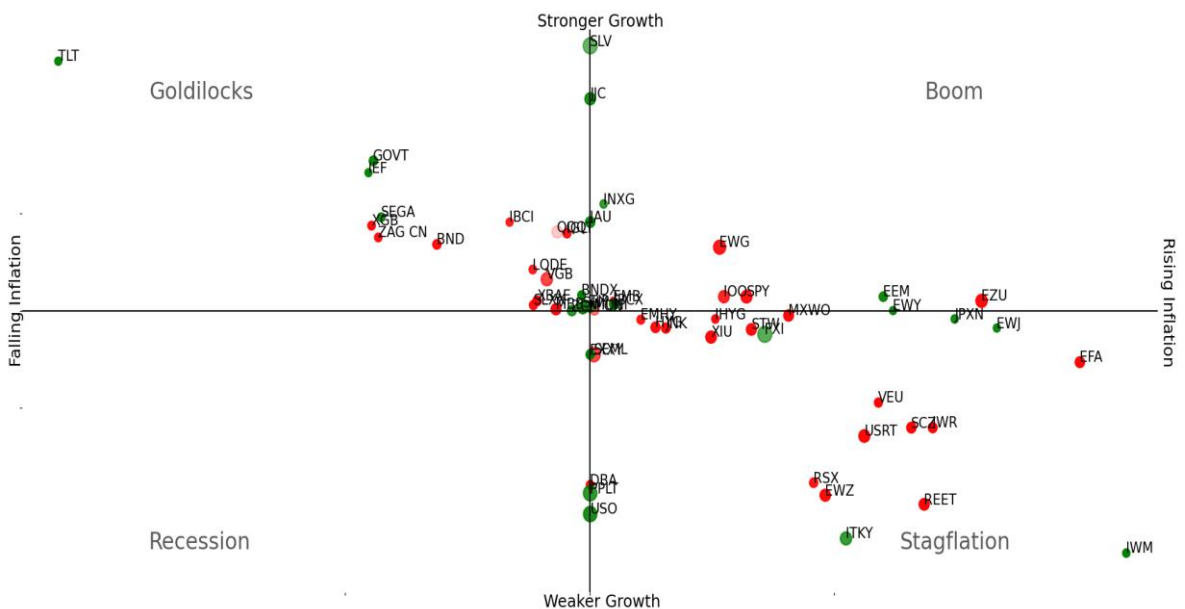




## Tactical Asset Allocation: The Global Multi-Asset view

- In broad terms, the global multi-asset investment clock is largely unchanged. Since March while all equity markets retain a strong bias to higher inflation, several have moved to show a negative relationship with growth. This **we still interpret as a variation on the Goldilocks theme** – wanting just enough reflation to provide support, not too hot that brings forward overheating & fears of a Fed policy response.
- Both globally & in the US, Real Estate ([REET](#), [USRT](#)) & Small Caps ([SCZ](#), [IWM](#)) are areas traditionally perceived as ‘growth’ plays. All four want are emphasising this balanced reflation rather than outright ‘boom’.
- Valuation gaps remain modest. Both red & green dots are small denoting most are within +/- 0.5 sigma of macro fair value.

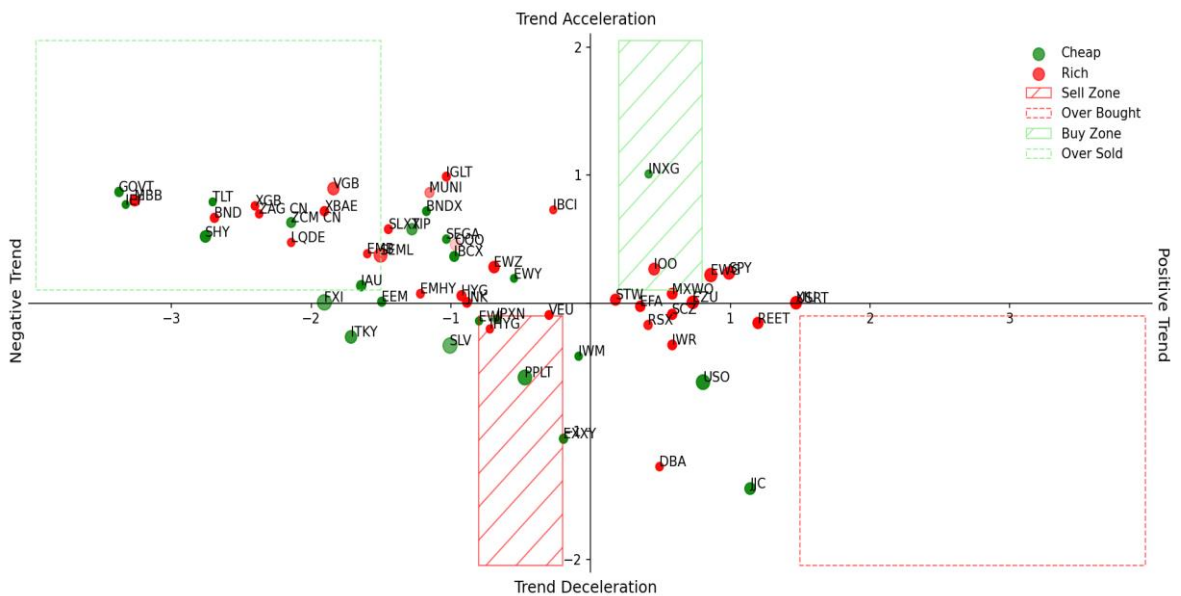


- Government bond ETFs are clustered in the “Goldilocks” quadrant – they want rising strong growth but falling inflation. [TLT](#) (20y+ US Treasuries) are the extreme.
- Overleaf we add in trend & momentum dynamics.



## Tactical Asset Allocation: The Global Multi-Asset view

- While macro valuations are close to home, the momentum picture throws up some potential opportunities.
- **Index-linked Gilts [INXG](#) are potentially on the cusp of a new uptrend.** The ‘buy zone’ seeks to capture the early phase of a new uptrend as momentum starts to accelerate higher.
- **Global large caps [IOO](#) start off as slightly rich in valuation terms but share the same trend & momentum profile.**



- Several Fixed Income ETFs feature in the top left quadrant where models are in a downtrend, but losing downside momentum.
- Four US Treasury ETFs are slightly cheap to macro value & in the ‘oversold’ box. They cover the entire maturity spectrum – from the front end [SHY](#), to intermediates [IEF](#) & through to the long end of the yield curve [TLT](#). The ETF [GOVT](#) represents the whole US Treasury curve.

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