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New path, new playbook

Midyear 2021 Outlook Implementation Guide

EIIiM0721E/S-1720946-1/20

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Introduction

What lies beyond the restart?

This is the question at the front of investors' minds as we move into the second half of the year. This juncture could represent a once-in-a-generation paradigm shift. The post-global financial crisis (GFC) playbook won't work, in our view, as the historic monetary-fiscal collaboration to bridge the pandemic should lead to a higher inflation regime. This means we don't expect another decade-long bull market in stocks and bonds. A new playbook is needed.

Heading into H2, we focus on the key investment themes laid out in the BlackRock Investment Institute's Midyear Outlook: the unique environment we've dubbed *the new nominal* – where we see any bond yield rises driven by inflation rather than policy hikes – leaves us moderately pro-risk, as negative real, or inflation-adjusted, bond yields should support equities. Our second theme turns to China, as we see an increasingly important role for Chinese assets in strategic portfolios. For the first time, we break out Chinese assets from emerging markets (EM) as distinct tactical allocations. Finally, we focus on the journey to net zero: the path has a starting point and potential destination, but there is no clear roadmap yet for getting there. This transition will affect the risk premia of all assets, in our view.

1

The new nominal

We have seen the new nominal play out this year, but believe it is only just getting started, given the shift in monetary policy frameworks to foster higher inflation. We are overweight equities, and like cyclical regions such as Europe, as well as assets well-positioned for rising inflation.

2

China stands out

China's economy has come through the Covid-19 shock stronger than global peers, just as it did after the GFC – and it is prioritising the quality of growth over quantity. We favour above-benchmark strategic allocations to Chinese assets. Tactically, we like China bonds, and advocate selectivity in other Asian and emerging markets.

3

Journey to net zero

There is no clear roadmap for the transition to a net-zero carbon emissions world. We know the starting point and desired endpoint – but we don't think the journey will be smooth. We like assets well-positioned for the green transition, like tech, as well as sustainable equities and bonds.

Any opinions and/or forecasts represent an assessment of the market environment at a specific time and are not intended to be a forecast of future events or a guarantee of future results. There is no guarantee that any forecasts made will come to pass.

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Theme 1

The new nominal

The powerful economic restart is broadening, with Europe and other major economies catching up with the US. We expect a higher inflation regime in the medium term – with a more muted monetary response than in the past.

We have seen our new nominal theme play out through the vaccine-led economic restart this year – a restart that is now broadening globally.

The new nominal is about government bond yields being less sensitive than in the past to higher inflation expectations and actual inflation, keeping nominal long-term yields low and real yields negative. Despite being questioned, this narrative has largely unfolded in 2021: the rise in long-term yields has been mainly driven by higher market pricing of inflation, with real yields remaining pinned well in negative territory.

