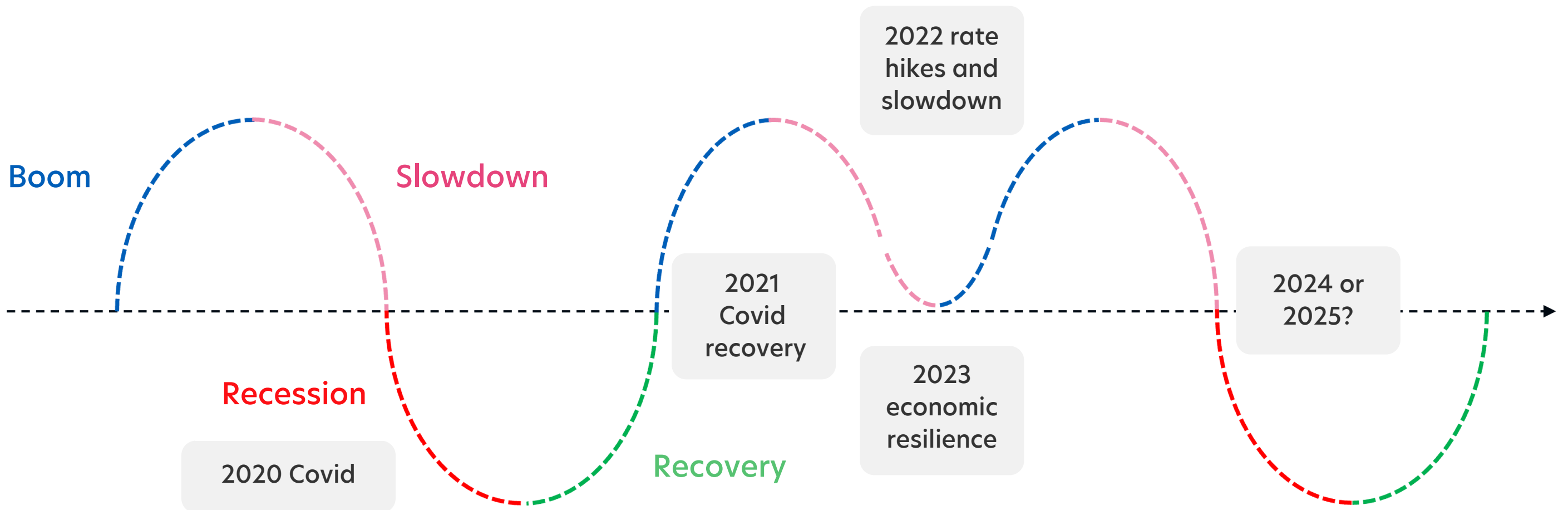


## Economic resilience continues to defy expectations

Despite aggressive rate hikes, a recession looks unlikely as global economies continue to expand



We think global economies are shifting to a new environment of higher-for-longer inflation and interest rates

**Higher-for-longer inflationary pressures**

**Higher-for-longer interest rates**

- **Deglobalisation** is eroding price efficiency gains
- **Climate change** requires expensive new investments in energy and carbon usage
- **Geopolitical tensions** suggest peace dividend is over

- **Interest rates** set to stay high to keep inflation at target levels
- **A new interest rate era** is emerging, with rates higher than the past decade

We remain positive on equities and investment grade bonds, negative on government bonds

Global asset allocation	--	-	N	+	++
Equities	○	○	▶	●	○
Fixed Income	○	○	●	◀	○
Commodities	○	○	●	○	○
Alternatives (hedged strategies)	○	○	●	○	○
Cash	○	●	○	○	○

++ Strong overweight + Overweight N Neutral - Underweight -- Strong underweight