CBH Compagnie Bancaire Helvétique

Quarterly Insight

Autumn Edition 2016

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ALLOCATION MONITOR

Allocation	Asset class	Segment	Currency	Position (Underweight / Neutral / Overweight)
15%	Cash			
46%	Government	1 - 5 years	USD	Underweight (5)
			EUR	Underweight (5)
		5 - 10 years	USD	Underweight (3)
			EUR	Underweight (3)
	Corporate Inv. Grade	1 - 5 years	USD	Overweight (3)
			EUR	Underweight (3)
		5 - 10 years	USD	Overweight (2)
			EUR	Underweight (2)
	Corporate High Yield	1 - 5 years	USD	Overweight (3)
			EUR	Overweight (3)
		5 - 10 years	USD	Underweight (1)
			EUR	Underweight (2)
	Emerging markets	Hard currency		Overweight (3)
		Local currency		Neutral
	Convertible	Global convertible		Overweight (4)
31%	Equities	North America		Underweight (1)
		Europe		Underweight (2)
		Japan		Underweight (2)
		Asia Pacific (ex-Japan)		Underweight (1)
		China		Underweight (2)
		Emerging Markets		Underweight (1)
3%	Precious metals	Gold		Underweight (1)
6%	Other investments	Other investments		Overweight (1)

Benjamin Graham, or any true value investor, would have had a hard time constructing an investment portfolio given current market valuations. Even though he would probably have been able to find a small number of good companies trading at compelling prices and offering reasonable upside potential, his analysis in terms of identifying investment opportunities from a top-down market perspective by looking at regional indices would be less scintillating.

A number of metrics are now pointing to an overextended market environment, displaying some signs of fatigue: expensive valuations, a divergence between the behavior of the DJ Industrial Index and the DJ Transportation (Dow Theory), a widening of the TED spread (the gap between the 3month USD Libor and the yield on Treasury bills of comparable maturity) only partially explained by changes in US money market regulations, an under-strain financial sector, subdued private sector investments (that don't seem to buy into a sustainable growth recovery story), a more complicated access to bank financing and a winding down of the capital restructuring process (share buybacks financed by new debt).

This environment is characterized by the alternation between "stable" market phases, supported by encouraging macro publications (unemployment rate, GDP growth, real estate market recovery) and "unstable" phases, brought about by negative news items, capable of causing bouts of panic and market volatility (US "fiscal cliff", the Deutsche Bank debacle, vulnerability of Italian banks, over-indebtedness of various states, Brexit…).

Taking into account the current low level of interest rates, the possibility of rates going up at a certain point and looking at company's financials with the same prudential approach that a retail bank would apply to gauge a private client's capacity of contracting a loan, the result would be quite unpalatable. One should integrate in one's models a higher cost of debt (which would erode EPS), lower discounted profits (and thus a lower share price) and therefore an increase in (already rich) valuations.

It's fair to estimate that the private sector would only partially be able to offset the negative effect of higher interest rates with higher productivity, which leads us to conclude that risks are skewed toward lower corporate profit margins and therefore lower share prices.

If fundamental analysis seems to emphasize a certain aridity of financial markets, which mathematically could be expressed by an asymmetric risk/reward profile, how can we justify the purchase of risky assets at this moment? How can we justify the historical high levels recently touched by some indices?

The explanation lies in a fundamental disconnect in favor of exogenous factors such as: the declining interest rate environment we have experienced (favoring corporate EPS and lowering the opportunity cost of holding shares instead of bonds), the substitution effect from coupons to dividends (who brought new flows on stock markets), the expansionary policies of central banks (that have caused distortions in the allocation of capital for private and institutional investors), the currency depreciation (currency war), the stock repurchase plans (financed via debt issuance) and the M&A announcements.

ALLOCATION COMMENTARY

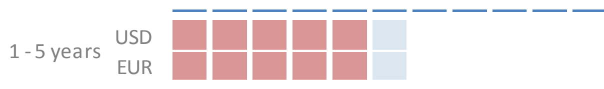
Investors are therefore facing a dilemma: keep high levels of liquidity in portfolios (with low or absent remuneration) or otherwise buy financial assets that appear to be overvalued? Our answer is clear: we favor liquidity, but are ready to buy on dips risky assets, as was the case in June, following the Brexit vote.

Therefore, we maintain a conservative approach on equities and wait for a correction to buy an additional 10% exposure (mainly in Europe, China and emerging markets). Compared to our benchmark, we have an equity exposure of 30% (vs 40% for our index) and display a relative underexposure of 25%.

On the fixed income side, assuming a negative net return, we continue to be significantly underweight government bonds and "investment grade" corporate bonds denominated in Euro. Expressed in dollars, the yields are slightly higher and range between 1.5% and 2% for bonds with a four years maturity and between 3% and 3.5% for bonds with longer maturities. This allows us to maintain our exposure to this segment.

In our quest for positive returns, we continue to favor the bonds called "crossover" (whose rating ranges between BBB- and BB-), emerging bonds denominated in hard currencies and convertible bonds that, albeit riskier, continue to show an attractive risk/return profile. We recommend investors to favor global diversified instruments such as mutual funds and exchange traded funds (ETF).