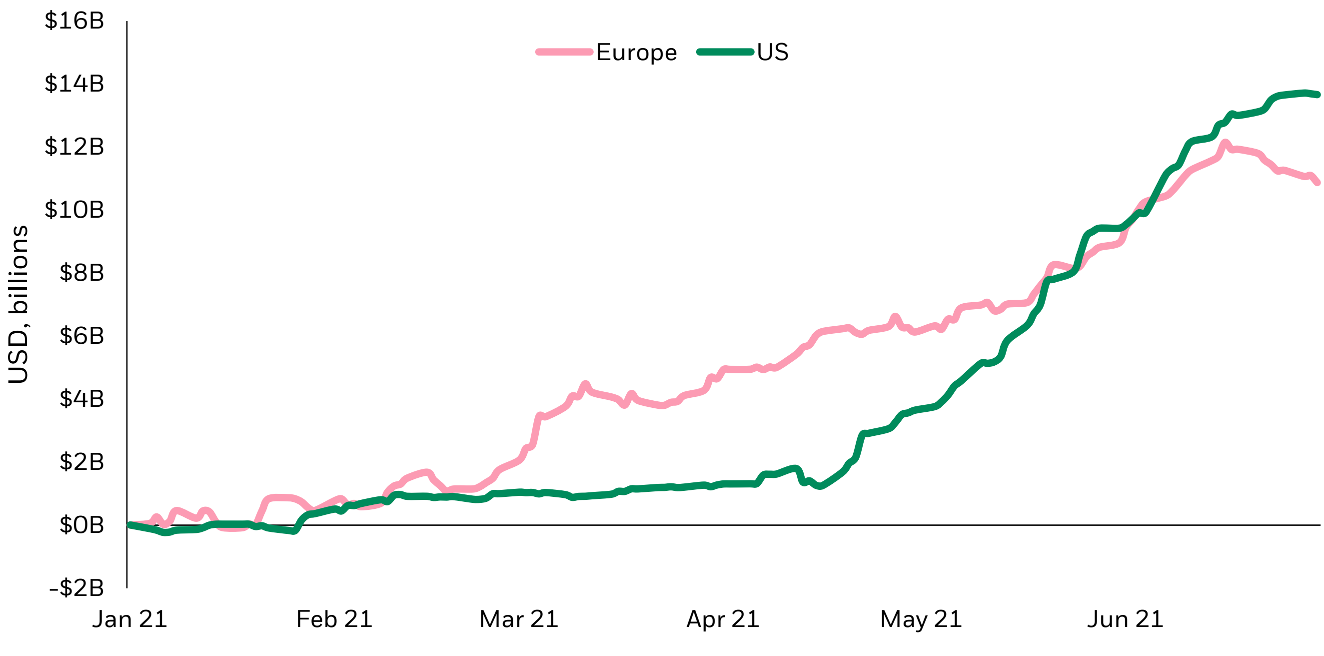
The US Federal Reserve (Fed)'s new policy framework is a key reason why. What matters for risk assets is the expected path of policy rates. We believe the market has been too eager to read hawkish intent into the Fed's statements where there is none. We expect the Fed to start normalising policy rates in 2023, a much slower pace than market pricing for lift-off in 2022 indicates. The market's lack of confidence in the Fed's commitment to its new framework poses a risk of tighter financial conditions in the near term. We would expect this uncertainty to dissipate over time – assuming the central bank regains control of its narrative – paving the way for us to lean even more tactically pro-risk.

Importantly, this year's rise in long-term yields has not been about expectations for a higher policy rate path. It has been partly driven by a revival of investors demanding a premium for the risk of holding long-term government bonds, known as the term premium. Surging public debt levels to fund the policy revolution have created a fragile equilibrium, in our view: the new nominal cannot last forever – and we don't see a repeat of the decade-long, post-GFC bull market.

The bottom line: we overweight European equities and inflation-linked bonds. On a strategic horizon, we prefer equities over credit.

Global investors turn to Europe

Cumulative flows into European equity ETPs split by listing region, January 2021-June 2021



Source: BlackRock and Markit, as at 22 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.**

Figures are in US dollars, unless stated otherwise.

European equities

We have upgraded European equities to overweight: the vaccine rollout is gathering pace across the continent, energising the activity restart, which should help sustain growth into H2. On the policy front, the European Central Bank (ECB) remains accommodative, while grants and loans from the periphery-targeting EU Recovery Fund will come online in H2, underpinning earnings for Europe's businesses and addressing digitisation and the green transition. While the region remains under-owned, investor interest in Europe has been picking up, with $24.4B added to European equity ETPs in H1 – putting 2021 on track to be the largest inflow year since 2017. Sentiment has been boosted by international demand, with US-listed European equity ETPs ($13.7B) outpacing their EMEA-listed peers ($10.9B) YTD.[1]

After lagging US peers in the rebound since March 2020, we see room for European cyclicals to play catch-up. They stood out in the record-breaking Q1 earnings season, posting 230.8% YoY EPS growth, vs. 1.4% for defensives - and are expected to deliver full-year earnings growth above 30% in 2021.Corporate balance sheets are in good shape; with effective European tax rates already higher than the OECD average, European earnings look less vulnerable to the risk of rising tax levels than some of their DM peers. We see potential for increased dividends and M&A, which are supportive for markets.

Getting selective in Europe

With improving economic momentum, double-digit earnings growth and compelling valuations, the case for Europe is strong. However, we believe a degree of selectivity is warranted by the structure of the European market.

