



**IAPF**

November  
2021

# Following the Pandemic, What Are the Investment Opportunities and Headwinds?

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This material must be read in conjunction with the Disclosure Statement.

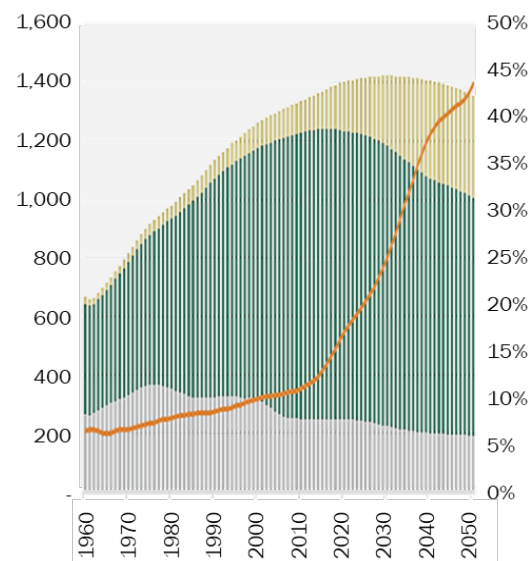
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# Global Macro – China's Ageing Population

## Total population is likely to peak around 2025

Population by age group (mn). actual (1960-2020) and forecast (2021-50)

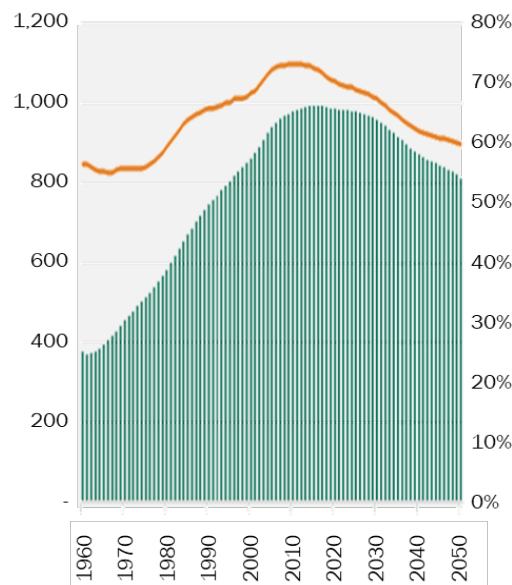
■ 0-14 ■ 14-65 ■ ≥65  
— Old-Age Dependency Ratio (RHS)



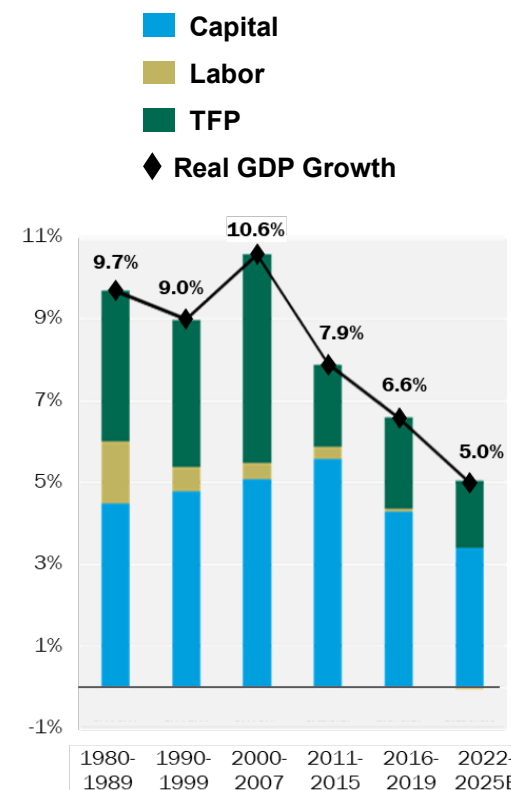
## While the working population peaked in 2010

Working age population (mn). actual (1960-2020) and forecast (2021-50)

■ Working Age Population  
— % of Total Population (RHS)



