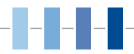
CBH Compagnie Bancaire Helvétique

Quarterly Insight

Spring Edition 2017



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Imprint

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ALLOCATION MONITOR

Weight	Asset class	Segment	BENCHMARK ALLOCATION	Currency	CBH GROUP STRATEGIC ALLOCATION: Underweight	Neutral	Overweight	Chg
8%	Cash	Libor 3m	5%	USD	5%			
		Euribor 3m		EUR			11%	
49%	Government	1 - 5 years	10%	USD	4%			4%
				EUR	4%			
		5 - 10 years	10%	USD	4%			2%
				EUR	4%			
	Corporate Inv. Grade	1 - 5 years	15%	USD	12%			-3%
				EUR	6%			
		5 - 10 years	10%	USD		10%		
				EUR	6%			
	Corporate High Yield	1 - 5 years	5%	USD			8%	-5%
				EUR			12%	-3%
		5 - 10 years		USD		0%		
				EUR		0%		
	Emerging markets	Hard currency					3%	
		Local currency					1%	1%
	Others	Senior loans					2%	
		Global convertible					8%	
36%	Equities	North America	15%		13%			-2%
		Europe	13%		12%			
		Japan	4%		3%			
		Asia Pacific (ex-Japan)	4%			4%		1%
		China	2%			2%		2%
		Emerging Markets	2%			2%		1%
2%	Precious metals	Gold	2%			2%		
5%	Other investments	Other investments	3%				5%	-1%

ALLOCATION COMMENTARY

The first quarter of 2017 is part of the upswing that started in late 2016 after the election of Donald Trump, when the inflationary recovery revived markets that had a return to risk appetite. The movement permitted to Emerging Markets to record a regain of interest from international investors, which sustained local currencies, bonds and equity indices that ended the quarter as the best performers, and this despite a contraction movement of Oil and Agriculture prices.

When looking at the first quarter equity sector's returns, we have seen a reversal movement with the MSCI World Energy down -9% versus +11% for the MSCI Information Technology, a 20 percentage points spread. This difference highlights the importance of an active and dynamic approach during the year, and explain why our investment policy has recorded important movements in order to adapt to the possible sector rotation.

While the analysis of fundamentals seems to highlight a certain aridity in financial markets, mathematically manifested in an asymmetric risk / return profile, favorable momentum and several technical indicators suggest that equity prices could rise further. The shift away from fundamentals to exogenous factors (credit spread declines, dividend yields, central bank expansionary policies, exchange rate effects, share buyback programs financed through the issuance of debt and M&A projects) could support the financial markets for a few more months. Nevertheless, it should be born in mind that the global economy is under pressure. The resurgence of protectionism, the high level of public debt and the sluggishness of private investment at the international level could potentially lead to a slowdown in trade and weigh on global economic growth and corporate profitability.

The dichotomy between fundamentals, on the one hand, and technical and exogenous factors, on the other hand, confronts investors with a cornelian dilemma: holding a high level of liquidity within the portfolios or maintaining financial assets that seem to be overvalued.

Our response comes, perhaps, at an early stage compared to other trend follower allocators, but we believe that it is time to reorient portfolios toward a less aggressive allocation. We adopt this approach to be ready to increase the exposure to risky assets on a downturn, as we did in February 2016 (collapse of the commodities market), in June 2016 (Brexit) and in November 2016 (US presidential election).

We therefore recommend that investors adopt a slightly conservative equity allocation and prefer investment themes as High Yield, Emerging Markets and convertible bonds as well as senior loans.

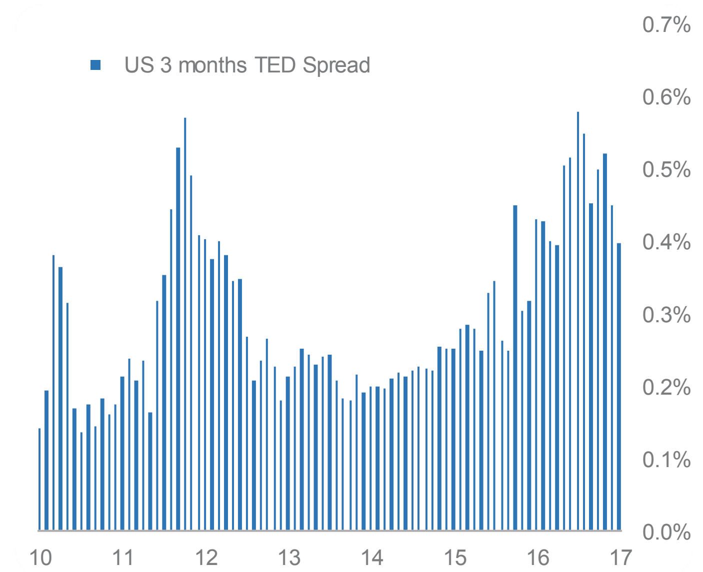
As for the bond portfolio, whose net return is generally low, we continue to underweight government bonds and investment grade corporate bonds denominated in euros. We favor the segment of European high-yield short dated bonds denominated in euros. Expressed in dollars, yields are slightly higher and range between 1.5% and 2.5% for bonds with a maturity of four years and between 3% and 4% for bonds with longer maturities. This allows us to adopt a more constructive bond allocation for US dollar portfolios.