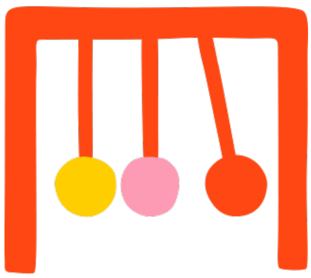
France’s equity market tilts heavily towards cyclicals, which should fare well in the current reflationary environment. Presidential elections in 2022 are a potential speedbump, with challengers to Macron slow to emerge.

Spain and **Italy**’s equity markets both show a heavy weighting to financials – 29% and 30%, respectively. While the activity restart has been strong in both countries, the normalisation of tourism activity – a sector which accounts for 12-13% of GDP – will be crucial for peripheral economies as they aim to return to pre-Covid growth levels. Ultimately, peripheral economies have seen a deeper recession and EPS fall, and should logically see a bigger rebound, with more support from the Next Generation EU recovery package grants vs. core countries.

We are neutral **UK** equities. While we believe the Brexit discount has now largely disappeared, UK large caps have lagged peers and may be a relatively attractive play on the global cyclical recovery.

Germany has the second-largest index weighting among eurozone equities, with a 25-30% weighting in MSCI EMU and the Euro STOXX 50. While GDP levels remain c.5% below pre-crisis levels, we see room to catch up, as private consumption lags fixed investments. September’s Federal election is a potential source of uncertainty, with numerous coalitions possible.

1 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.



A cyclical tilt in equities

We see room to run for the cyclical-led restart, given low rates, ample fiscal stimulus, and a broadening vaccine rollout worldwide. Value and small caps may look attractive in a higher inflation environment, alongside cyclically-tilted exposures like financials and broad commodities. However, selectivity remains essential, as many of the cheapest companies face structural challenges.

Financials – which dominated sector ETP flows in H1 – may particularly benefit from a rising yield environment. Historically, higher inflation expectations and steeper yield curves have been tailwinds for small caps, while value has benefited during periods of higher nominal growth. Value factor ETPs have seen record inflows YTD, with $20.2B added globally (vs. 2020's record $6.7B).[2] The cyclical comeback is also reflected in the greater overlap between value and momentum strategies, as the momentum factor has become increasingly cyclically-tilted.

“Investors today are focused on participating in the economic restart. We see this coming through in conversations with our wealth and institutional clients, as well as flows, which have already surpassed last year's total. Across equities, $568B has been added globally to alpha-seeking and index products in 2021 YTD, vs. $190B for 2020 as a whole. Thematic exposures have been a significant driver: $75B has been added to a base of $299B AUM this year for EMEA-listed products – a 25% increase YTD. Appetite for China exposures has increased over H1, with Chinese equities and bonds gathering 13% of all net flows across ETFs and alpha-seeking funds. We're also seeing renewed interest in private markets.[3] ”

IVAN PASCUAL, HEAD OF EMEA ISHARES & WEALTH CLIENT BUSINESS

Commodities have surged this year, led by cyclical commodities, off the back of the activity restart. High demand and supply bottlenecks have supported commodities, and the transition to a net-zero economy – which we believe the market is still under-pricing – should see greater usage of certain commodities, such as copper, lithium and cobalt, due to electrification.

2 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.**

3 Source: EPFR, data as at 16 June 2021.
Figures are in US dollars, unless stated otherwise.

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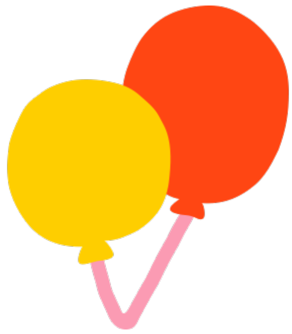
Inflation-linked bonds

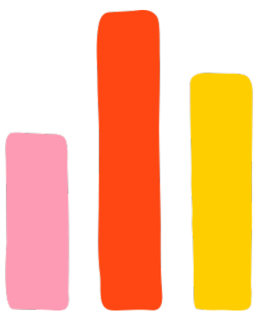
All eyes have been on inflation in recent months. Rising inflation expectations in the US have driven up rates in the first half of the year, and higher-than-expected short-term inflation has sharpened focus on the US Federal Reserve's future policy. Near-term inflation is likely to stay very volatile as restart dynamics, such as surging demand and supply disruptions, come into play. Yet over the medium term, we see inflation climbing higher, with the Fed letting it run ahead of target to make up for years of undershoots.

