■↑	■	■↑	■↑	▲	■↓	▲	
CBL Asset Management	Latvia	▼	▼	-	▼	▼	■	-	-	■	▲	-	-	
CM-CIC Asset Management	Fra	■↑	■↓	▼	■	■	■↑	▼↓	▲↑	▲↑	■	▲	▲	
Columbia Threadneedle Investments	US	▼↓	▲	▲	▲↑	▲	■	■	■	■	▲	▲	▲	
CPR Asset Management	Fra	▼↓	▲	■	■↑	▼↓	■↑	■↑	▲↑	■↑	■↓	▲	▼↓	
Credit Suisse	Swi	■	■↓	■	■	▼↓	■	■	▼	■	▲	■	■	
DekaBank	Ger	■	▲	▼	▲	▲↑	▼	▼	▼	▼	▲	▲	▲↑	
Deutsche Asset & Wealth Management	Ger	■	▲	▲	■	■	▼	■	▼	▼	▲	▲	▲↑	
DIAM International	UK	▲↑	■	■	▲↑	■	▲↑	■	▲↑	■	■↓	■↓	■↓	
Dynagest	Swi	-	-	-	-	-	■	■	■	■	■	■↓	■	
Eagle Asset Management	US	▲	▲↑	▲↑	▲↑	▲↑	▲	▲↑	▲↑	▲↑	▲	▲	▲↑	
Econopolis	Bel	■	▲	▲	▲	▲	▼	▼	▼	▼	▲	▲	▲↑	
Edmond de Rothschild AM	Fra	▼↓	▲	■	■	■	▼	■	▼	▲	▲↑	■	▲↑	
Erste Asset Management	At	■	■	■	■↓	■	■	■	■	■	■	▲↑	▼	
Eurizon Capital	It	■	■	■	■	■	▼	▼	▼	▼	▲	■	▲↑	
Falcon Private Bank	Swi	■	■	■	■	■	■	■	■	■	■	▲	▲	▲
Federated Investors	US	▲	▲	▲	▲	▲	▼	■	▼	▼	■	▲	■	
First Private Investment Management	Ger	■	▲	■	▲	▼↓	▼	■↑	■↑	▼	▲↑	▲↑	▲↑	
Fonditel	Spa	▼↓	▼↓	▼	▼↓	▼↓	■↑	■	▲↑	■	▲↑	▲↑	▲↑	
Generali Investments Europe	Ger/It	■↑	▲↑	■	■	■	▼↓	■	■	■	▲↑	■	▲↑	
GNB Gestao Activos	Por	■	■↓	■↓	■↓	■	▲↑	▲↑	▲↑	▲↑	▲↑	▲	■	
Groupama Asset Management	Fra	▲	▲	▲↑	■	■	▲	▲	▲	▲	▲	▲↑	▲↑	
Henderson Global Investors	UK	■	■	■	▲↑	■	■	■	■	■	▲	▲	▲↑	
Holberg Fondene	Nor	■↓	▲	■↓	▲	■↓	▼	■	■↑	■↑	▲	■↓	■	
Insight Investment	UK	▲↑	▲	▲	▲	▼↓	■	■	■	■	▲↑	▲↑	▲↑	
Invesco	Ger	▲	▲	▲	▲	▲	■	■	■	■	■	■	■	