GOVERNMENT BONDS

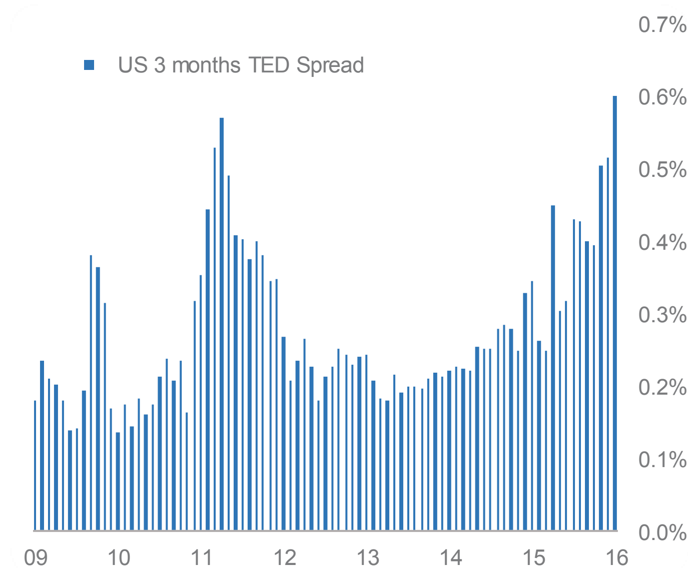


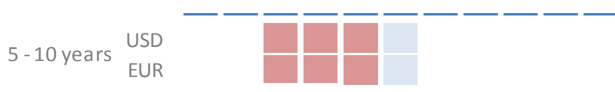
During the last quarter, short-term rates in major economies reached new all-time lows. However, volatility has started to increase and the effectiveness of ultra-dovish monetary policies remains doubtful. In fact, government short-term yields have rebounded in economies like Japan and Switzerland, who are adopting ultra-expansive monetary policies, and even in Europe it seems that the bulk of the move has already been done. The recent less sanguine speech by ECB President Mario Draghi, where he downplayed the need for more stimulus, seems to confirm this scenario. Recent volatility looks to us as a symptom, highlighting that creative unconventional monetary policies are reaching their limits and it is now time for more genuine fiscal policies to take the helm. Yield suppression is damaging the financial sector and increasing wealth inequalities, without generating apparent benefits in the real economy any more.

In the US, the rebound in short-term yields has been influenced by the increased probability of a forthcoming (second) rate hike before the end of the year, but also by technical factors. In fact, the 2014 money market reform continues to foster a shift out of prime money market funds into government-only money market funds. This shift reduces the supply of funds in the interbank market, causing a rise of the LIBOR rates, which explains the recent TED spread movement. Moreover, the decoupling of interbank rates from the Fed funds target rate could be seen as indication that the US central bank is losing control of the short end of the market. These factors are exerting upward pressures on yields.

US TED Spread

Source: CBH, Bloomberg Financial L.P.





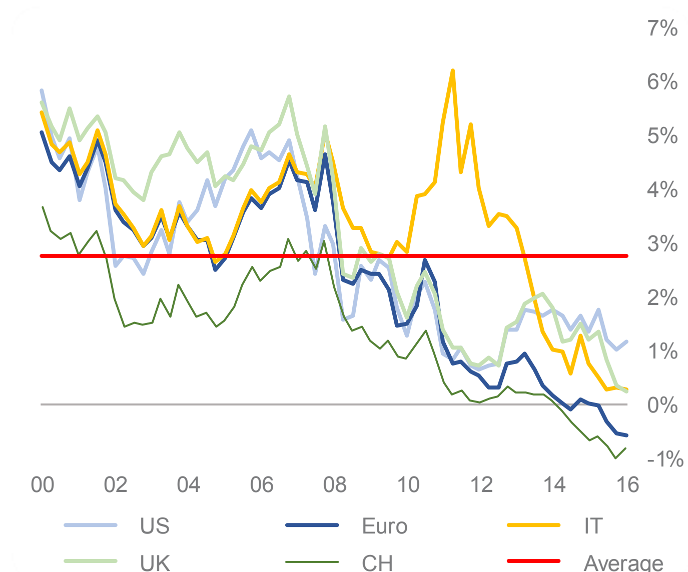
In our last quarterly edition, we wrote that yields were so low that it would have only taken a mild selloff to wipe out years of coupon payments. In fact, during the last quarter, we have witnessed a general increase in long term yields, especially in September. This happened not only in the US, where the FED has already expressed its intention to gradually normalize its monetary policy, but also in Europe and Japan. Ten year US Treasuries tested (unsuccessfully) the 1.75-1.85% resistance area, but a rebound (in 2017) in the direction of 2.0-2.2% does not seem to be an irrational scenario to us. Moreover, the forthcoming November US presidential elections and a potential new fiscal cliff debate could increase volatility in Q4.

The selloff had more damaging effects in European fixed income markets, which continue to be massively distorted by the ECB policy, and where the carry cushion is lower. Fixed income investors are short of options and are obliged to increase duration and credit risk in order to get positive expected yields. The risk/reward matrix is therefore highly negative for investors.

Even if the major (secular) trend remains positive and these distortions are likely to last for some time, we think that the risk/reward potential of this segment of the fixed income market is strongly asymmetric. Therefore, we maintain our underweight position on the asset class and we continue to prefer markets that are less influenced by central bank policies and where the yield cushion is more important.

5 YEARS INTEREST RATES

Source: CBH, Bloomberg Financial L.P.



INVESTMENT GRADE BONDS

Investment grade corporates continued to perform well during the last quarter.