## Impact on potential growth



## Impact on interest rates and current account

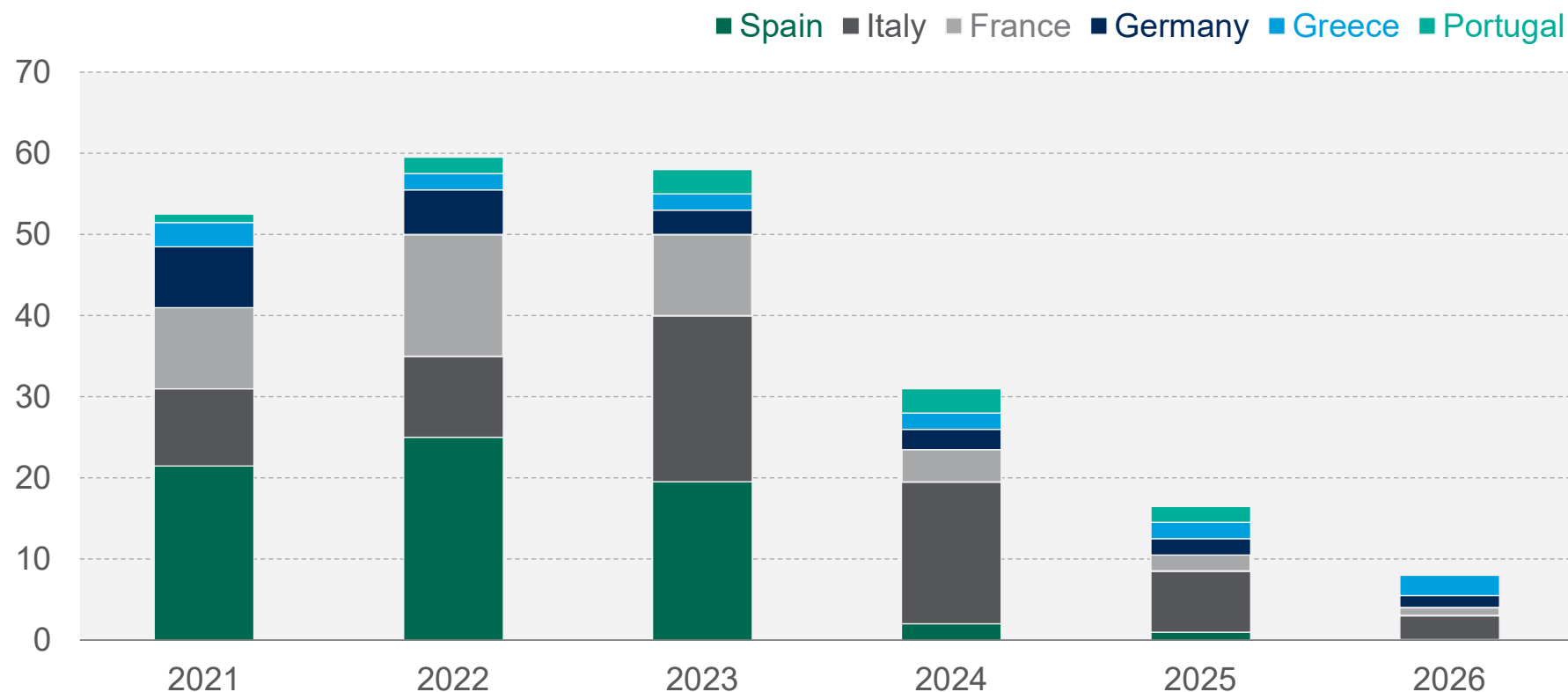
- Aging populations will likely lower real interest rates
  - potential economic growth tends to slow along with lower growth in the labor input. (Japan)
- Decline in the saving rate from an aging population means that China's current account will move to a structural deficit over the medium term

