



INVESTMENT CRIB SHEET

FEBRUARY 2025

FOR PROFESSIONAL INVESTORS ONLY

www.alphabetapartners.co.uk

Investment Crib Sheet February 2025

		Opportunity Set	UW	N	OW	Change	Conviction
Main Asset Class	Debt	SOVEREIGN			▲		Increase in duration as we go up the risk curve but overall bias towards short duration – we expect further monetary policy easing across the developed economies to affect the short end of the yield curve.
		HIGH YIELD STERLING		●			High Yield credit spreads do not show signs of stress at this point. Spreads at historic lows.
		STERLING CORPORATE		●			High quality corporate bonds with duration under 5 years favoured. No Signs of corporate debt stress.
	Equities	NORTH AMERICA			▲		We expect ample liquidity and further rate cuts from the US Treasury and Fed helping our Ample Liquidity thesis. As we near our target levels for this year and post-election exuberance may result in overshoot to the upside.
		EQUITY – UK			▲		UK equities overweight compared to Morgan Stanley Capital International All Country World Index allocation.
		JAPAN		●			We have trimmed our Japanese equity position after it had reached 40K level and we see signs of policy trilemma at the BoJ.
		EMERGING MARKETS	▼				Chinese equities have shown some signs of life after the recent policy response . Geopolitics will also impact the Chinese equities especially and Emerging Markets in general. Increase in Geopolitical risk has resulted in Dollar strength and may impact EM equities.
		EUROPE X UK		●			Political changes in Europe in Q3 remain a point of concern. This is impacting risk asset's performance.
		ASIA PAC X JAPAN	▼				Emerging Market excluding China suffering from higher interest rate differential with the US and a strong Dollar.
	Infrastructure	GLOBAL INFRASTRUCTURE		●			This asset class has still to show some positive momentum.
	Real Estate	REAL ESTATE EQUITY					No exposure to real estate.
	Commodity	COMMODITIES			▲		Active positions Core, and Plus portfolios to benefit from supply shortages and geopolitical risks. Global Manufacturing slowdown and dollar strength may impact its performance.
	Cash	CASH			▲		Zero duration yielding asset – we have increased our cash holding instead of duration sensitive assets.
	Technology	GLOBAL TECH AND AI					Technology remains a much-loved sector despite valuations – we have added some exposure in satellite positions and have an active position in our Global Macro portfolio.
	Future World	SUSTAINABLE WORLD					Healthcare exposure in lower risk portfolios.
	Look East	NEW GROWTH AREAS					We have added some exposure to emerging markets in higher risk portfolios.
	Special Situations	SPECIAL SITUATIONS					We have added some European and American special situations funds in our higher risk portfolios.

- The above views are as at the end of February 2025.
- ABP Asset Allocation is independent of Strategic Benchmark. Over and Under weights are in relation to equilibrium portfolio.
- Thematic allocation using active managers in Core Plus, Ethical, SRI and Sustainable portfolios.



Underweight



Neutral



Overweight

MANAGER'S COMMENTARY

- Monetary policy easing in the US, UK, and Europe continues, with another Fed rate cut likely in December. Long-term bond yields rise due to supply and demand pressures and long end of the yield curve is extremely sensitive to supply.
- The US economy shows resilience, though labour market weakness is emerging. Treasury issuance policy is expected to persist into 2025.
- China's policy measures support equities and real estate, but geopolitical risks in the South China Sea and EV oversupply impact global manufacturing, especially Japan.
- Dollar strength highlights Euro and Yen weakness, influencing commodity prices. The dollar is expected to stay strong in the near term.

IMPORTANT INFORMATION

This is a marketing communication from Alpha Beta Partners which is a trading name of AB Investment Solutions Limited who are authorised and regulated by Financial Conduct Authority (FCA). Retail clients should not rely on any of the information provided in this document and should seek assistance from a Financial Adviser for all investment guidance and advice.

The information and opinions contained in this document are subject to updating and verification and may be subject to amendment. The information and opinions do not purport to be full or complete. No representation, warranty or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by Alpha Beta Partners and AB Investment Solutions Limited. No liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed, express or limited, as to the accuracy or completeness of the information or opinions contained in this document by Alpha Beta Partners and AB Investment Solutions for any purpose in the information or opinions contained in this document.

Please remember that you should not base decisions on past performance and that prices may fluctuate, and you may not get back your original investment. Past performance is not a reliable guide to future performance. Further information is available on request, or on our website www.alphabetapartners.co.uk

Andrew Thompson

Tel: 020 8152 5117

Email: at@alphabetapartners.co.uk

Correspondence Address: Northgate House, Upper Borough Walls, Bath BA1 1RG.