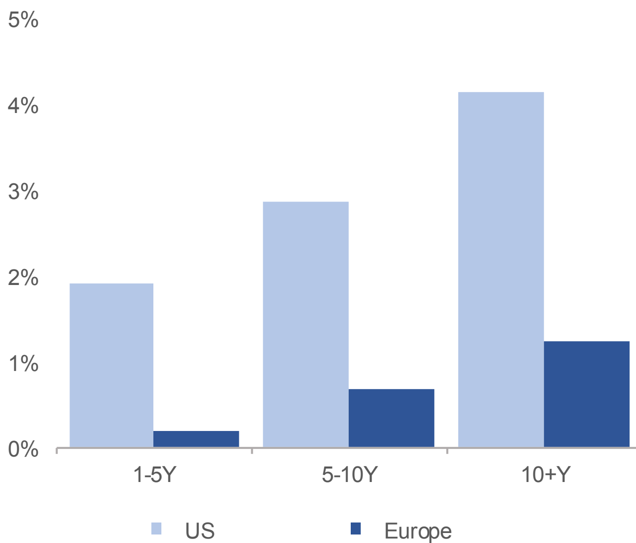
During the summer period, this asset class was sustained by strong technicals. In fact, demand continued to outpace supply and continued dovish central banks policies maintained yields at depressed levels.

However, during September, we have seen some more volatility in the corporate segment, as the market has increased the probability of a potential FED rate hike before the end of the year, while valuations are less compelling, considering that spreads have continued to tighten. That said, the shorter duration of this segment should diminish the price impact of a potential increase in yields/spreads.

In conclusion, we maintain a relatively positive outlook on the asset class, but we consider valuations to be less compelling as compared to the past. Within the asset class, we still prefer USD-denominated bonds to EUR-denominated ones. This is dictated by the higher yield and relative better liquidity of the former.

INVESTMENT GRADE CURVES

Source: CBH, Bloomberg Financial L.P.



Long-term corporate bonds have profited from the further fall in reference yield and positive technicals during the last quarter, but have shown some instability come September time.

In fact, valuations are now starting to look stretched after the strong rally registered by the asset class. Aggressive monetary policies remain the main driver of credit markets. The recent “inaction” of the ECB and the risk of a new FED rate increase have led to a mini selloff in the asset class in early September. It seems that credit market valuations are starting to outpace fundamentals and, therefore, the risk profile is becoming asymmetrical.

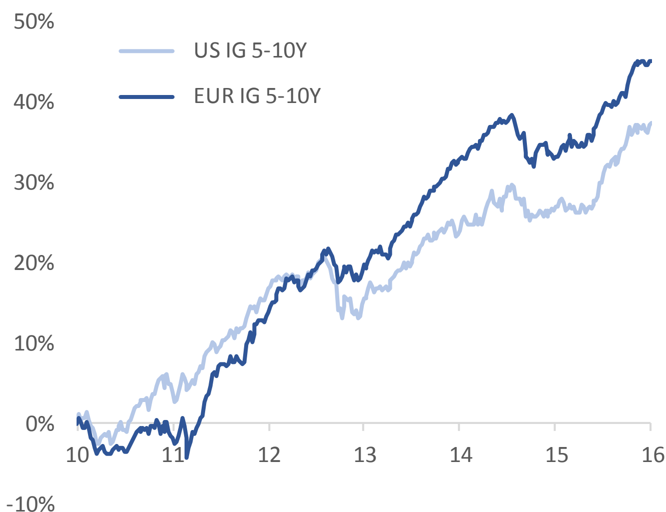
Moreover, fundamentals of the credit market have failed to improve recently. In fact, in the current low yield environment, managers generally have no incentive to deleverage, the rating drift (upgrade/downgrade ratio) is now clearly negative and the default rate is continuing to increase. Furthermore, we see several potential sources of short-term jitters: FED concerns, renewed oil market volatility, approaching US elections and potential fiscal cliff discussions.

Even if the investment-grade characteristics of the asset class should reduce risks in case of a selloff, we think that, after the strong rally, a more cautious outlook is now warranted. Take some profit and raise some cash to be deployed when valuations are more attractive. A risk-off trading environment could easily drive spreads some 10-20bps wider. In contrast, potential reward given today’s valuations looks more and more limited.

In conclusion, although we are not expecting a crash, we suggest to take some profit, to moderate duration risks and to privilege US (or EM IG) credit markets over EU ones.

INVESTMENT GRADE BOND TOTAL RETURN

Source: CBH, Bloomberg Financial L.P.



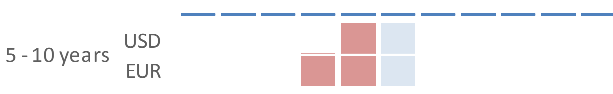
HIGH YIELD BONDS

US High Yield markets have been taking a break in early September, after two quarters of stellar performance which sent both the short and mid-to-long-term indices up some 13% YTD.

While the asset class remains compelling on a relative basis (yields and spreads are still quite a bit above historical lows), the investment case has certainly lost some of its attractiveness. It is worth mentioning that the US HY segment is strongly exposed to the oil and energy sector, whose yields are above average because of the fragility of the sector and the restructuring process it is going through since the refining crisis of the sector back in 2015.

As far as shorter maturities are concerned, it still makes sense for underinvested portfolios to look for individual issues in the higher range of HY ratings with a buy-and-hold perspective (we continue to provide individual suggestions as we have done regularly in the past). This is purely an income-seeking game at this point, as capital appreciation potential looks nearly exhausted to us.

In Europe, shorter term HY papers are harder to come by, despite a pick-up in new issuance. But with investment-grade companies issuing EUR-denominated debt with negative yields (Henkel, Sanofi), the rare issues in the higher bracket of the HY category represent worthwhile alternatives.