Source : World Bank as of June 30, 2021

# Europe – Slow Improvement Ahead

## Higher Public Sector Investment, yet Weaker Demographics

### RRF Loans and Grants Disbursements to Selected Countries

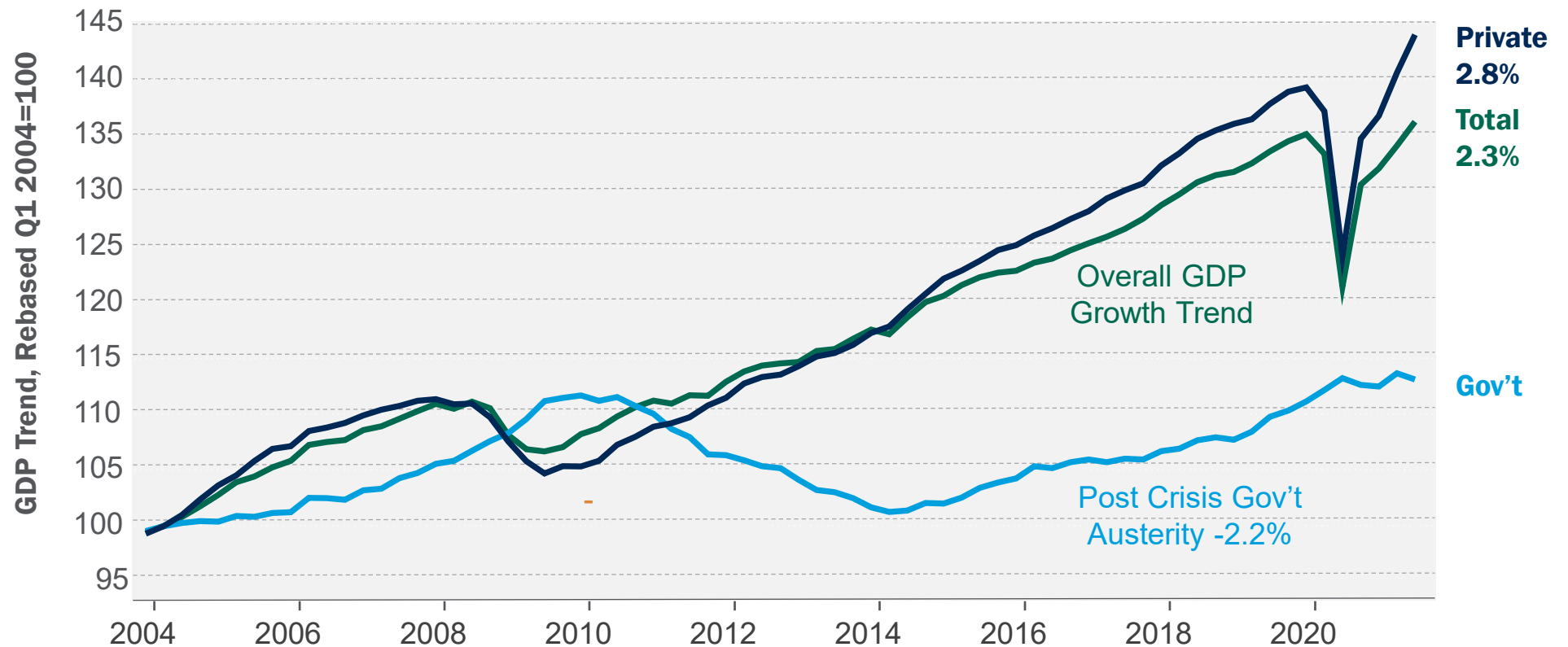


Source : European Commission, Citi Research, HSBC, PineBridge calculations as of June 30, 2021. For illustrative purposes only. We are not soliciting or recommending any action based on this material. Any views represent the opinion of the investment manager, are valid as of the date indicated, and are subject to change.