Inflation protection is therefore likely to be a key component in adapting portfolios for the new environment This leads us to turn overweight inflation-linked bonds tactically: they look attractive in light of the asset class's recent pullback, especially vs. European breakevens. Q2 global inflows into inflation-linked ETPs rose to $11.2B, from an already-strong $10.4B in Q1.[4] We prefer allocation to US inflation-linked bonds, where pressures have built up faster relative to Europe; short-duration exposures could be attractively positioned with inflation likely to remain elevated in the near term.



Inflation sensitivity in equities

Inflation protection can also be built into portfolios through equity sector exposures. We expect medium-term inflation to run higher, positioning sectors such as energy and basic resources attractively. Historically, both sectors have exhibited high beta to inflation expectations. Rising inflation expectations may also be supportive of commodity prices. Sentiment on oil has rebounded as activity has normalised; the return of international travel could be a further tailwind, alongside capital discipline. Investors have taken note: energy ETPs are on track for a record inflow year, with $19.3B added YTD.[5] The basic resources sector also provides high exposure to commodity producers, many of which are benefiting from increased demand through infrastructure spending as well as providing resources for the longer-term shift to a sustainable economy.



4, 5 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

Income

In a yield-starved world, we continue to like high yield (HY) credit as a source of income – although we've downgraded our view to neutral, as valuations look less attractive. Inflows into HY ETPs made a comeback in Q2 with $4.1B added, after outflows of -$4.6B in Q1.[6] Fundamentals in HY look relatively strong. HY spreads globally have compressed to near pre-pandemic levels as demand for income remains elevated, while vulnerabilities in the sector have been limited by continued policy support. Tactically, HY could be a reflationary trade beneficiary: as nominal yields continue to back up, investors may prefer the shorter duration exposures of HY vs. investment grade (IG) credit.

We favour a multi-asset approach to tackling the income challenge in portfolios, including quality-screened dividend exposures. Q2 2021 was a record quarter for inflows into dividend-focused ETPs ($16.2B).[7] Many companies have been able to resume the dividends they slashed during the pandemic, thanks to policy support and the activity restart, and the outlook is expected to improve further.

Unconstrained fixed income

Unconstrained funds can be designed to maintain the look and feel of a core fixed income allocation, while providing exposure to a more diversified set of return drivers. In an environment characterised by low yields, stronger growth, and rising inflation, unconstrained funds can take advantage of these dynamics with less reliance on duration than traditional products. Allocations can be adjusted dynamically to more growth-sensitive assets, which may benefit from a reflationary environment, sourcing attractive investment opportunities beyond traditional factors.

6, 7 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

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Theme 2

China stands out

Growth in China is starting to slow at the same time the policy stance is relatively tight. The regulatory crackdown on dominant companies is ongoing. We see these as key aspects of China's efforts to improve the quality of growth.

China is already a distinct pole of global growth. We believe it is time to also treat it as an investment destination separate from EM and developed markets (DM). China's economy has come through the Covid-19 shock stronger than global peers, just as it did after the GFC. China quickly bounced above its pre-pandemic growth trend, and policymakers have shifted to tighten policy and refocus on stabilising leverage, with growth now slowing.

This stands in contrast to the DM policy revolution where historic fiscal and monetary policy has meant a surge in debt to record levels. China is pursuing a more orthodox policy, partly to reduce risks in the financial system but also to make itself a more attractive investment destination. So far, it's working. China has seen a surge of inward investment that began last year, partly due to investors seeking positive real yields not available in the DM world. This is what we call China's quality revolution – prioritising the quality of growth over quantity – and it ties in directly with its ambitions to reach net-zero emissions by 2060.

China also stands in sharp contrast to large EM countries. Chinese policymakers are taking a hawkish stance because of the focus on long-term objectives.

