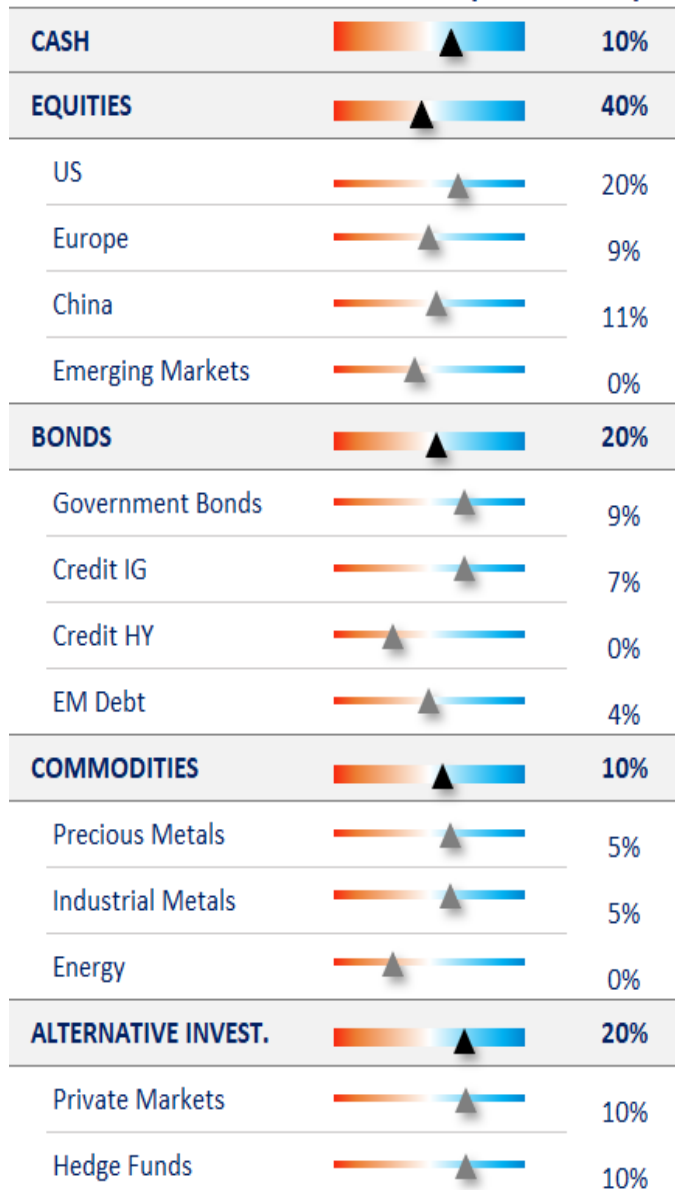




Omega Wealth Management March Investment Committee takes heed that it may take time to restore a more serene investment environment as the effect of high rates are increasing cyclical risk and challenging business models based on low cost of funding. The current risk episode in the financial sector is not perceived as systemic. Central banks are expected to play their role as risk supervisors and lender of last resort. They remain resolute to fight core inflation toward their 2% target even at the risk of slowing the economy at the edge of recession. These crisis moments may present specific opportunities, but at the portfolio level, the risk of volatility spikes caused by a broad range of factor necessitates risk mitigating measures. In time of turbulence, a higher than usual cash portion, longer duration bonds and alternative investments can remediate the limitations of sticking to a naïve strategic diversification.

## OWM Balanced Tactical Views (1-3 Months)



## Macro Strategy and Allocation

- **Fighting Inflation to the edge of recession**  
Western central banks are resolute to achieve their inflation target. Higher rates policy will be questioned in face of the supply side driven inflation.
  - **Multiple risks regime** : Uncertainty can jump from known risks-inflation, policy action, geopolitics, trade frictions, default risk and trigger financial instability.
  - **China factor** : In the background, chances are to outpace the 5% 2023 NPC growth target and lend support to EM.
  - **Defensive core position exposure**
  - 5% bond yield and above US IG bonds present the best reward for risk
  - Utilities, high dividend equities
  - EM equities and bonds are geared toward the Chinese recovery
- ### Risk mitigation beyond basic diversification
- Our Collective Intelligence Portfolio (CIP) is exposed to market flows with volatility control.
  - High cash level complemented by long maturity bond exposure and precious metals.
  - CTA with multiple source of alpha are expected to be non correlated assets.