In our quest for positive returns, we continue to favor crossover bonds (rated BBB- and BB-), emerging bonds denominated in hard currency and convertible bonds which, although riskier, shows an appealing risk / return ratio. For these asset classes, we recommend investors to favor global diversified instruments such as mutual funds and exchange traded funds (ETF).

GOVERNMENT BONDS

1 - 5 years USD 4% EUR 4%

US TED Spread
Source: CBH, Bloomberg Financial L.P.



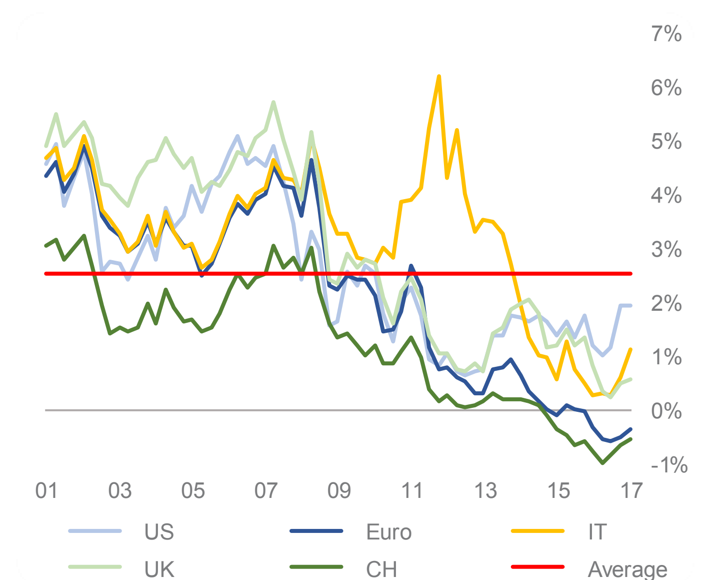
Short-term interest rates continued to diverge in the industrialized world, driven by divergent monetary policies and respective economic cycles. In the US, 3 months Libor rates went from slightly below 1% at the start of the year to above 1.15%, while remained at depressed level in all other major industrialized economies (-0.33% in the EU, 0.34% in the UK and near 0% in JP).

Improving macroeconomic data and buoyant sentiment and financial conditions gave the FOMC more confidence in its economic outlook, providing a solid basis for raising interest rates. This materialized on the 15th of March when a 25bps increase of the Fed Funds Rate (FFR) to the 0.75%-1% range has been announced. The FED was however keen not to signal a faster pace of policy normalization than anticipated. In fact, the median policy rate change remained unchanged at three hikes per year in 2017 and 2018. This was welcomed by financial markets, which appeared to be positioned for a more aggressive outcome.

In the rest of the industrialized world, short-term interest rates are expected to remain at depressed levels. However, we expect the ECB to start normalizing its monetary policy before the end of 2017. Therefore, short-term rates should stay low, but this expectation could lead to an increase in the term premium on the back end of the money market curve.

5 - 10 years USD 4% EUR 4%

5 YEARS INTEREST RATES
Source: CBH, Bloomberg Financial L.P.



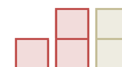
With financial conditions likely still easier than they were before the first hike, despite the FED having hiked three times, the risk is skewed toward the FED continuing to press ahead with the normalization of the FFR. In contrast, the market is more dovish compared to the FED, especially for 2018. We think that bond yields could continue to rise further from here and expect ten-year US Treasury yields to increase toward 3% at the end of the year. This means that the US yield curve could flatten a bit more during 2017.

In Europe, we expect the ECB to start preparing markets for an end of its ultra-dovish monetary policy by changing its forward guidance, opening the door to a possible deposit rate increase in 2018, even before the conclusion of the Quantitative Easing. This means that yields could likely trend upward in coming quarters, and result in a steeper yield curve, especially considering that EU fixed income markets are highly distorted.

In conclusion, we think that, maintaining a conservative duration approach and remaining underweight this asset class, is still the best approach to adopt in coming quarters.

INVESTMENT GRADE BONDS

1 - 5 years USD 12% EUR 6%



Investment grade (IG) corporate bonds benefited from the less volatile interest rate environment witnessed during the first quarter of the year. The US Corporate Investment-Grade 1-5 years index registered a return of almost 1% during the quarter. The index was able to recover all the post-US elections losses.

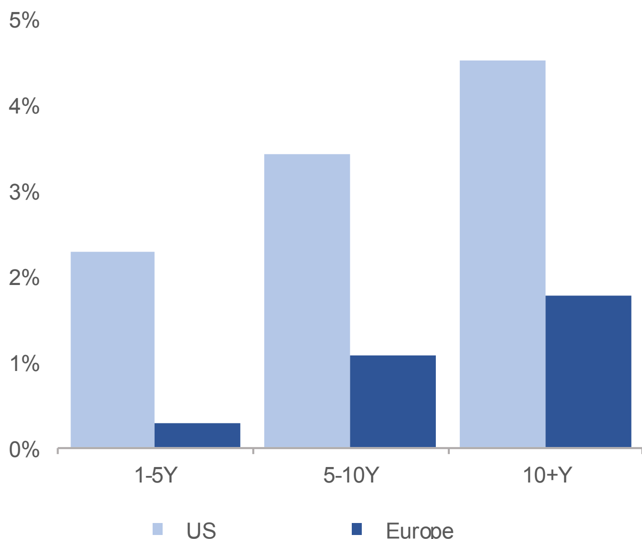
In EUR terms, the return was practically zero, which is nonetheless good considering the negative carry of many EUR bonds. The high quality of this segment means that their lower spread cushion was unable to defend the asset class from the negative base effect. However, as seen during the last two quarters, mark-to-market losses should be limited in time thanks to their short duration.