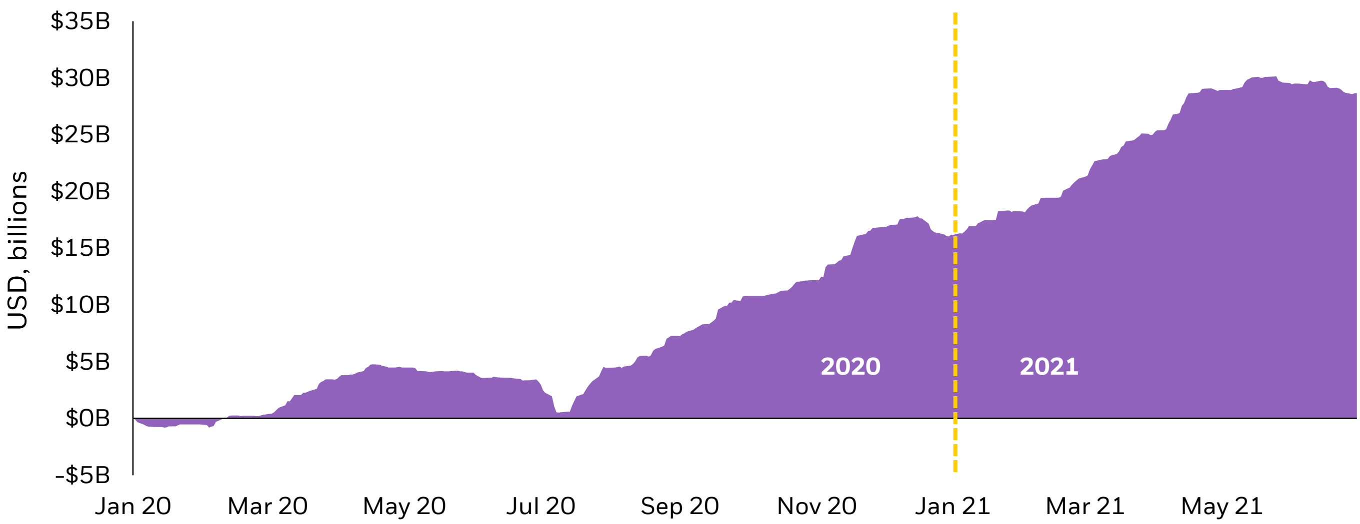
We could see times when markets become concerned that China's policy setting might be excessively tight. That points to downside risks in the short term. The story could not be more different in many other EMs. The debt hangover from the Covid-19 policy response is likely to further hamper growth. Any tightening of financial conditions would make financing this debt for EM tougher. A period of austerity is likely to ensue, exacerbating political divides and stoking populism.

We break out Chinese equities and government debt as a standalone part of our tactical views. China is pushing through reforms that could weigh on the quantity of growth in the near term but potentially improve the quality in the long run.

The bottom line: we are tactically cautious on Chinese equities but positive on a strategic basis. We like Chinese government bonds on both a tactical and strategic basis for their relatively attractive yields. Despite challenges to EM assets, we still see opportunities in selective exposure to EM equities and local currency debt.

China bonds continue to climb

Cumulative flows into China bond ETPs, January 2020-June 2021



Source: BlackRock and Markit, as at 22 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.**

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Chinese assets

Sentiment towards China has faced three main headwinds in H1: the slowing of domestic credit growth, rising US-China tensions, and regulatory tightening in the tech space. Recently, the CNY has depreciated, alleviating pressure on the People's Bank of China, US-China tensions have stabilised, and the regulatory environment has become better understood, in the context of China's efforts to prioritise the quality of growth over its quantity. However, we remain cautious on Chinese equities on a tactical horizon, as policymakers' resolve to push through reforms may impact near-term growth. We are overweight Chinese government bonds, with the relative stability of interest rates and the carry on offer brightening their appeal.

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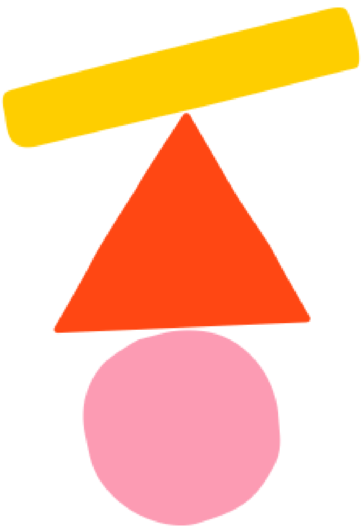
We favour strategic above-benchmark allocations to assets exposed to China, as core holdings distinct from EM, despite near-term downside risks. On a strategic horizon, we expect China to emerge as one of the largest green energy economies and electric vehicle markets. Chinese assets may boost portfolio diversification, with its bonds and equities less correlated to DM peers than broad EM.