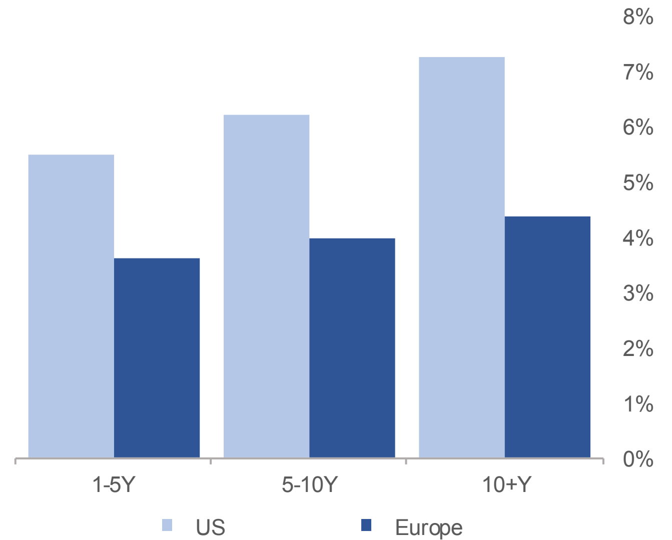
On the longer end of the HY spectrum, we are also less bullish than in the past couple of quarters, with selectivity coming to the forefront at this late stage of the rally. While refinancing risk should be lower than the norm, considering the low rate environment, it should be noted that fundamentals of the asset class are deteriorating and the rating drift (upgrades/downgrades ratio) is worsening, with increasing default rates. This is not an ideal cocktail for the asset class. Market operators seem to us as becoming too complacent and valuations are probably getting ahead of fundamentals.

The favorable environment for spreads has largely been a function of a strong technical environment, as low global yields and overseas central bank bond buying programs crowd out investors to alternatives like US HY. The rally is still supported by strong technicals, but should be monitored closely as these can change quickly.

European high yield has continued rallying, sustained by ECB dovish policies and a strong search for yield. Going ahead, we do not expect the sector to continue to perform as strongly as it has done in recent months, particularly with such low volatility. As such, we suggest to be cautious, to take some profit on lower rated single lines and privilege defensively positioned funds.

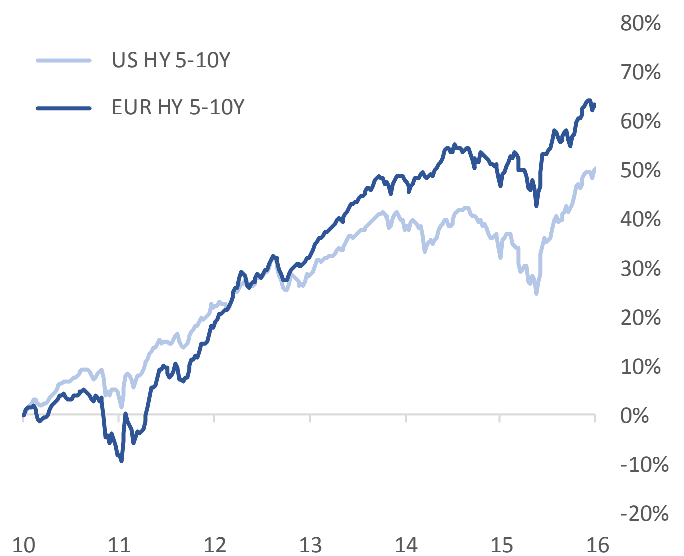
HIGH YIELD CURVES

Source: CBH, Bloomberg Financial L.P.



HIGH YIELD BOND TOTAL RETURN

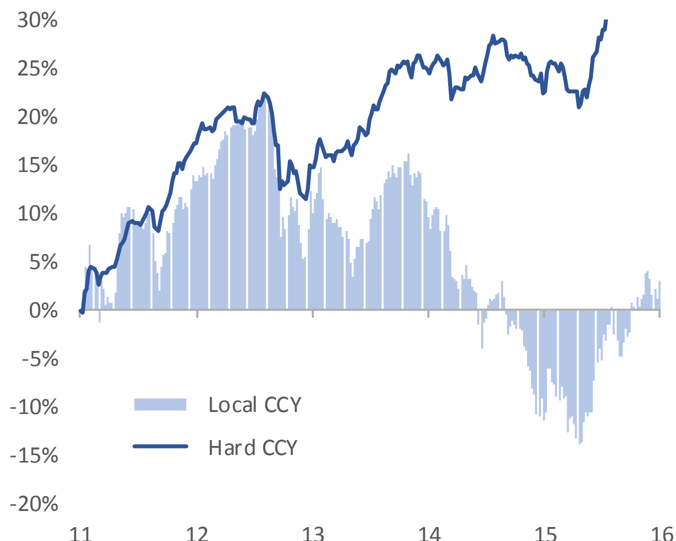
Source: CBH, Bloomberg Financial L.P.

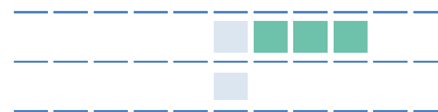


EMERGING MARKET BONDS

EMERGING MARKET BOND TOTAL RETURN

Source: CBH, Bloomberg Financial L.P.





Hard Currency

Emerging Market bonds have pursued their relentless rally in the third quarter of the year, due to further spread compression, despite Treasury yields picking up since early July. Investors have flooded EM fixed income funds and ETF's with new cash, given the backdrop of compelling valuations and improving fundamentals, later taken over it seems by the TINA ("there is no alternative") mentality, meaning that historically low yields in Western countries have forced investors to look for yield elsewhere – a situation that we have discussed on numerous occasions in these publications.