Market Outlook

IPE Investment Manager Expectations Indicator

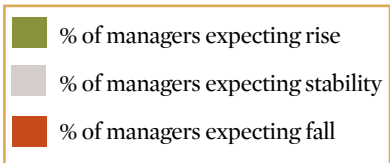
	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Investec Asset Management	UK	▲	■↓	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	▲↑	▲↑	▼
IPM Informed Portfolio Management	Swe	▼	▲	■	▼	▼	▲	▲	▼	■	▲↑	▲↑	▼↓
Irish Life Investment Managers	Ire	■	▲	■↓	■	■	▼↓	■	▼	■	▲	▲	■↓
La Française AM	Fra	▲↑	▲↑	▲↑	▲↑	▲↑	▼	▼↓	▼	▼	■	■↑	▼↓
Landesbank Baden-Württemberg	Ger	■↑	■↑	■↑	■↑	■↑	▲↑	■	■	■	■↓	■↓	▲↑
Legal & General Investment Mngt.	UK	▲	▲	▲	▲	▲	▼↓	■	■	▼↓	▲	▲	■
LGT Capital Partners	Swi	■	▲	■	■↑	▲↑	▼	▼	▼	▼	▲	■	■↓
LocalTapiola Asset Management	Fin	▼	▼	▼	▼	▼	▲	▲	▲	▲	▲	▲	▼
Lombard Odier Investment Managers	Swi	▲	▼	■	▲	■	■	▼	▲	■	■	■	▼
Lyxor Asset Management	Fra	■	▼↓	■	■	▼↓	■	■	▼↓	■	■	▲↑	▲↑
Mandarine Gestion	Fra	▼	■	■	▼↓	▼↓	▲↑	■↑	▲↑	▲↑	■	■	▲
MEAG	Ger	■	▲	▲	■↓	■	▼	▼	▼	▼	▼	▲↑	▼
Metzler Investment	Ger	▲↑	▲	▲↑	▲↑	■	▼	■	▼	■↑	▲↑	▲↑	▲
MFI Asset Management	Ger	■	■	■	■	■↑	▼	▼↓	▼	▼↓	▲↑	▲↑	▲↑
Mitsubishi UFJ Asset Management (UK)	UK	▲	▲	▲	▲	▲	▼	■	▼	▼	▲↑	▲↑	▼
Morgan Stanley Investment Mngt.	UK/US	■	▲↑	■↓	▼↓	▼↓	■↑	▼	▼↓	▼	▼	▼	■↑
Muzinich & Co.	UK	▼	▼	▼	▼	▼	▲↑	▲↑	▲↑	▲↑	▼↓	▼↓	▲↑
Natixis Asset Management	Fra	▲↑	▲↑	■	■	▼↓	▲↑	■	▼↓	▼↓	■↑	▲↑	▲
NN Investment Partners	Neth	▲	■↓	▲	■↓	▲	▼	▼	▼	▼	■	▲	■↑
Nomura Asset Management	Sing	▼	▼	▼	▼	▼	■	■	■	■	▼	▼	▼
Northern Trust Asset Management	US	▲	▲	▲	▲	▲	■	■	▼	■↑	■	■↓	▲↑
Oddo Meriten Asset Management	Ger	■	▲	▲	■	▲	▼	■	▼	▼	▲	▲	▲
OFI Asset Management	Fra	■	■↓	■	■↓	■	■	■	■	■	■	▲	▲
Optiminvest	Swi	-	-	-	-	-	-	-	-	-	▲↑	▲	▲↑
Ostrica	Neth	▲	■	▼	▲	▼	■	▼	▲	■	▼	■	▲
PATRIZIA	Ger	■	▲	▲	▲	■	■	■	■	■	▲	▲	■
PGIM Fixed Income	UK	▲	▲	■↓	▲	▲	■	■	■	■	▼	▼	▼
Pictet Asset Management	Swi	▼	▲	▲	■	▲↑	▲	▼	▼	▼	■	▲↑	■
PineBridge Investments	US	▼↓	■↓	▲	■	▼↓	■↑	▲	■	▲	▲	▲	▲↑
Pioneer Investments	It	■	▲	▲	▲	■	■	■	▼	▼	▲	▲	■
Principal Global Investors	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	▲↑	■
Robeco Group	Neth	■	■↓	▲↑	▼↓	▼↓	▼	▼↓	▼	▼	▲	▲↑	▲↑
Rogge Global Partners	UK	-	-	-	-	-	■	■	■	■	■	▲	▲
Russell Investments	US	■	▲	■	■	■	■↑	■	■	■	▲	▲↑	▲↑
Salus Alpha Capital	Liecht	■	■	■	■	■	■	■	■↓	■	■	■	■
SEB Investment Management	Den	▼	■	▼	▼	▼	■	■	■	▲	▲	▼	▼
Standard Life Investments	UK	■	▲	■	▼	■	▼	■	▼	▲	▲	▲	▲
Stone Harbor Investment Partners	US	■	■↓	■↓	■	■	■↑	■	■↑	■↑	▼↓	▲	■↑
Swiss Life Asset Management	Swi	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	▲	▲
Sycomore Asset Management	Fra	▼	■	■	■↑	■	■	■	■	■	■	▲	▲↑
Syz Asset Management	Swi	■	■↓	■	■↓	■	■	■	▼	■	▲↑	▲↑	■
TIAA	US	■	■↓	▼	■	▼↓	■	■	■	■	▲↑	▼	▲↑
UBS Global Asset Management	Swi/UK	▼	■↓	■↓	▲	■↑	▲	■	▼	■	▲	▼	■
Union Bancaire Privée	Swi	▲↑	■↓	■	▲	■↓	▲↑	▲↑	▲↑	▲↑	▲	▲	■
Union Investment	Ger	■	■	■	■	■	■↑	■↑	■	■	▲	▼	▲
Wells Capital Management	US	▼	▲	▲	■↑	▼	■↑	▲↑	▲↑	▲↑	▼↓	▲	▼↓
Woodman Asset Management	Swi	■↓	▲	▲	▲	▲	▲↑	▲↑	▲↑	▲↑	▲	■↓	▲↑
Zürcher Kantonalbank	Swi	▲	■↓	■↓	▼↓	▲↑	▼	■	▼↓	■	▲↑	■↓	▲↑
% predicting rise (previous month)		27 (24)	49 (63)	35 (40)	37 (41)	27 (33)	19 (7)	10 (5)	20 (6)	17 (9)	55 (43)	58 (48)	51 (27)
% predicting stability (previous month)		52 (55)	35 (27)	46 (44)	46 (45)	46 (54)	43 (45)	59 (66)	34 (46)	47 (55)	35 (41)	32 (38)	31 (48)
% predicting fall (previous month)		21 (21)	16 (10)	19 (16)	17 (14)	27 (13)	38 (48)	31 (29)	46 (48)	36 (36)	10 (16)	10 (14)	18 (25)