# A Major Factor Supporting Growth This Time Around

## Unlike The Last Cycle, Government Spending Will Be Supportive

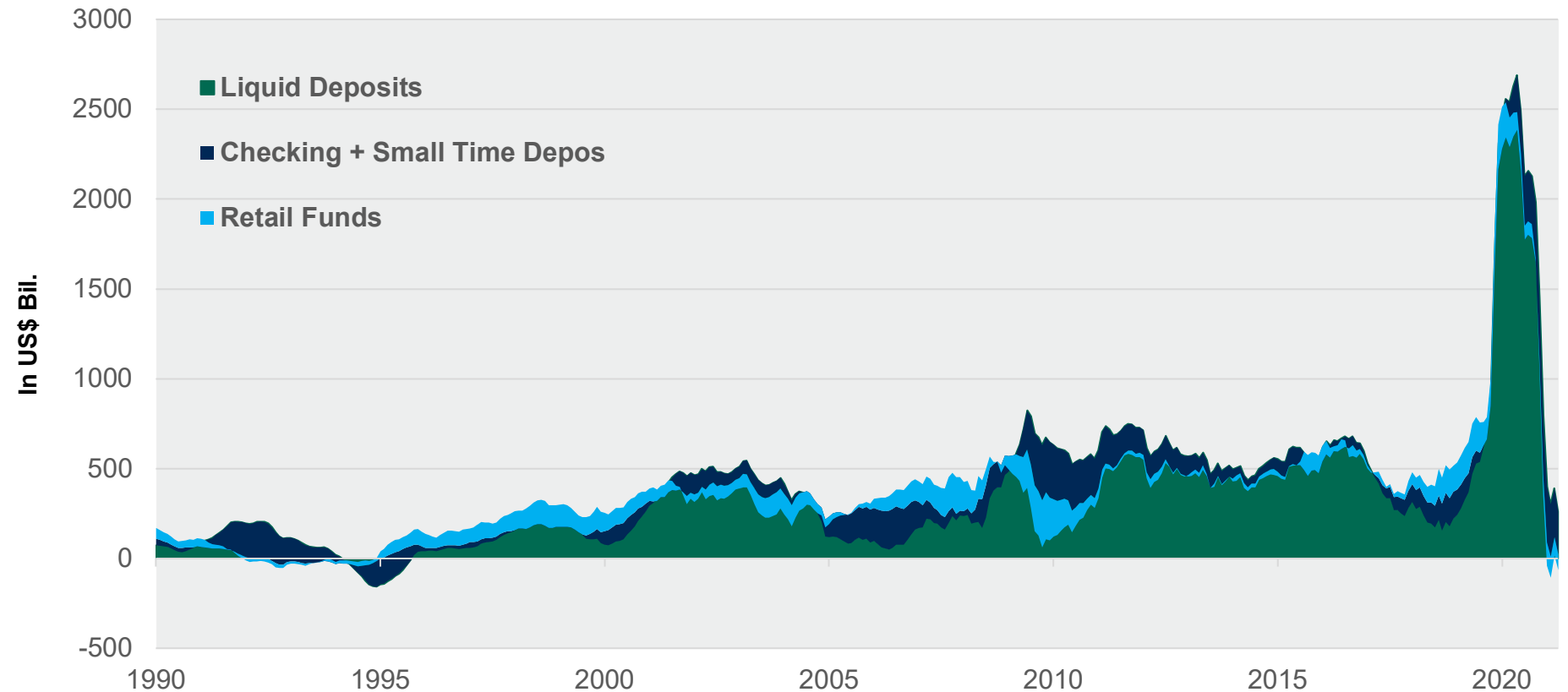
### US Rebased GDP



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# Healthy Household Balance Sheet Will Support Consumption

## US Consumer Is Flush With Cash

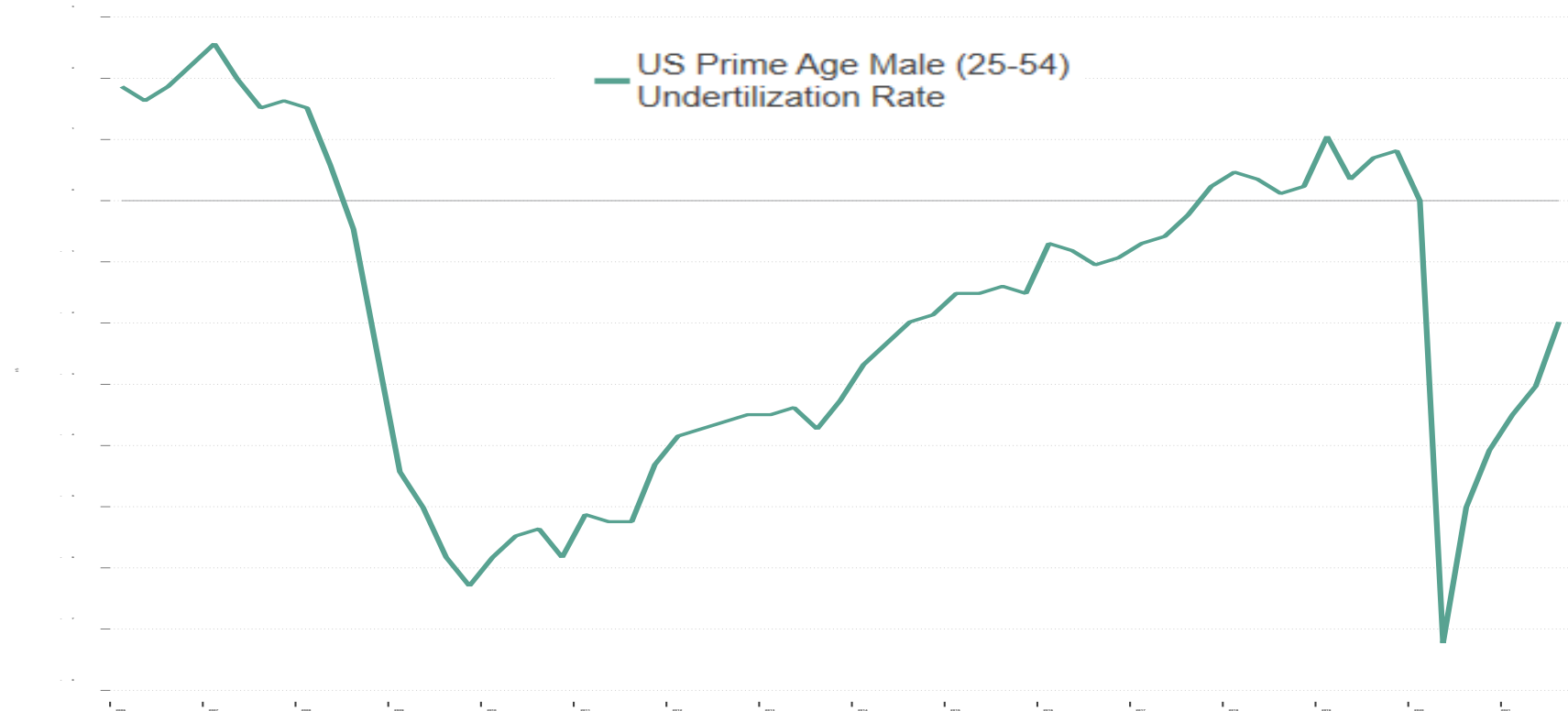


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# The Environment Is Reflationary Not Inflationary

