

CORUM AG Investment Views Q2 2022

The war in Ukraine, the coronavirus situation in China and global supply chain problems are among the geopolitical factors that have fostered an explosive increase in inflation rates and an environment tending towards stagflation.

As a consequence, significant inflation rate rises – starting in the USA and Great Britain – are expected, demanding a certain rethinking of our asset allocation, as the investment focus for the next 3-6 months has changed from maximising returns to retaining value.

For this reason, we have increased our estimation of the attractiveness of money market investments, markedly overweighting them. Given the erosion of real purchasing power, however, we assume this positioning will only be temporary.

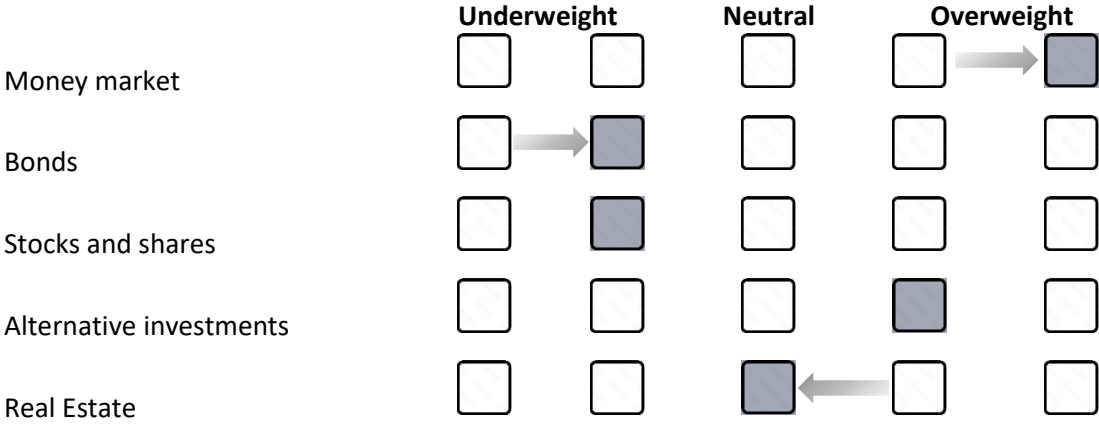
In the face of rising rates, we assume that real estate as a whole could lose some of its attractiveness and are thus reducing the overweighting to a neutral position.

In stocks, we are also cautious; if the present market correction continued, we would start to selectively build on positions in good-quality titles. We also see attractive possibilities in the field of structured products that profit from today's high volatility.

Because of the extreme developments in the bond markets, we are reducing underweighting in this class of investment a little, as falling economic growth also allows opportunities for longer-term bonds as part of a strategy adapted to the yield curve ("barbell").

In the current market environment, we therefore remain committed to our prudent attitude and expect volatility to remain high until a change in inflation rate developments is detected.

Investment Views



Based on an investment horizon of 6-12 months.

Best wishes,

Philipp Röh
Chief Investment Officer, Switzerland

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