We continue to expect 2017 to be characterized by higher volatility, which should cap return levels well below those of past years.

We continue to favor US over EU credit markets as markets widely expect and already anticipate the FED to continue normalizing its monetary policy. In turn, EU credit markets remain highly distorted and a potential normalization of ECB monetary policy is likely to have much more damaging effects.

INVESTMENT GRADE CURVES

Source: CBH, Bloomberg Financial L.P.



5 - 10 years USD 10% EUR 6%

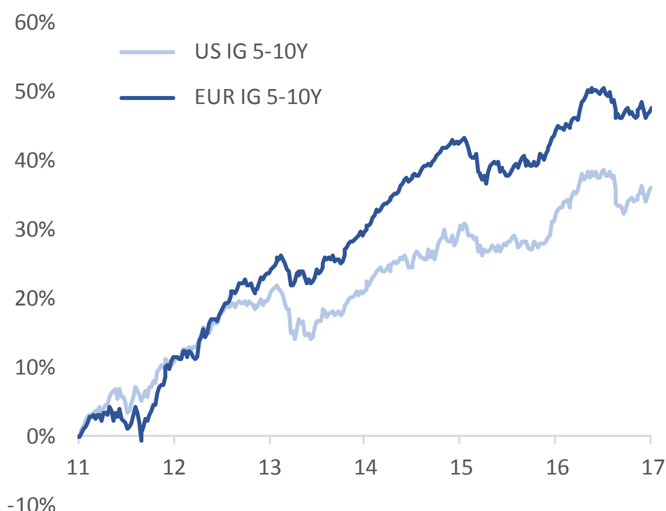
The performance dichotomy between long-term IG bonds denominated in USD and in EUR is even more striking. During the last quarter, USD denominated IG long-term bonds returned almost 1.5%. In contrast, EUR bonds registered only a 0.2% return. During the last 12 months, USD denominated investment-grade bonds have clearly outperformed their EUR peers, even in the presence of a more hawkish FED. This phenomenon will last in future quarters and will be exacerbated if the ECB starts to taper its QE.

Therefore, we continue to favor US over EU credit markets also in this segment. For US investment grade bonds, we believe that spreads are already relatively tight and we therefore continue to advocate overweighting the lower spectrum (BBB rated) credits. We also think that US financials are likely to outperform corporate bonds, thanks to their solid balance sheets and improving interest rate margins. We expect yields and spreads to move sideways in the coming quarter.

In an environment characterized by improving growth dynamics in the EU and near full employment in the US, potentially leading to higher inflation, higher beta credits should probably continue to outperform quality paper. Delays in the implementation of the ambitious Trump’s reform agenda will probably lead to lower base rates, which would positively affect the asset class, but we do not expect this will derail the economic recovery.

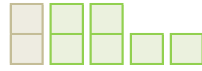
INVESTMENT GRADE BOND TOTAL RETURN

Source: CBH, Bloomberg Financial L.P.



HIGH YIELD BONDS

1 - 5 years USD 8% EUR 12%



High Yield (HY) bonds continued to rally, stronger than expected, during the first quarter of 2017 (almost 2.7% in USD and 1.0% in EUR).

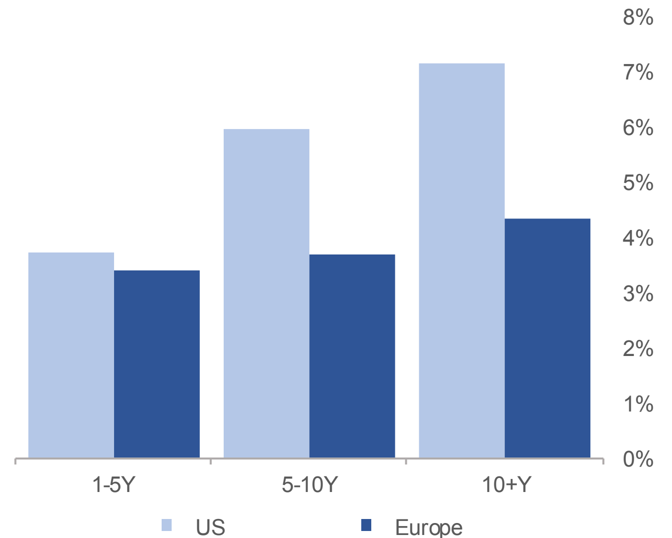
Spreads have widened in March, in line with the FED rate increase (and weakness in oil prices), however they are tighter compared to the start of the year and are almost 5% lower relative to the peak reached in 2016. We have now reached levels that were present in the 2012-14 period. Needless to say that in terms of valuation, the picture is much less compelling compared to last year, considering that we are near multiyear lows.

That said, the carry remains attractive compared to IG credits and macroeconomic fundamentals are improving. Corporate earnings are expected to remain robust, financial conditions have improved in recent months and economic growth remains solid, mitigating default risks.