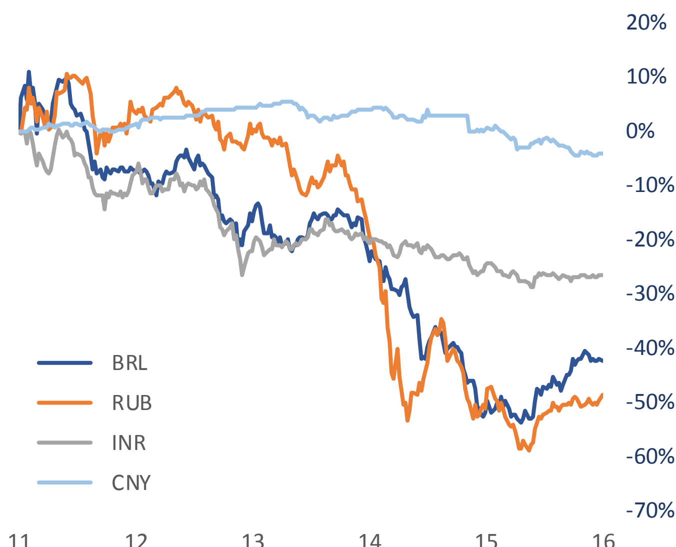
July's failed coup attempt in Turkey highlighted the additional geopolitical risk attached to this segment. In the past two years, two other EM economies have experienced geopolitical crises with severe repercussions with respect to their capital markets: Russia and the Ukraine/Western sanctions situation and the "Lava Jato" scandal in Brazil. These events illustrate the fact that premiums commanded by hard currency emerging bonds over Western peers are there for a reason.

While spreads on EM hard currency fixed income have tightened a fair bit, they remain quite far off the lows witnessed in the past decade, driving our still positive stance on this market, at least on a relative basis.

Appropriate diversification and instrument selection are of paramount importance when investing in the asset class, which is to say that we recommend using funds with a proven track record.

BRIC's CURRENCIES TOTAL RETURN

Source: CBH, Bloomberg Financial L.P.



Local Currency

Emerging local currency bonds as an asset class have staged a world-beating rally since early January (in parallel with some single currencies and commodities which have fared even better YTD – such as crude oil, gold, JPY, RUB, BRL).

It is no accident that emerging currencies and major commodities were moving in lockstep – a rebound rally in the latter was one of the reasons behind the move in the former. Other tailwinds for EM local currencies included a dovish Fed stance so far this year, fueling a return in risk appetite, as well as positive real rates in many of these currencies against a backdrop of stabilizing, if not improving, fundamentals.

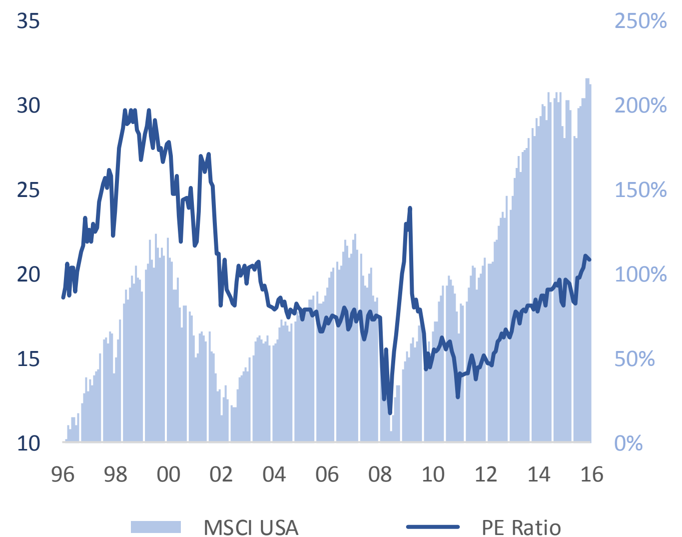
Since mid-August however, EM currencies have been taking a break in the face of renewed post-Jackson Hole US rate hike concerns and given the already impressive rally staged thus far this year. While recognizing that there are country-specific stories out there that look interesting in terms of investment narrative (Vietnam, Argentina can be mentioned), we reiterate our cautious stance on the asset class as a whole, especially given its current dependence on the still unclear path in US rates.

EQUITY

North America

MSCI USA vs P/E RATIO

Source: CBH, Bloomberg Financial L.P.



Since our last quarterly, US economic growth has picked up and continued progress in the labor market have "strengthened the case for an increase in the federal funds rate". Despite a weak residential housing investment, expectations for a return to above trend economic growth in 2017 should allow the Fed to reengage policy normalization at the end of the year.

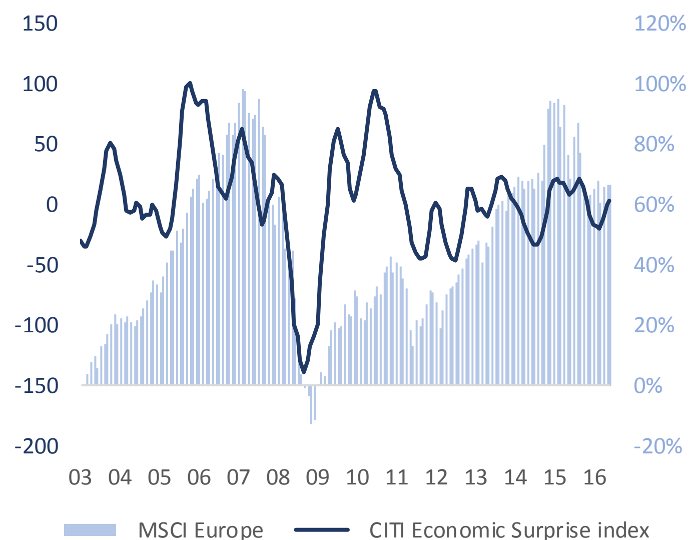
In that context, the US equity market, helped by the Fed and led by the Information Technology sector, has fought to stick at the top over the last three months. However, the charts clearly express a lack of fuel to relaunch a significant positive momentum. In fact, the coming months should be particularly volatile given the presidential elections, a potential fiscal cliff to solve as usual, and a materialization of the Fed policy normalization.