## Slack Is Underestimated

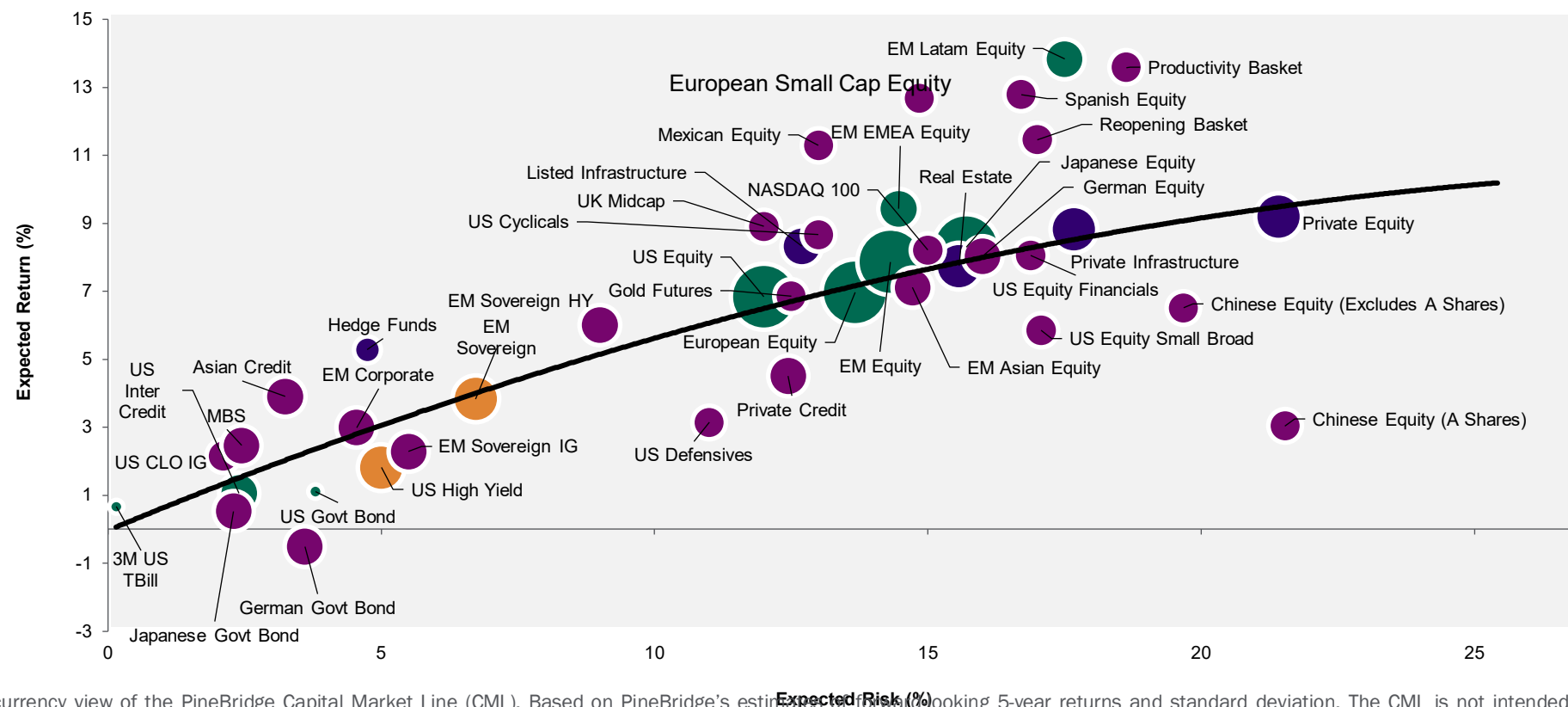
### Underutilisation Rate



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# Current Positioning

## Capital Market Line (Local Currency View)

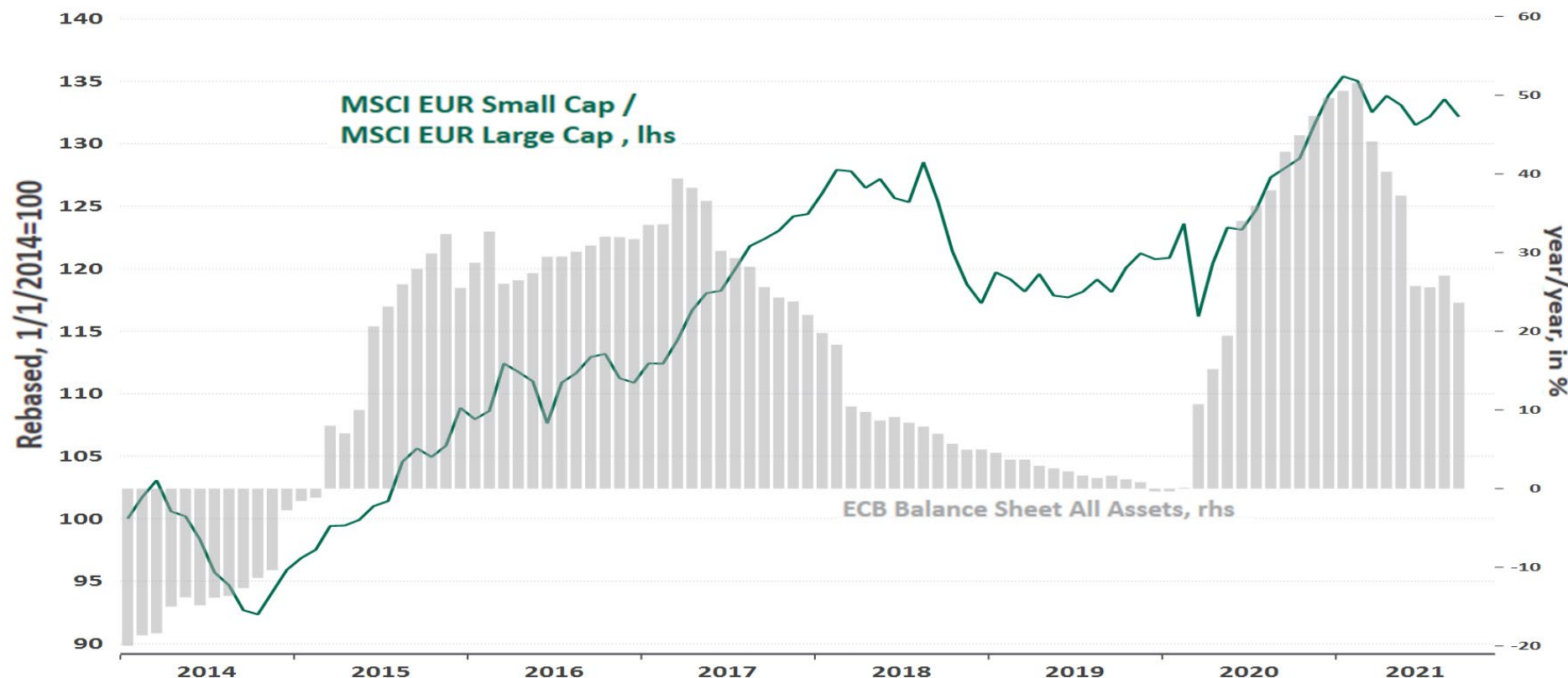


As of 30 September 2021. Represents the local currency view of the PineBridge Capital Market Line (CML). Based on PineBridge's estimate of expected returns (looking 5-year returns and standard deviation). The CML is not intended to represent the return prospects of any PineBridge products, only the attractiveness of asset class indexes, compared across the capital markets. There can be no assurance that the expected returns will be achieved over any particular time horizon. This information constitutes "projections," "forecasts" or other "forward-looking statements" which do not reflect actual results and are based primarily upon applying a set of assumptions to certain financial information. See Multi-Asset Endnotes for further information. Note that the CML's shape and positioning were determined based on the larger categories and do not reflect the subset categories of select asset classes, which are shown to relative to other asset classes only.