Therefore, we expect that short-term HY should continue to attract investors' interest thanks to their short maturity, giving more protection in an environment of higher base rates. We therefore maintain an overweight position in this asset class and consider any selloff as an opportunity to increase positions.

HIGH YIELD CURVES

Source: CBH, Bloomberg Financial L.P.



5 - 10 years USD 0% EUR 0%

Long-term HY bonds have enjoyed a good start, despite underperforming short-term ones. The repricing of probability of a FED hike in March led to some outflows and spread widening in March. Falling oil (commodity) prices, heavy new issue supply and some retail outflows led to a mild correction in March.

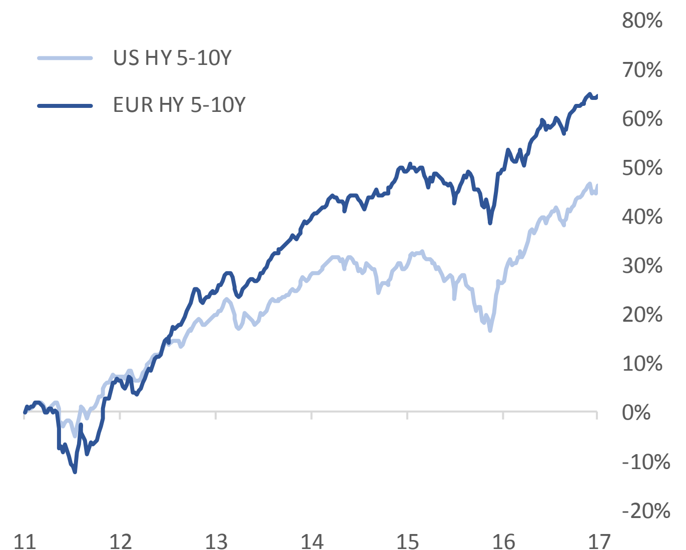
However, in an environment of higher growth, lower unemployment and rising corporate profits, credit risk should outperform duration risk. We therefore expect that any correction should attract investors back into this asset class and keep yields/spreads near multiyear lows.

We think that major short-term risks lie in a potential spike in US Treasury yields and falling commodity prices. Over the longer term, increasing corporate leverage and limited market liquidity are also phenomena to keep an eye on.

In conclusion, we maintain a positive view on long-term HY, preferring US to EU ones, but we think that the better risk/reward lies in the short-term HY class, which is our favored segment. For qualified investors, we also suggest taking exposure to bank loans via a dedicated investment vehicle.

HIGH YIELD BOND TOTAL RETURN

Source: CBH, Bloomberg Financial L.P.

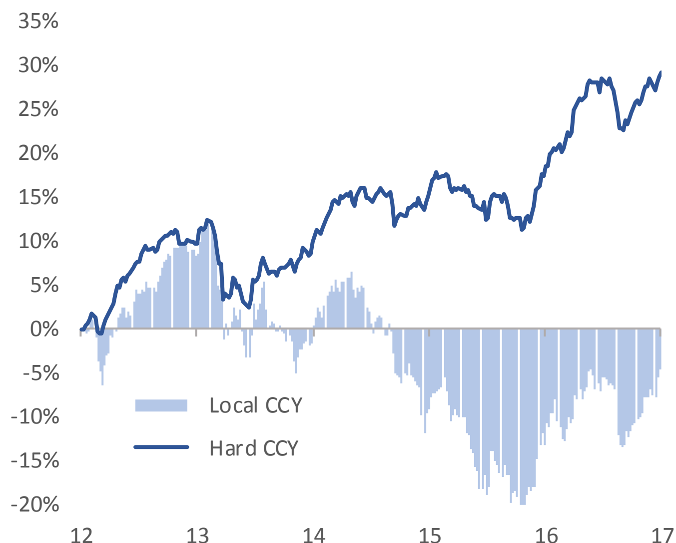


EMERGING MARKET BONDS

Hard currency	3%	
Local currency	1%	

EMERGING MARKET BOND TOTAL RETURN

Source: CBH, Bloomberg Financial L.P.



Hard Currency

Emerging Markets (EM) bonds rallied during the first quarter, being the best-performing fixed income segment, with local currency EM leading the pack (+6.4%) followed by hard currency EM (+3.5%). This was much higher than our already constructive view at the start of the year.

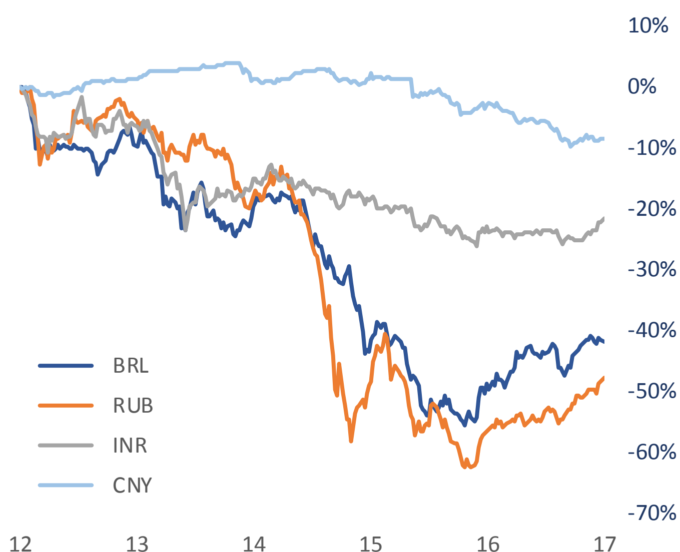
EM have been quite resilient to the risks related to Trump's election and a more hawkish FED policy. Moreover, we have witnessed an improvement in economic indicators of some major EM countries (see Brazil and Russia), stabilization in China (with less pressure on the CNY), still low global bond yields and a benign external environment.

