

Saxo **Asset** Allocation – Outright Bullish Scenario

Allocation

Our Asset Allocation Model is maintaining an “**Outright Bullish**” stance after having changed from “Outright Bearish” four months ago. The reason is a sharp turnaround business activity (according to our Global Business Cycle Indicator) and that means that the overall allocation has changed and now recommends a bigger, net long (however moderate) position in equities and larger exposure to commodities.

Asset Allocation Weights

Scenario	MSCI World	MSCI EM	Commodities	Bonds
Outright Bullish	30%	5%	45%	20%

Portfolio

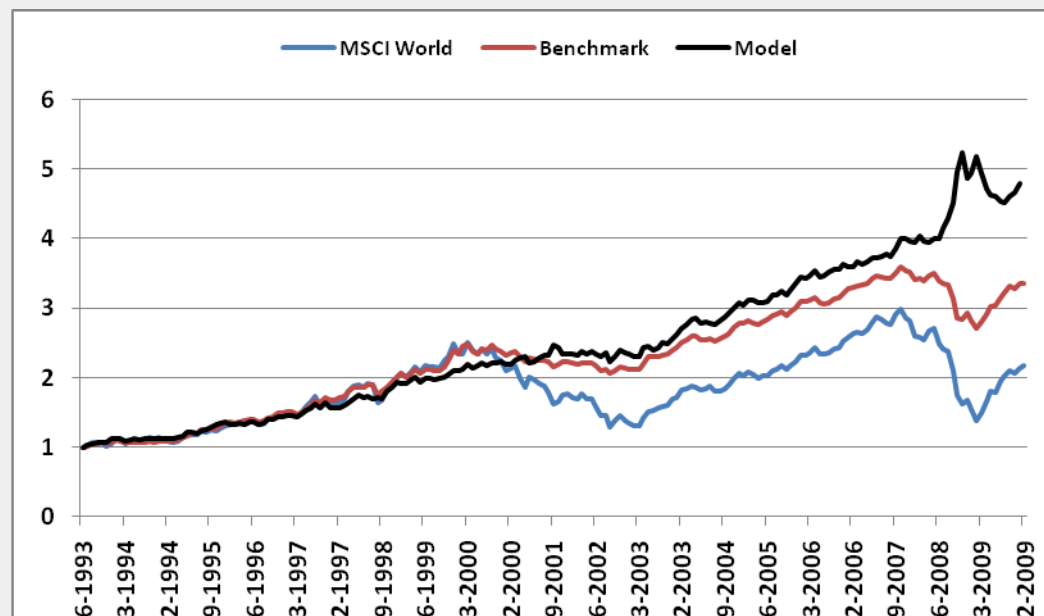
In order to directly or synthetically create the recommended exposure in the present scenario, an investor should allocate capital as follows:

Portfolio Replication*			
Position	Exposure	Name (Ticker)	# (1 mio. EUR capital)
Long	30,0%	iShares MSCI World (IQQW:xetr)	17016
Long	5,0%	iShares MSCI EM (IEMM:xams)	1831
Long	45,0%	Lyxor CRB ETF (CRB:xpar)	23196
Long	10,0%	iShares 1-3 Year US Treasuries (SHY)*	1735
Long	10,0%	iShares 1-3 Year EUR Treasuries (IBCA)	732

*) A EUR-denominated investor should get rid of the implicit currency exposure in the portfolio by buying EURUSD worth 10% of the capital allocated to the portfolio. For an investor with a 1 million EUR portfolio, this would equal 100,000 EURUSD.

