

Negative Correlations, Positive Allocations

The return of the inverse relationship between bonds and stocks allows for complementary and more diversified positions across asset classes. Multi-asset portfolios may be better positioned to target attractive returns while limiting volatility.

OVERALL RISK



We are overweight risk as the U.S. economy, like others, appears poised to achieve a soft landing. Though risks remain, namely fiscal policy implications from the U.S. election, inflation in the U.S. and other developed markets appears on track to return to target levels in 2025. Fixed income has recently resumed its traditional inverse relationship with equities, providing valuable diversification benefits and potential tailwinds for multi-asset strategies.

POSITIONING

EQUITIES



	Under	Neutral	Over	
U.S.	•	•	•	
Europe	•	•	•	
Japan	•	•	•	
Emerging markets	•	•	•	

OPPORTUNITIES

RATES



	Under	Neutral	Over	
U.S.	•	•	•	
Europe	•	•	•	
Japan	•	•	•	
Emerging markets	•	•	•	

CREDIT



	Under	Neutral	Over	
Securitized	•	•	•	
Investment grade	•	•	•	
High yield	•	•	•	
Emerging markets	•	•	•	

REAL ASSETS



	Under	Neutral	Over	
Inflation-linked bonds	•	•	•	
Commodities	•	•	•	
REITs	•	•	•	
Gold	•	•	•	

CURRENCIES



	Under	Neutral	Over	
USD	•	•	•	
Euro	•	•	•	
Yen	•	•	•	
Emerging markets	•	•	•	

1 U.S. equities is represented by MSCI USA Index.

2 Magnificent 7 consists of Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta, and Tesla.

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