We expect the gap between EM and DM growth rates to increase further and, with many EM countries having adopted austerity measures in 2016, this should drive inflows into the asset class. Furthermore, yields and spreads remain attractive compared to other asset classes, and especially HY bonds, both on an absolute and relative basis. In terms of regions, Latin America is offering the most compelling valuations, followed by EMEA and Asia.

With risks related to US monetary and fiscal policies, global trade, immigration and geopolitics already embedded in current valuations, we keep our "cautious and selective" overweight in short to medium term duration EM bonds.

BRIC's CURRENCIES

Source: CBH, Bloomberg Financial L.P.



Local Currency

The asset class benefited from the less hawkish than expected FED policy and the delays in the implementation of Trump's proposed policies. That said, these remain key risks that can affect the asset class in the future.

Going ahead, improving EM macroeconomic fundamentals should support further EM local currency bonds. With the exception of Korea, the Czech Republic and Hungary, all EM bonds provide positive real yields. Furthermore, although inflation is starting to bottom in some countries, large rate cuts are widely expected in countries still experiencing disinflation, like Brazil and Russia.

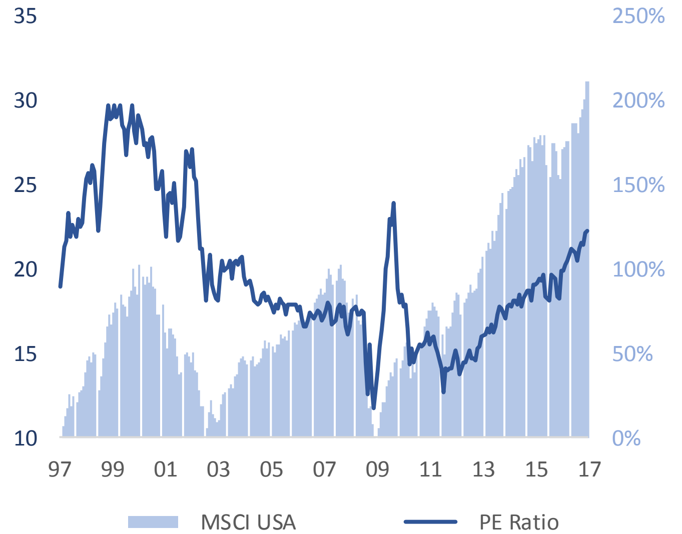
The dollar index remains inside a multiyear rising channel and some moderate appreciation against EM currencies could be possible on the back of the rise in US yields. In this context, assuming the FED will maintain its gradual normalization policy, we think that higher yielding currencies should outperform and provide some protection. Relative to forwards, the most compelling currencies seem to be the Brazilian Real, the Turkish Lira, the Colombian Peso and the Indian Rupee.

EQUITY

North America 13%

MSCI USA vs P/E RATIO

Source: CBH, Bloomberg Financial L.P.



The US macroeconomic environment is steady. GDP continues to grow at an acceptable pace (+1.9% for 4Q), personal consumption expands and private investment accelerates. In addition, the latest ISM figures showed business conditions improve while consumer confidence surveys from University of Michigan keep rising.

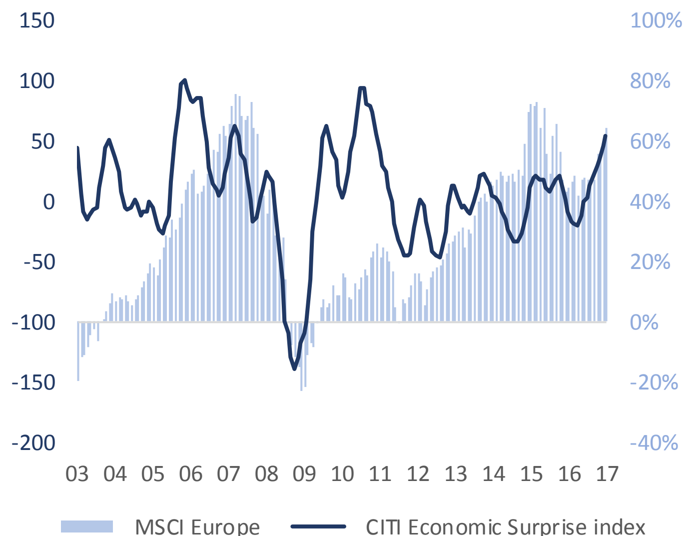
On the downside, the ability of President Trump to deliver its agenda has been challenged. After its Obamacare repeal faced a congress disapproval, tax reform and Dodd-Frank revamp seem far from being complete. Also, the S&P 500 showed signs of breathlessness in March, led by a pullback of Financials, and current valuation remains expensive.

