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## Press Release

Amsterdam, 11 December 2012

### **ABN AMRO Private Banking remains positive on equities, moves overweight on Asia property and sees value in selective peripheral EU bonds in Q1 2013 Investment Outlook**

ABN AMRO Private Banking reiterates its overweight allocation on equities from the last quarter in its Q1 2013 Investment Outlook – *Reinventing Growth* – published today. Europe, Asia and Brazil remain the preferred regions, although the bank remains underweight US and Japan equities.

This positive equities view is driven by signs that the global economic cycle is bottoming out, as well as by continued strong corporate balance sheets and dividend distributions. Preferred sectors are Industrials (particularly Capital Goods), Energy (particularly Oil Services) and Healthcare (particularly Biotech). International companies with direct exposure to fast-growing emerging markets are also favoured.

'Masters of Manufacturing' is the equity theme identified for the first quarter of 2013. It focuses on companies supporting or delivering production efficiencies and higher manufacturing standards via improved tools and IT. These include ABB, BASF, Bureau Veritas, EMC Corp/Ma, Emerson Electrics, General Electric, Hyundai Motors, Intertek, Schneider, Lanxess, Michelin, Qualcomm Inc, Samsung Electronics, BMW and Volkswagen.

Didier Duret, Chief Investment Officer of ABN AMRO Private Banking, said:

"The convergence of improved economic conditions and investors fleeing low yields feeds our positive outlook for equities. Investors are facing the harsh reality that they cannot achieve decent real yields without venturing into assets exposed to economic risk. 'Safe haven' flows have massively compressed bond yields, forcing institutional and private investors to consider equities for their target returns."

Although the bank remains underweight fixed income, it continues to see value in Asian corporate bonds. The bank also sees opportunities in selective peripheral European bonds, particularly in Spanish and Italian government bonds, as well as in the Utilities and Telecoms sectors.

Asia property has been moved to overweight and adds to the bank's positive view on US listed property. Hedge funds remain overweight and long/short equity joins relative value as a preferred strategy. Global macro and CTA are kept neutral, while event-driven is downgraded to negative.

In currencies, the bank sees potential strengthening of the US dollar. At the same time an upside could be seen for the Canadian dollar, Mexican peso and Brazilian real versus the US dollar. Versus the euro, the bank favours the Canadian dollar and Norwegian krone. The bank remains neutral on commodities.

Allocations in the bank's balanced model portfolio are bonds 45%, equities 40%, hedge funds 8%, property 5% and commodities 2%. Cash is moved to zero.

To receive a copy of the report or for further information, please contact: +31 20 628 8900

ABN AMRO Private Banking is the international wealth-management division of ABN AMRO Bank with EUR146 billion of total assets under management, offering more than 120,000 high-net-worth individuals a full range of banking, investment management, financial and estate planning products and solutions. Our domestic and international offices in 10 markets worldwide employ over 4,000 professionals and include the respected private banks ABN AMRO MeesPierson in the Netherlands (Est. 1720), Bethmann

Bank in Germany (Est.1712) and Neuflyze OBC in France (Est. 1667). We are the third largest private bank in the Eurozone, 7th largest in Europe and enjoy a strong position in Asia. Visit us at [www.abnamroprivatebanking.com](http://www.abnamroprivatebanking.com)