Investors may be able to apply their desired weight to Chinese assets and manage risk by building out a China view and an EM ex-China view – see the following page for more on EM ex-China exposure.



Japanese equities

We have upgraded our view on Japan to neutral, as we see an accelerating vaccine rollout paving the way to a broader restart. The cumulative loss in activity from the pandemic could be the smallest among major DM economies, and flows into EMEA-listed Japanese equity ETPs reached $2.7B in Q2, up from $1.7B in Q1.[8] Macro indicators also look positive: industrial production has now surpassed pre-Covid levels, ahead of the US and euro area, while there is room for services activity to pick up. As a key global supplier of capital goods, Japan is poised to benefit from a strong global capex rebound in the wake of the pandemic. Meanwhile, Japanese consumers have built up excess savings, and the revival of consumer spending could boost cyclically-oriented indices like MSCI Japan, which tilt heavily towards the industrial and consumer discretionary sectors. Japanese equity valuations look appealing: they're among the lowest across DMs on various metrics, with room to rise as earnings rebound from a three-year slump. The Bank of Japan should remain accommodative with inflation still below target, providing a further tailwind.

8 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

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EM assets

We take a neutral view towards EM equities and debt. A slower pace of vaccinations has delayed the return to pre-Covid levels of growth in many emerging markets, and we see a greater risk of economic scarring for EMs vs. their DM peers. The boost from the cyclical upswing may also be offset by signs of tightening monetary policy across many EMs that comprise large weights of benchmark indices.

We expect clear 'winners' and 'losers' to emerge in EM over H2, as some markets grapple with a debt hangover from the Covid-19 policy response, especially relative to DMs. On the other hand, exposures such as the semiconductor-heavy Taiwanese equity market and other tech hubs like South Korea could benefit from the structural tailwinds driving the technology sector. EM ex-China exposure provides access to commodity-exporting emerging markets, which may be well-positioned to benefit from rising copper prices and growing structural demand. This may bolster EM FX – which is yet to fully reflect the commodity rally so far this year – boosting the attractiveness of local-currency EM debt, although uncertainty around the USD creates potential for greater FX volatility.

EM ETP flows fell in the second quarter, despite improved sentiment towards EMD. EM equity buying dropped from $32.3B in Q1 to $6.7B in Q2, while EMD flows rose by c.75% to reach $7.5B over the same timeframe.[9]

9 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

Theme 3

Journey to net zero

There is no roadmap for getting to net zero, and we believe markets underappreciate the profound changes coming. The path is unlikely to be a smooth one – and we see this creating opportunities across investment horizons.

The journey to net zero on carbon emissions has a clear starting point and potential destination – but there is no clear roadmap, and we see many turns along the way. Certain commodities, such as copper (electric vehicles and charging stations) and lithium (batteries), will see increased demand from the drive to net zero. Yet we think it's important to distinguish between the near-term drivers of commodity prices – notably the economic restart – and the long-term transition that will likely drive some of these prices.