In that context, we think an acceleration of the Fed interest rate raise agenda or the inability of President Trump to apply its reforms are possible scenarios which could drive a market correction over the coming months. Therefore, we decide to downgrade our outlook on US equities for the time being. We then reduce from 15% to 13% our exposure to that market in our Balanced reference allocation.

Europe 12%

MSCI EUROPE vs CITI Economic Surprise Index

Source: CBH, Bloomberg Financial L.P.



The business cycle in Europe is globally in early recovery and the latest data from the European Commission show that levels of consumer and business confidence remained high in March. However, the unemployment rate remain elevated in most European countries and the coming elections, especially in France, add a layer of uncertainty on top of the positive background.

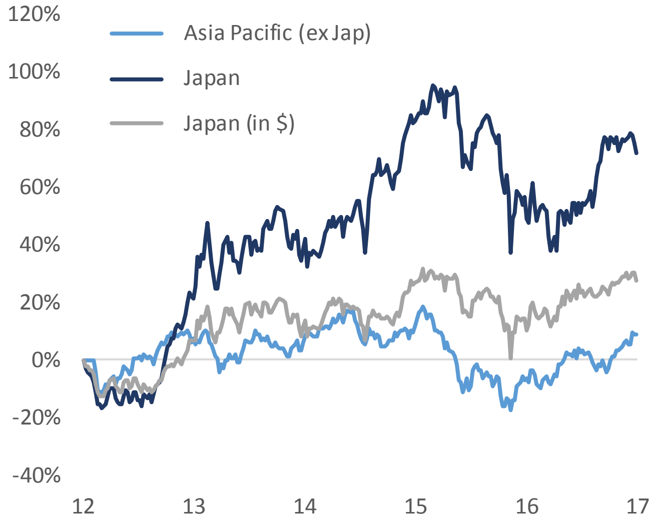
In the next quarter we do not expect the ECB to switch its policy given the early stage of the European recovery, however the political agenda in front of us is very busy. The last poll results in the US and UK have been against all previsions and the raise of protectionism is real. Hence, the risk of more than expected voters for Le Pen at the coming French election (ie. the Frexit) is high. If this scenario materializes, the European equity market should offer a better entry point to increase the exposure and benefit from the economic recovery.

As a result, we decide to keep our defensive stance and maintain our 12% exposure to European equities in our Balanced reference allocation.

EQUITY (ASIA AND EMERGING)

MSCI ASIA (ex Japan) and JAPAN

Source: CBH, Bloomberg Financial L.P.



Japan	3%	
Asia Pacific (ex Japan)	4%	

Asian equities continue to benefit from improvements in fundamentals and positive global sentiment in the last quarter with the MSCI Asia Pacific index reaching its 52-week highs in March. Hong Kong markets (Hang Seng Indices) led the gains in global equities for the quarter as Chinese mainland investors commenced to buy through the Southbound Stock Connect programs in Hong Kong.

In Japan, unemployment rate tightened to 3% in January 2017, the lowest since the mid-1990s driven by greater jobs availability with a slow but consistent acceleration in wage growth finally taking place at 0.4% YoY in January 2017.

Monetary policies between Japan and US continue to divert as the Bank of Japan voted to maintain the purchase of Japanese government bonds (JGB) to maintain the 10-year JGB yield at 0%. Also, the BoJ further stated it would focus solely on achieving its 2% inflation target rather than tracking the US Federal Reserve. The latest core consumer price index (CPI) rose 0.1% in January YoY which remain distant from the inflation target.

EM EQUITIES TOTAL RETURNS

Source: CBH, Bloomberg Financial L.P.

China	2%	
Emerging Markets	2%	

The Chinese government established a prudent 2017 GDP growth target of “around 6.5%” with further emphasis on structural reform rather than aggressive credit-reliant or currency depreciating strategies to ensure financial market remain stable before the leadership transition later this year during the annual National People’s Congress (NPC) meetings.

Furthermore, the People’s Bank of China (PBoC) also began tightening monetary policy in February through higher targeted interest rates in its open-market operations to ease the pressure on the Chinese Yuan (CNY). Monetary tightening is likely to be mild given the M2 growth target of 12% for 2017 is similar to the target in 2016.

Macro data continue to show signs of recovery, the likelihood of a potential trade war initiated by the Trump’s administration had eased and emerging markets could benefit from the positive world growth triggered by US’s expansionary fiscal policy. However, their currencies remain vulnerable from hawkish guidance from the Federal Reserve.

Hence, we upgrade our allocation to neutral for emerging markets and China as well as our strategies to buy on dips when there are meaning corrections.

GOLD

During the 1st quarter, and despite seasonal effects, the physical demand, especially in China, continued to be weak. In addition, the Indian demand has faced short-term headwinds due to the demonetization policy.

While Indian physical demand could have a brighter outlook, it should not be a game changer and we expect the demand from Asia, and more generally, from emerging markets to continue to be fragile.