# European Small Cap Equities

## Domestic Growth and Operational Leverage Should Drive Strong Earnings

European  
Small Caps  
Should  
Benefit From  
More QE<sup>1</sup>



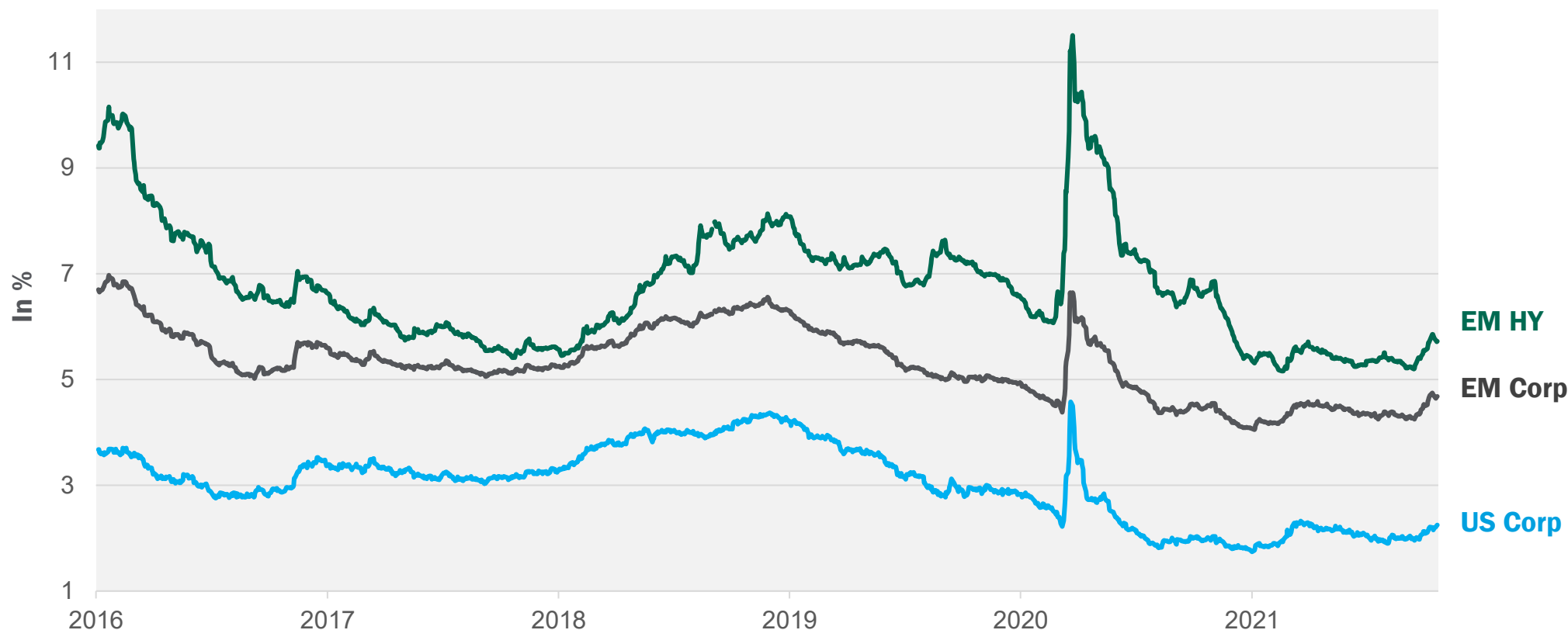
<sup>1</sup>Source: Factset. JPM. PineBridge Investments calculations as of 2 September 2021. For illustrative purposes only. We are not soliciting or recommending any action based on this material. Any views represent the opinion of the investment manager, are valid as of the date indicated, and are subject to change.