Therefore, we suggest to take profit on US equities at the current level and stay defensive for the time being. In a second step, given the US economic improvement, any significant correction would pull the market back to attractive levels. This would be taken as a buy signal, especially for Financials, which strongly underperformed the other sectors and should benefit from a normalized interest rate environment.

Europe

MSCI EUROPE vs CITI Economic Surprise Index

Source: CBH, Bloomberg Financial L.P.

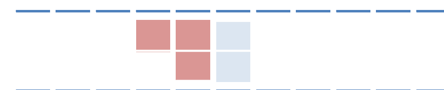


In contrast, the European situation does not show clear signs of improvement. In fact, the activity growth stays weak and mixed among European countries, the Brexit may finally have more negative impact than expected and the ECB policy faces frozen politicians and banks which do not play the game of the new TLTRO. If we add the coming elections in the area, with a significant risk of nationalism, the outlook over the coming months is not very positive.

However, since our last publication, the European equity market recovered as expected. But, too much macroeconomic headwind is restraining a sustainable market pick up. In addition, a strong negative pressure on the Automobile sector (Emission scandal) and on Financials (Italian banks and Deutsche Bank) did not help the equity market, leaving the DJ Eurostoxx 50 in red territory since the beginning of the year.

As a result, we decided to downgrade our view on the area. We think the last rebound is a good opportunity to take profits and wait for a correction to reenter the European equity market at a cheaper level. In fact, we will wait for the coming election results to see if there will be a potential team building between European leaders and the ECB which could durably boost European growth.

EQUITY (ASIA AND EMERGING)



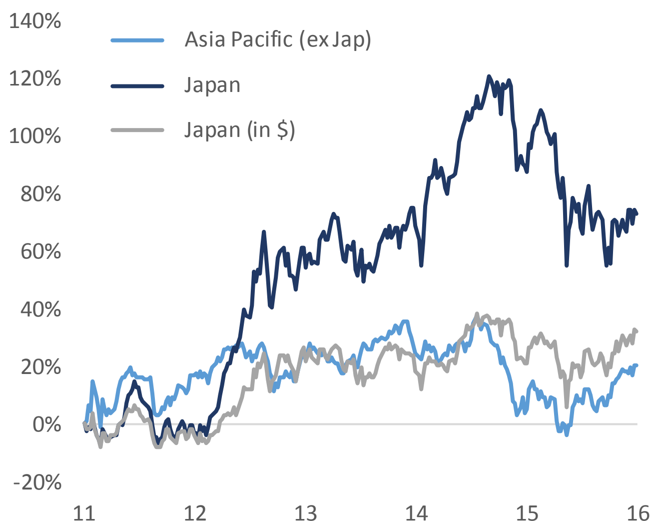
The Bank of Japan shifted its policy framework to focus on controlling the yield curve. The central bank also strengthened its commitment to achieve 2% inflation with a pledge to continue expanding the monetary base until inflation overshoots that target.

The surprise decision received a muted cheer from the markets, with stocks gaining and the yen strengthening after an initial drop. But this was more a technical move than a shock-and-awe boost in stimulus. On the positive side, it could increase the sustainability of the BOJ's program by reducing strain on bank earnings. From a practical perspective, the BOJ is likely to encounter difficulties in implementing its control of bond yields, particularly at the longer end of the curve.

Furthermore, the yen tends to rise during periods of increased financial market volatility. This tendency – clearly evident when the currency surged after the Brexit shock – has strengthened since mid-2015. And several risk events stand on the horizon – from the U.S. presidential election to Federal Reserve interest rate decisions and political events in Europe. Hence, we decide to maintain a defensive stance for the time being on Japan equities.

MSCI ASIA (ex Japan) and JAPAN

Source: CBH, Bloomberg Financial L.P.



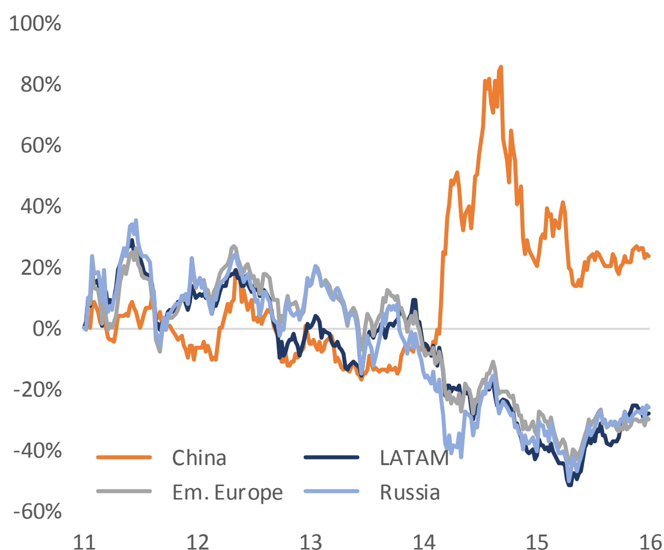
Both emerging markets and China have benefited from foreign fund flows since the Brexit referendum. China and Hong Kong particularly were the best performing markets during the past quarter with an extraordinary 14% rally for the MSCI China Index supported by the approval of the Shenzhen-Hong Kong stock connect.