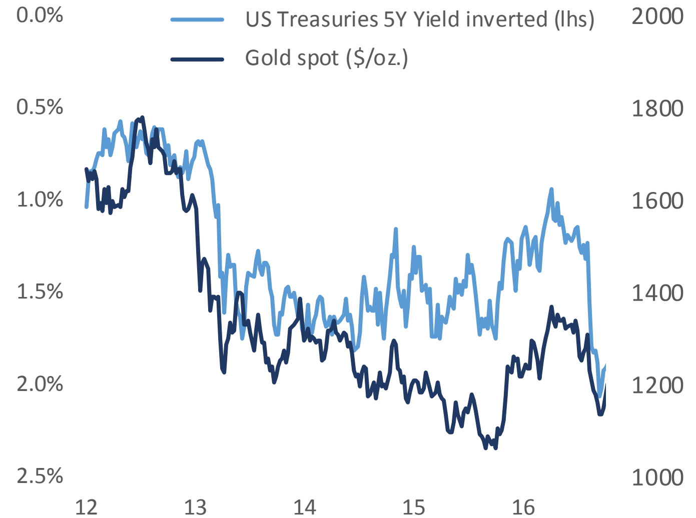
Despite subdued fundamental demand, uncertainties over Trump's policies triggered safe-haven demand and the USD depreciation boosted foreign investments. However, the recent rebound of the yellow metal has been mainly driven by worries over the upcoming European elections and Brexit negotiations. ETFs recent inflows, largely dominated by western investors, recovered significantly and still negative rates in several regions continue to maintain a certain attractiveness for Gold. As a result, after having tested a 1 year-low at $1'122/oz., the yellow metal strongly rebounded in 1Q'17 (+9%) with the ounce trading near the $1'250 level, exceeding our forecasts.

To conclude, fundamental demand is expected to be low and gold clearly remains at risk of a more hawkish FED (rising yields, strong dollar). However, with a European political calendar full of deadlines, we do not ignore that investment demand could sustain prices near current levels as gold is considered a safe-haven asset.

We believe gold price is too dependent on external factors, and prefer to potentially protect our portfolios by reducing risky assets (HY bonds, equities) in favor of cash or govies. We therefore keep our neutral view on gold.

GOLD and US 5Y

Source: CBH, Bloomberg Financial L.P.



OIL

Following the in-extremis OPEC agreement, 2017 started rather serenely. Oil prices were in consolidation mode with the WTI trading in the $56-$54 range (Brent $58-$56).

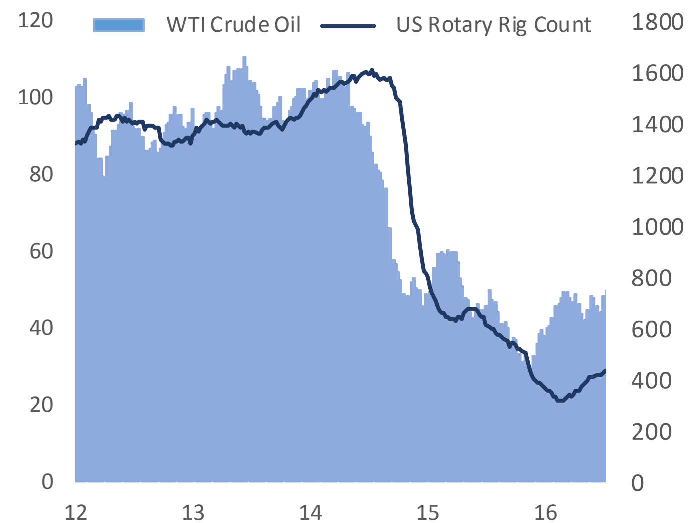
The cartel decreased production by 1MMbbl/day, respecting the cut deal. Furthermore, an improving global oil consumption, mainly driven by emerging markets also helped to sustain prices. In our previous edition, our recommendation to take profit on oil-related stocks was rather a good call as January corresponded to a 1 year-high for the US and European sectors.

However, the end of the quarter has had a sudden about-face. A strong rebound in US outputs combined with higher-than-expected inventories significantly weighed on prices and WTI dropped about 10% in just 3 weeks, breaking our $50-55 trading range.

We believe OPEC more than ever has the delicate role to manage the oil-market equation. If consumption continues to increase, the cartel should gradually re-increased outputs deal to avoid inventory reductions which could push prices higher and boosts US supply. Therefore, we think oil prices will continue to trade near $52/bbl. and keep our neutral stance.

OIL price and Rotary Rig

Source: CBH, Bloomberg Financial L.P.



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.

			Q217	Q317	Q417	Q118	Q418
MAJOR CURRENCIES	EURUSD	1.07	1.05	1.06	1.08	1.09	1.11
	EURCHF	1.07	1.07	1.08	1.08	1.10	1.12
	EURGBP	0.85	0.86	0.86	0.87	0.87	0.86
	EURJPY	119	121	121	122	124	126
	EURNOK	9.15	8.87	8.80	8.76	8.74	8.50
	USDCAD	1.34	1.35	1.35	1.36	1.36	1.31
	USDCHF	1.00	1.02	1.02	1.02	1.02	1.00
	USDJPY	111	115	116	117	116	115
	USDCNY	6.89	7.00	7.00	7.08	7.10	7.10
	GBPUSD	1.25	1.21	1.22	1.23	1.25	1.29
	NZDUSD	0.70	0.69	0.69	0.68	0.70	0.72
	AUDUSD	0.76	0.74	0.74	0.74	0.74	0.76
OTHER CURRENCIES	USDMXN	18.7	20.2	20.2	20.1	20.5	20.2
	USDBRL	3.12	3.20	3.25	3.30	3.33	3.35
	USDARS	15.39	16.00	16.50	17.00	17.70	18.85
	USDTRY	3.64	3.75	3.80	3.86	3.95	3.92
	USDILS	3.63	3.75	3.70	3.73	3.72	3.73
	USDHKD	7.77	7.76	7.77	7.77	7.76	7.77
	USDINR	65.0	67.5	67.9	68.0	68.0	67.7
	USDRUB	56.4	60.0	60.8	60.8	60.7	60.5
	USDPLN	3.97	4.11	4.08	4.08	4.10	3.80

Source: CBH, Bloomberg Financial L.P.