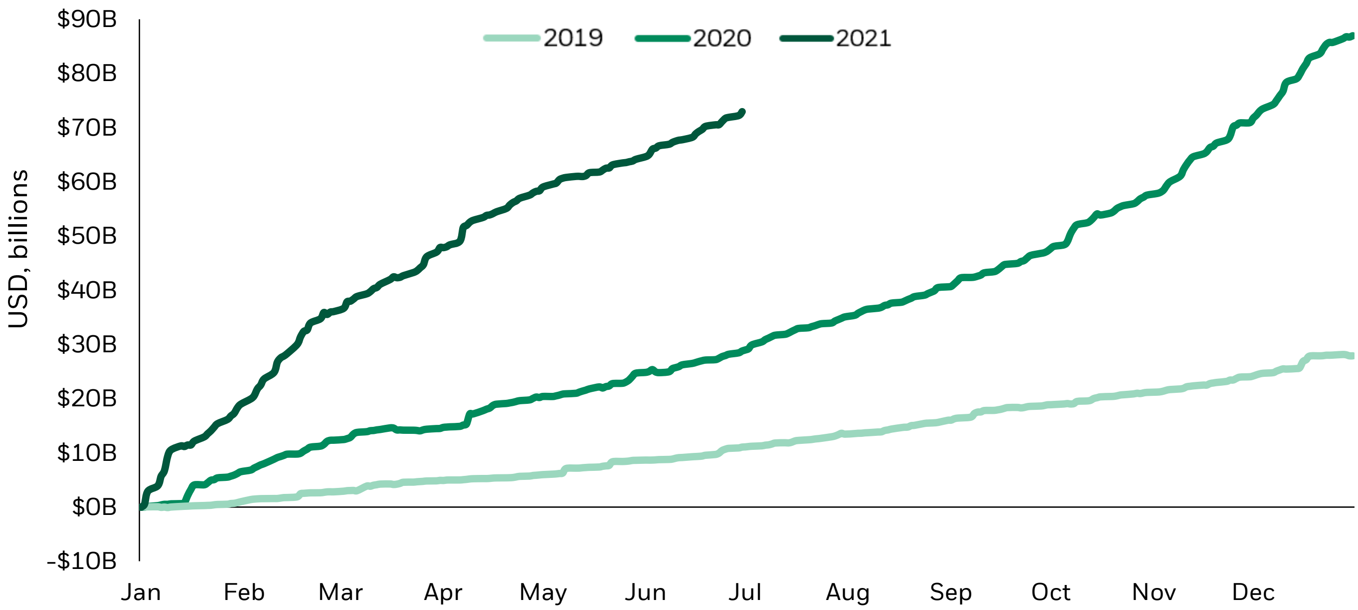
Crude oil prices are a case in point. Recovering demand, coupled with a lack of investment in new supply, is pushing up prices. This may be short-lived as the transition to net zero leads to peak demand. There will likely be a longer-lasting need for metals such as copper. We've seen a gap opening between Brent Crude and copper spot prices, unlike the near lockstep rise in the 2000s– which is why a commodity 'supercycle' is not how we'd view it.[10]

For all the talk of a green transition and the ambitions for the next few decades, it is only just starting – and the infrastructure needs are huge. Some of the coming changes may be abrupt – and add to supply and demand disruptions among commodities. That's why it now matters on a tactical, not just strategic, horizon. Our climate-aware return assumptions assume net zero to be achieved. Yet knowing the desired endpoint is not sufficient. We don't think the green transition will be a smooth one – and that will create opportunities along the journey.

The bottom line: we like quality equities exposed to structural trends and innovation, like tech, which may be better-positioned for the green transition. We favour portfolio resilience in the face of longer-term uncertainty.

Sustainable investing continues to accelerate

Cumulative flows into sustainable ETPs, 2019, 2020, 2021



Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

10 Source: BlackRock Investment Institute, with data from Refinitiv Datastream, July 2021. Note: chart shows the spot price of London Metal Exchange (LME) copper and Brent crude oil rebased to 100 at the start of 2000.

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Sustainability

The shift to sustainable has been accelerated by the Covid-19 pandemic: so far this year, money has been added to sustainable exposures at a much faster pace than in previous years, with $73B into global sustainable ETPs, compared to $86.3B in 2020 (see chart on p.12).[9] At the same time, with climate change a focal point of June's G7 summit, societal and political focus on sustainability continues to sharpen globally. Corporate focus is also increasing, with c.30% of S&P 500 companies commenting on ESG in the Q1 2021 earnings season, up from 25% in the previous quarter. Interestingly, the sector tilt of these comments shows a cyclical bias, with the most references coming from financial and industrial companies.

Ultimately, we believe climate risk equates to investment risk, which is why our new sustainable capital market assumptions take climate change into account as an often-underappreciated return driver when calculating return assumptions. Moreover, risk also means opportunity: we see significant return potential from the green transition.