Performance

Our **benchmark** is an index consisting of returns from 33% EFFA +10 year Treasuries, 33% MSCI World and 33% CS Tremont Long/Short Equities. The return for December was 2.76%, primarily due to the 45% exposure to the CRB Index (up 7.77% in EUR terms)



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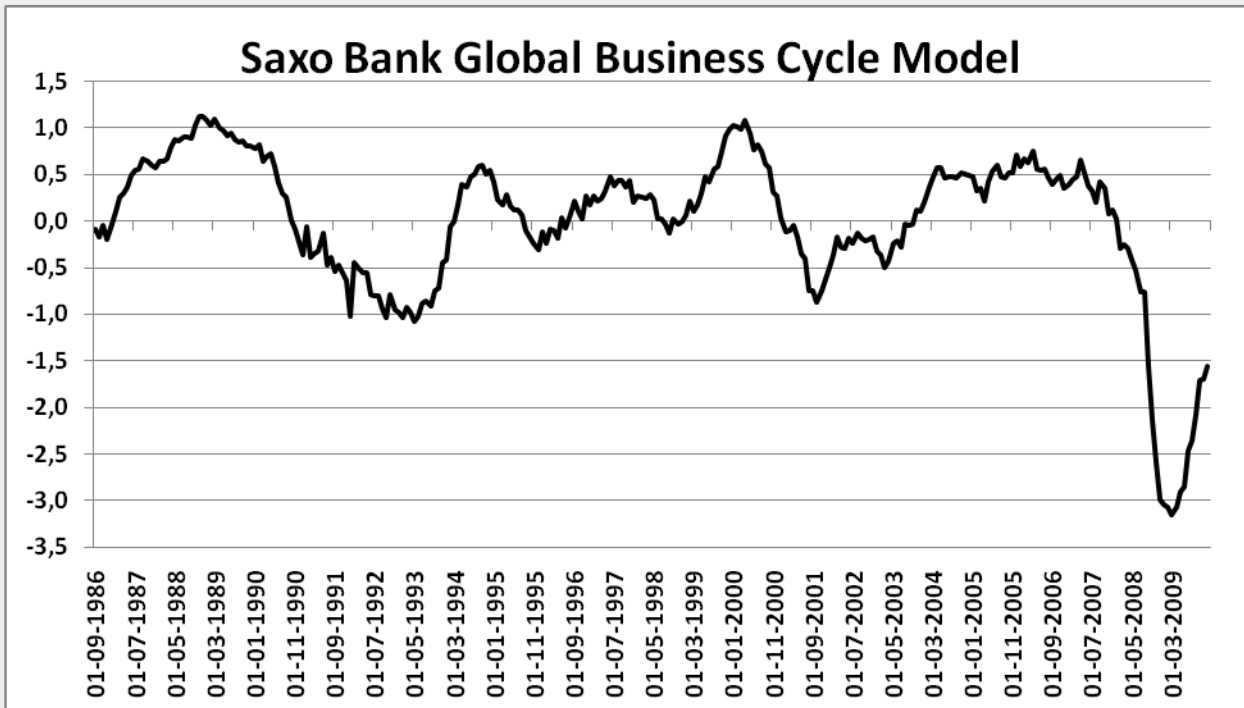
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For important disclosures, refer to the Disclosures Section, located at the end of this document.

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Global Business Cycle Indicator

Our global business indicator is an expression of how much global economic activity is accelerating or decelerating. It now looks like we have acceleration, but it is from a very low starting point.



Allocation Weights

The capital allocation weights depend on the economic scenario. The current scenario is “**outright bullish**”, since the global economy is accelerating fast. Risky asset classes should be doing well in this scenario. Of course, stock markets already rose a lot, but if we get a gradual recovery, they (and commodities) might be able to extend their gains.

Asset Allocation Weights

Scenario	MSCI World	MSCI EM	Commodities	1-3-Year Bonds *
Outright Bullish	30%	5%	45%	20%
Moderately Bullish	43%	7%	11%	40%
Moderately Bearish	12%	8%	0%	80%
Outright Bearish	-20%	-5%	-5%	70%

* Note that we have changed from the suggested +10-year maturity bonds to a maturity no longer than 3-years, as we are fearing that irresponsible fiscal policies will lead to a bond market dislocation – hurting the long-maturity bonds the most.

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