MARKET RETURNS

	Name	QTD *	YTD**	2016	2015	2014	2013	2012	2011
Cash	LIBOR 3m Total Return	0.2%	0.2%	0.7%	0.3%	0.2%	0.3%	0.5%	0.3%
	EURIBOR 3m Total Return	-0.1%	-0.1%	-0.3%	0.0%	0.2%	0.1%	0.6%	1.3%
Government bonds	US 1-5	0.4%	0.4%	1.0%	1.0%	1.3%	-0.2%	0.9%	3.4%
	Eurozone 1-5	-0.4%	-0.4%	0.9%	1.1%	3.6%	2.2%	6.5%	0.8%
	US 5-10	0.9%	0.9%	1.1%	1.9%	6.3%	-4.5%	3.4%	12.8%
	Eurozone 5-10	-1.1%	-1.1%	2.9%	2.0%	14.5%	3.4%	14.3%	1.9%
Corporate bonds IG	USD Corp 1-5	1.0%	1.0%	2.8%	1.2%	1.9%	1.6%	5.9%	3.0%
	EUR Corp 1-5	0.1%	0.1%	2.3%	0.6%	3.6%	2.3%	8.2%	2.8%
	USD Corp 5-10	1.5%	1.5%	5.3%	0.6%	7.6%	-1.5%	11.6%	8.1%
	EUR Corp 5-10	0.2%	0.2%	5.9%	-0.9%	12.2%	2.1%	19.1%	2.7%
Corporate bonds HY	USD Corp 1-5	2.7%	2.7%	16.7%	-2.7%	-1.1%	7.8%	13.1%	3.9%
	EUR Corp 1-5	1.0%	1.0%	6.9%	-0.2%	3.7%	7.6%	22.0%	-0.5%
	USD Corp 5-10	2.8%	2.8%	16.9%	-3.8%	2.1%	6.1%	14.6%	6.3%
	EUR Corp 5-10	1.9%	1.9%	11.1%	0.8%	7.4%	9.8%	30.1%	-2.9%
EM bonds (in $)	Hard currency	3.5%	3.5%	10.8%	-0.3%	5.6%	-3.4%	15.7%	6.4%
	Local currency	6.4%	6.4%	10.0%	-14.3%	-5.2%	-8.3%	17.5%	-2.0%
	Chinese Yuan	0.6%	0.6%	-4.7%	3.6%	8.0%	0.0%	4.7%	10.1%
Other	S&P Senior Loan Index	1.1%	1.1%	10.2%	-0.7%	1.6%	5.3%	9.7%	1.5%
	Global Convertible	4.1%	4.1%	4.6%	0.7%	1.6%	17.7%	11.0%	-5.8%
Equities	North America	6%	6%	9%	-1%	11%	30%	14%	0%
	Europe	5%	5%	0%	5%	4%	16%	13%	-11%
	Japan	-1%	-1%	-3%	8%	8%	52%	19%	-21%
	Asia Pacific (ex Japan)	13%	13%	3%	-11%	2%	1%	19%	-19%
	China	4%	4%	-7%	-7%	62%	-15%	11%	-19%
	Emerging Markets	11%	11%	9%	-17%	-5%	-5%	15%	-20%
Other investments	HFRX Alternative	2%	2%	3%	-4%	-1%	7%	4%	-9%
	VIX	-12%	-12%	-23%	-5%	40%	-24%	-23%	32%
	G7 Currency Volatility	-21%	-21%	22%	-6%	14%	5%	-34%	-2%
	DJ Global Commodity	-2%	-2%	11%	-25%	-17%	-10%	-1%	-13%
	Gold	9%	8.9%	8%	-10%	-1%	-28%	7%	10%
	Industrial metals	7%	7%	20%	-27%	-7%	-14%	1%	-24%
	Agriculture index	-3%	-3%	2%	-16%	-9%	-14%	4%	-14%
	WTI Oil	-6%	-6%	45%	-30%	-46%	7%	-7%	8%
Currencies (vs. $)	Dollar Index	-2%	-2%	4%	9%	13%	0%	-1%	1%
	EM Currency Index	3%	3%	1%	-16%	-12%	-8%	3%	-10%
	Euro	1%	1%	-3%	-10%	-12%	4%	2%	-3%
	British Pounds	2%	2%	-16%	-5%	-6%	2%	5%	0%
	Swiss Francs	2%	2%	-2%	-1%	-10%	3%	3%	0%
	Japanese Yen	5%	5%	3%	0%	-12%	-18%	-11%	6%
	Australian Dollar	6%	6%	-1%	-11%	-8%	-14%	2%	0%

* Last quarter
** Year to date

Source: CBH, Bloomberg Financial L.P.

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