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We're just halfway through 2021, and global equity ETP flows are already on track for their best year ever with $492.0B added YTD – up across all regional exposures. We're seeing more clients use sector ETPs as a strategy to implement granular views, with $108.1B into sector exposures YTD vs. $111.8B for 2020 overall. Investors are also increasingly building sustainable into the core of their portfolios, particularly in Europe, with 45% of all EMEA-listed ETP flows going into sustainable products so far this year.[10] ”

JANE SLOAN, HEAD OF EII EMEA

11, 12 Source: BlackRock and Markit, as at 30 June 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

A quality tilt in equities

In a world reshaped by the global pandemic, we see areas that could be well-positioned to benefit from behavioural shifts, pent-up demand, and large-scale stimulus. In particular, we see the technology sector as well-positioned for the green transition. We like tech as part of a barbell approach to equities, given its quality characteristics such as high return-on-equity, profit margins, and free cash flow yield. Solid fundamentals helped the sector to report Q1 EPS growth in the US on par with the broad S&P 500 Index, despite less favourable base effects in comparison to cyclical sectors. Within tech, a selective approach could help to unearth more targeted opportunities. Semiconductors offer exposure to the backbone of powerful, emerging technologies, and are the world's fourth most-traded product after crude oil, refined oil, and automotive vehicles.[13] Companies operating in the digital security space could benefit as businesses and policymakers sharpen their focus on cyber risk. Healthcare also has a quality bias, with high levels of cash and a low beta to global growth historically, while the pent-up demand of 28 million elective procedures delayed globally as a result of the pandemic could leave medical device companies well-positioned.[14]

We maintain our overweight on the quality factor. Investors have turned more positive on quality, with $2.6B of inflows into global quality ETPs in Q2, a reversal of the -$2.6B out in Q1 – the first quarter of net outflows for the factor since 2015.[15]

Liquid alternatives

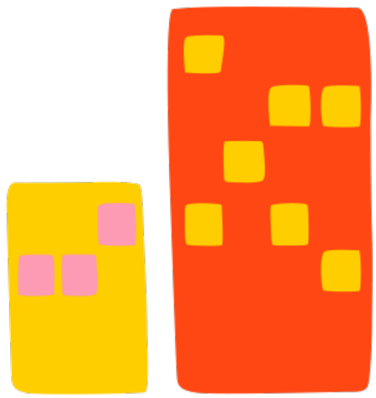
Alternatives can serve as important building blocks in the portfolio construction process, due to their idiosyncratic return profile, and may be attractive for investors seeking portfolio diversifiers beyond traditional asset classes. Alternatives aim to generate differentiated outcomes for investors by tapping into non-traditional sources of return. Investors should look to select alternative investment strategies that are best-suited to their risk tolerance. For example, portfolio allocations with muted return forecasts could be replaced by higher-octane alternatives in an attempt to improve a portfolio's target returns.

13 Source: www.bcg.com/en-gb/publications/2021/strengthening-the-global-semiconductor-supply-chain

14 Source: NIH, 'Elective surgery cancellations due to the COVID-19 pandemic:', October 2020

15 Source: BlackRock and Markit, as at 30 March 2021. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.** Figures are in US dollars, unless stated otherwise.

Real assets



Tactically, we see multiple tailwinds boosting the investment case for infrastructure. Firstly, we expect the global restart to benefit cyclically-tilted sectors within infrastructure indices, such as industrials and energy. Secondly, in the context of our new nominal theme – an extended period of low rates, even as inflation climbs higher – infrastructure may serve as an effective inflation hedge; real asset valuations may also benefit. Structurally, infrastructure exposures look well-positioned, as governments use increased fiscal spending to accelerate economic growth. This trend is already materialising: US policymakers have reached agreement on a c.$1.2T infrastructure stimulus package, while the EU's Next Generation Recovery Fund also has an infrastructure bias. Low interest rates may be another tailwind.

Investors seeking to access long-term capital growth through the illiquidity premium may consider private market strategies. Private market assets have seen an unprecedented rise in demand as investors with long time horizons look to benefit from structural under-ownership.

Cash & short duration solutions

Holding some cash makes sense, in our view, as a buffer against volatility driving stocks and bonds lower, and as a way to quickly access opportunities that may arise. Investors may consider putting cash to work through money market and short-duration bond funds. Money market funds (MMFs) offer a diversified solution for cash investors with a focus on liquidity and capital preservation, investing in highly-rated money market and short-dated fixed income securities, and may integrate ESG parameters.

Investors willing to take on slightly higher risk levels from their cash allocation in pursuit of higher yields may consider short duration bonds, including sustainable solutions.

Diversification may not fully protect you from market risk.

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Risk Warnings

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

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