Market Outlook

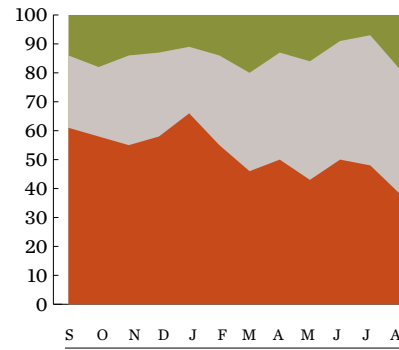
IPE Investment Manager Expectations Indicator
Summary of managers' expectations

Commentary by

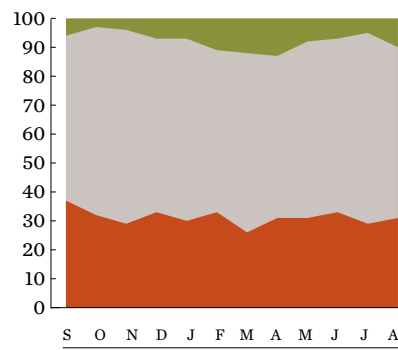
*Peter Laurelli,
Vice-president, global head of research,
eVestment*



\$ Bonds



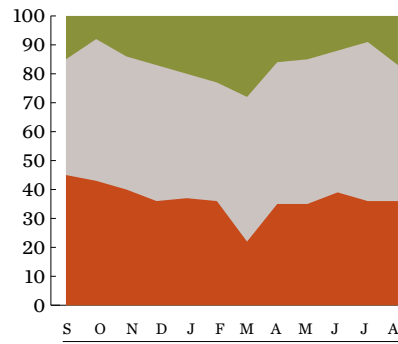
¥ Bonds



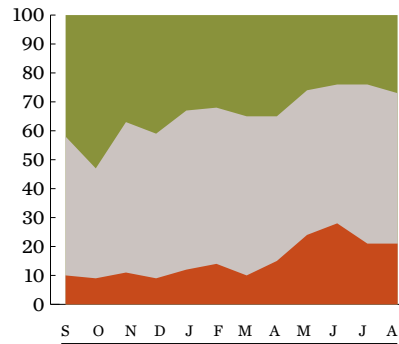
£ Bonds



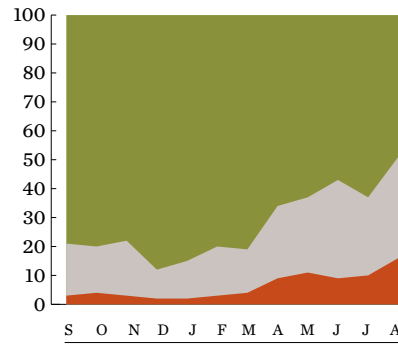
€ Bonds



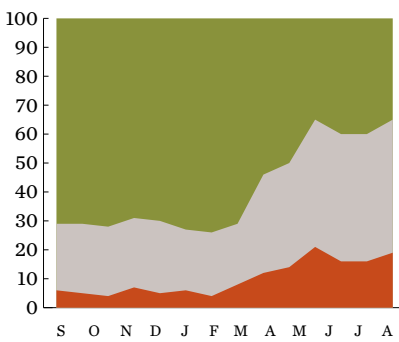
US equities



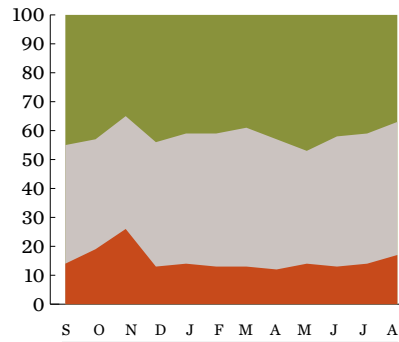
Euro-zone equities



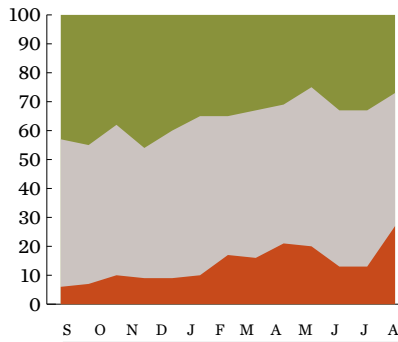
Japan equities



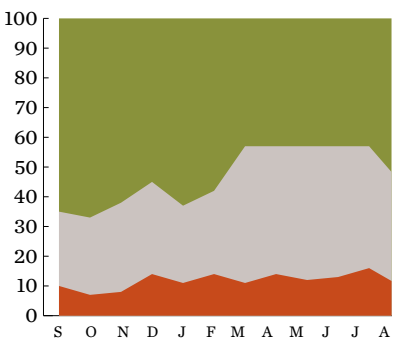
Asia equities



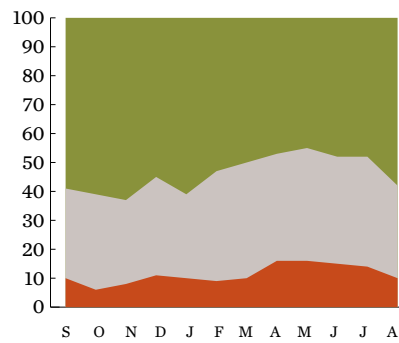
UK equities



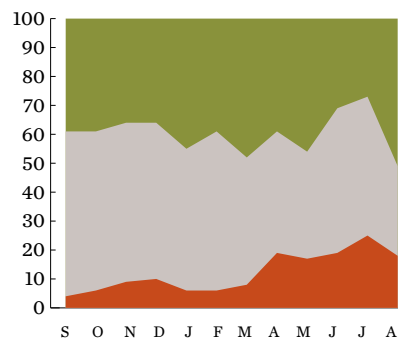
\$/€



\$/¥



\$/£



Overview

The expectation survey for August was completed in a post-Brexit market environment in which uncertainty was high, but cooler heads ultimately prevailed. Initial reactions caused a rebound in USD strength and an equity market sell-off, which was ultimately short-lived. Nevertheless, disrupted markets will influence expectations and results from the survey reflect managers' concerns towards riskier assets.

Bonds

The first very clear signal from managers was an expectation for rising allocations to bonds, which aligns mostly with the notion of a preference for safety amid uncertainty. The portion of managers anticipating bond prices to rise more than doubled from July. In aggregate across currencies, the level was the highest in more than 20 months. Sterling denominated bonds were expected to increase the most, followed by dollar, yen and euro bonds. Only expectations for euro denominated bond price appreciation did not surpass, or come close to surpassing recent historical high levels. Essentially, what had been a four-month trend of managers expecting bond yields to rise, was rapidly and significantly reversed in the wake of the unanticipated Brexit vote.

Equities

The other side of this equation, near-term risk aversion was that expectations for equity markets to rise dropped to their lowest level in at least the last twenty months. The trend here was not necessarily as set in prior months as it was for bond prices, however. Managers have been lowering their expectations for equity market gains for several months now, dating back to their recent high in June 2015. What the recent market activity did was reduce those expectations for gains by the second fastest rate in at least 20 months. Additionally, for the first time recently, the proportion of managers expecting euro-zone equities to rise fell below 50%, the last of the regional markets to break that consensus level. Interestingly, manager expectations for US equity market gains bucked the trend and rose by 3%.

Currencies

The last piece of the puzzle of what managers expected in the wake of the Brexit vote was related to monetary policy. The consensus was that the UK pound would devalue most significantly versus the US dollar, as the BOE would be expected to weaken the pound to support its economy. And, generally, that the US would be the least likely to weaken its currency, at least on a relative basis.