Fundamentally, economic data released during the last quarter have been pointing to stabilization in growth, but it is rather early to know whether this will continue, as the Chinese economy continues to suffer from overcapacity. However, we saw margins stabilizing from the recent interim reporting season especially in sectors associated with the new economy. In addition, reforms continue to be a strong catalyst to boost capital efficiency, which would further enhance corporate profitability and unlock value for investors. The prospect of a stabilizing Chinese economy will have important implication for the world and especially for the emerging markets.

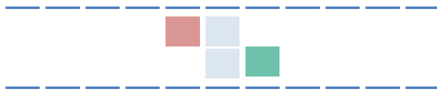
Therefore, it will be of fundamental importance to observe the liquidity conditions in emerging markets as will be one of the main factors driving EM equites valuations. A change of liquidity direction could result in a market correction and bring a buying opportunities in a market where equity valuations are currently toward the lower end of their 20 year ranges.

EM EQUITIES TOTAL RETURNS

Source: CBH, Bloomberg Financial L.P.

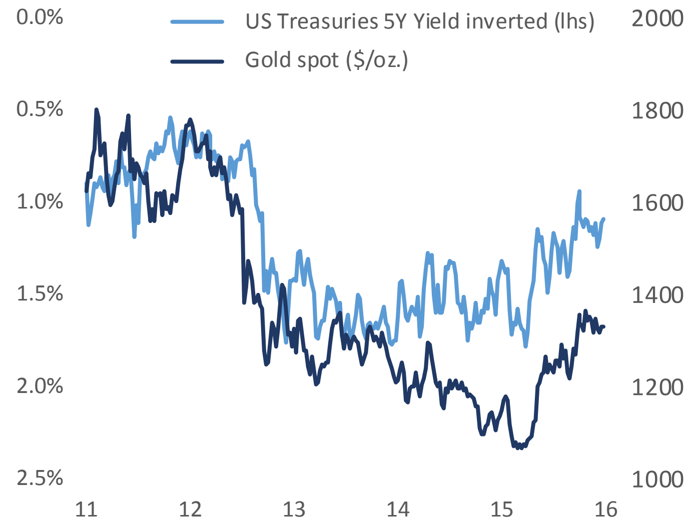


GOLD



GOLD and US 5Y

Source: CBH, Bloomberg Financial L.P.



After an impressive performances during H1 (+24%), mainly driven by investment demand that push ETF holding to a 7 year high, and despite the pale momentum of physical demand, gold price stabilized near a 2 year high, trading into the 1300-1350 range.

Concerns on the stability of the global economy, the FED which dawdles over normalizing its monetary policy and the current low interest environment, which reduce the opportunity cost of holding the yellow metal (cf inverted relation between gold and US 5Y in figure on the right), should sustain the positive momentum of investment demand, but the impact will be less impressive that what we saw.

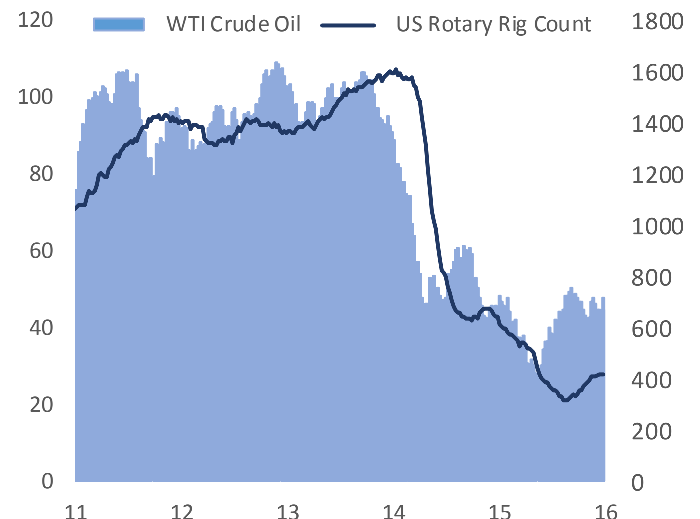
Anticipating that physical demand will continue to be under pressure as long as world's top buyers (China, India and Middle East) decrease their purchases, we can question the sustainability of current gold prices.

Even if gold could be seen as a safekeeping place for money at this time, we rather favor cash to be able to benefit from potential future market opportunities. We therefore advise gold holders to take some of their profits.

OIL

OIL price and Rotary Rig

Source: CBH, Bloomberg Financial L.P.

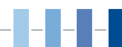


After a strong rebound during the last quarter (+17%), the third quarter has known renewed volatility in oil prices. WTI dropped 6% near $47/bbl. Similarly, the barrel of Brent lost $2 (-4% qoq) coming just above $48/bbl. Negative pressures on prices came as outputs of OPEC countries and Canada increased in the last few months.

In addition, a rebound of the number of US oil rigs after 7 consecutive quarters of decrease also participated in the recent correction move.

Despite the surprising production deal between OPEC/non-OPEC countries to limit outputs for the first time since 2008, the oil market should continue to be in surplus in 2016. The recent agreement is admittedly a first step, but is rather anecdotal (-0.5MM bbl/day).