# EM Corporate Debt

## Balance Sheets in EM Are Robust

**EM Spreads  
are attractive  
vs US**

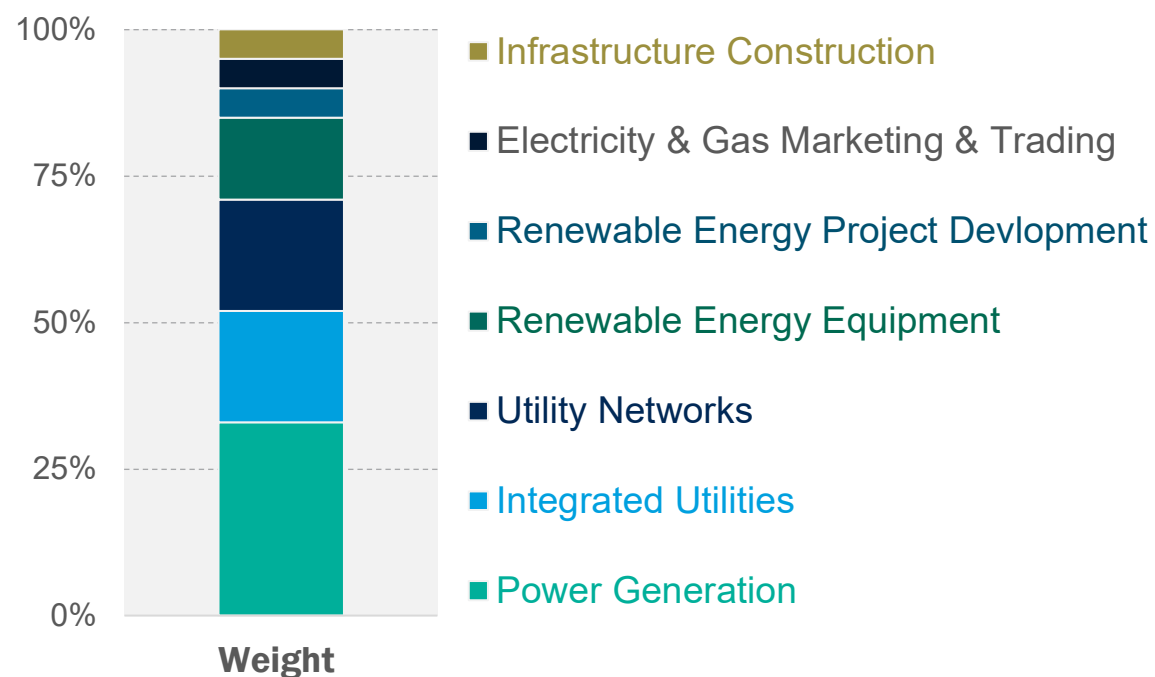


Source: J.P. Morgan, Bloomberg, Macrobond PineBridge Investments Calculations as of 21 October 2021. For illustrative purposes only. We are not soliciting or recommending any action based on this material. Any views represent the opinion of the investment manager, are valid as of the date indicated, and are subject to change.

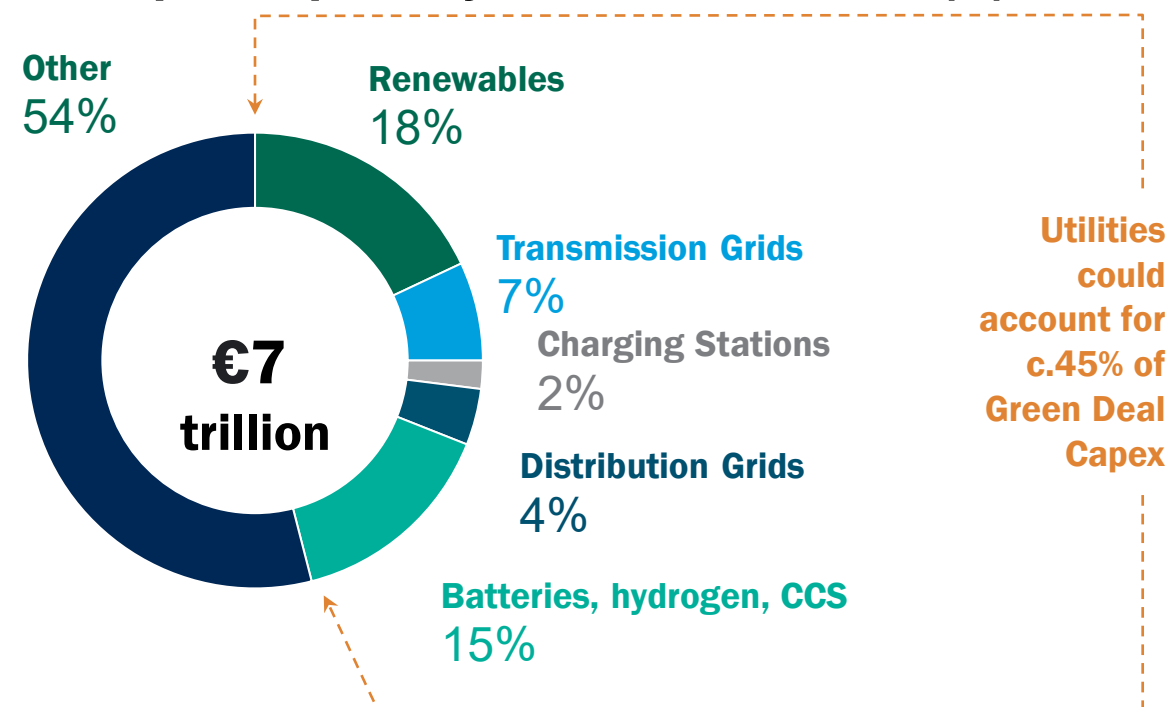
# Energy Evolution Basket

## Pocket of New Energy Opportunity with Attractive Valuation

### PB New Energy Basket: % Breakdown by Sector<sup>1</sup>



### Capex Implied by the EC Green Deal (%)<sup>2</sup>



<sup>1</sup>Source: PineBridge Investments. As of September 2021. <sup>2</sup> Source: Goldman Sachs. As of 3 Apr 2021. For illustrative purposes only. We are not soliciting or recommending any action based on this material. Any views represent the opinion of the investment manager, are valid as of the date indicated, and are subject to change.

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