Additionally, as the OPEC members have a history of not adhering to production quotas, we think the decision should be handled with kid gloves. We therefore continue to believe WTI oil prices will trade in the range of $42-45 a barrel and maintain a neutral view on oil-related stocks.

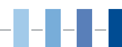


CURRENCIES MARKET EXPECTATIONS

The table below provides an overview of market forecasts for major currencies. It is composed of dozens of individual forecast providers and delivers a consensus forecast. These consensus forecasts represent a median number and all forecasts evaluated correspond to calendar quarter-end dates.

		LAST	Q416	Q117	Q217	Q317	Q417
MAJOR CURRENCIES	EURUSD	1.12	1.10	1.09	1.09	1.10	1.10
	EURCHF	1.08	1.09	1.09	1.10	1.10	1.11
	EURGBP	0.86	0.85	0.85	0.84	0.85	0.83
	EURJPY	113	113	113	115	117	120
	EURNOK	9.04	9.18	9.10	9.00	8.93	8.80
	USDCAD	1.32	1.32	1.32	1.31	1.29	1.27
	USDCHF	0.97	0.99	1.00	1.01	1.01	1.02
	USDJPY	101	104	104	106	108	110
	USDCNY	6.67	6.75	6.78	6.80	6.80	6.83
	GBPUSD	1.30	1.28	1.28	1.28	1.30	1.30
	NZDUSD	0.72	0.70	0.70	0.69	0.68	0.67
	AUDUSD	0.76	0.74	0.73	0.73	0.72	0.72
OTHER CURRENCIES	USDMXN	19.6	18.8	18.7	18.5	18.4	18.5
	USDBRL	3.26	3.35	3.40	3.43	3.45	3.47
	USDARS	15.37	15.75	16.25	16.72	17.00	17.50
	USDTRY	3.01	3.05	3.10	3.10	3.15	3.20
	USDILS	3.76	3.80	3.85	3.87	3.84	3.86
	USDHKD	7.75	7.76	7.76	7.76	7.76	7.76
	USDINR	66.7	68.0	68.0	68.0	68.0	68.1
	USDRUB	63.4	65.0	64.5	64.0	64.3	64.5
	USDPLN	3.86	3.95	3.98	4.00	4.00	3.97

Source: CBH, Bloomberg Financial L.P.



MARKET RETURNS

	Name	QTD *	YTD	2015	2014	2013
Cash	LIBOR 3m Total Return	0.1%	0.5%	0.3%	0.2%	0.3%
	EURIBOR 3m Total Return	-0.1%	-0.2%	0.0%	0.2%	0.1%
Government bonds	US 1-5	-0.4%	1.9%	1.0%	1.3%	-0.2%
	Eurozone 1-5	-0.1%	0.8%	1.1%	3.6%	2.2%
	US 5-10	-1.3%	5.0%	1.9%	6.3%	-4.5%
	Eurozone 5-10	0.0%	4.2%	2.0%	14.5%	3.4%
Corporate bonds IG	USD Corp 1-5	0.3%	3.4%	1.2%	1.9%	1.6%
	EUR Corp 1-5	0.6%	2.3%	0.6%	3.6%	2.3%
	USD Corp 5-10	0.3%	7.8%	0.6%	7.6%	-1.5%
	EUR Corp 5-10	1.8%	7.2%	-0.9%	12.2%	2.1%
Corporate bonds HY	USD Corp 1-5	3.8%	13.1%	-2.7%	-1.1%	7.8%
	EUR Corp 1-5	2.5%	5.3%	-0.2%	3.7%	7.6%
	USD Corp 5-10	4.3%	14.1%	-3.8%	2.1%	6.1%
	EUR Corp 5-10	4.3%	8.7%	0.8%	7.4%	9.8%
EM bonds	Hard currency	2.5%	13.1%	-0.3%	5.6%	-3.4%
	Local currency	0.9%	15.0%	-14.3%	-5.2%	-8.3%
	Chinese Yuan	0.8%	2.9%	-2.1%	0.4%	6.9%
Convertible bonds	Global Convertible	4%	4%	1%	2%	18%
Equities	North America	2%	4%	-1%	11%	30%
	Europe	2%	-7%	5%	4%	16%
	Japan	7%	-15%	8%	8%	52%
	Asia Pacific (ex Japan)	7%	8%	-11%	2%	1%
	China	3%	-11%	-7%	62%	-15%
	Emerging Markets	6%	12%	-17%	-5%	-5%
Other investments	HFRX Alternative	2%	1%	-4%	-1%	7%
	VIX	12%	-4%	-5%	40%	-24%
	G7 Currency Volatility	-8%	10%	-6%	14%	5%
	DJ Global Commodity	-7%	6%	-25%	-17%	-10%
	Gold	0%	24%	-11%	-1%	-28%
	Industrial metals	-1%	7%	-27%	-7%	-14%
	Agriculture index	-11%	1%	-16%	-9%	-14%
	WTI Oil	-8%	20%	-30%	-46%	7%
Currencies (vs. $)	Dollar Index	-1%	-3%	9%	13%	0%
	EM Currency Index	-1%	4%	-16%	-12%	-8%
	Euro	1%	3%	-10%	-12%	4%
	British Pounds	-1%	-11%	-5%	-6%	2%
	Swiss Francs	0%	3%	-1%	-11%	3%
	Japanese Yen	0%	17%	0%	-12%	-18%
	Australian Dollar	0%	2%	-11%	-9%	-14%

* Last quarter
** Year to date

Source: CBH, Bloomberg Financial L.P.

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