

Pentagon High Conviction Bond Fund

JANUARY 2023 – SHARE CLASS B (USD)

THE FUND:

The Pentagon High Conviction Bond Fund is a subfund of Merrion Capital Investment Funds Plc., an open-ended investment company with variable capital incorporated in Ireland with registered number 427248 established as an umbrella fund with segregated liability between sub-funds.

OBJECTIVE:

The Pentagon High Conviction Bond Fund's objective is to target attractive risk adjusted returns through a combination of income and capital appreciation by investing in a concentrated portfolio of higher yielding global corporate bonds.

INVESTMENT APPROACH:

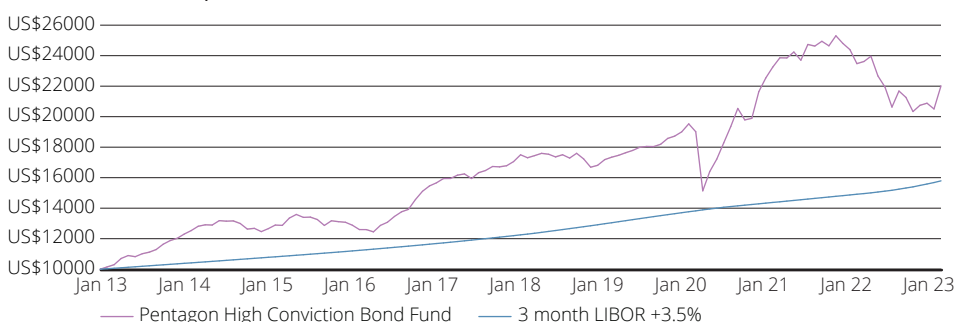
The Pentagon High Conviction Bond Fund looks to gain a meaningful exposure to 'higher alpha' global credit opportunities through an investment approach that focuses on value investing, bottom-up credit selection and delivering absolute investment returns.

FUND INFORMATION

Total Net Assets	€17.87m
NAV per Share (Class USD)	\$125.15
NAV at Launch (1 May 2018)	\$100.00
Underlying Running Yield	4.53%
Effective Duration	5.32
Number of Positions	26
Domiciled	Ireland
Share Classes	Euro/USD
Minimum Subscription	€10,000
Sub Investment Manager	ICM Investment Management Ltd
Liquidity	Daily
Total Expense Ratio	1.50%
Investment Advisor	ICM Limited
Custodian	Northern Trust
Fund Administrator	Northern Trust
Investment Management Company	Merrion Capital Investment Funds PLC

PERFORMANCE

GROWTH OF US\$10,000 SINCE INCEPTION

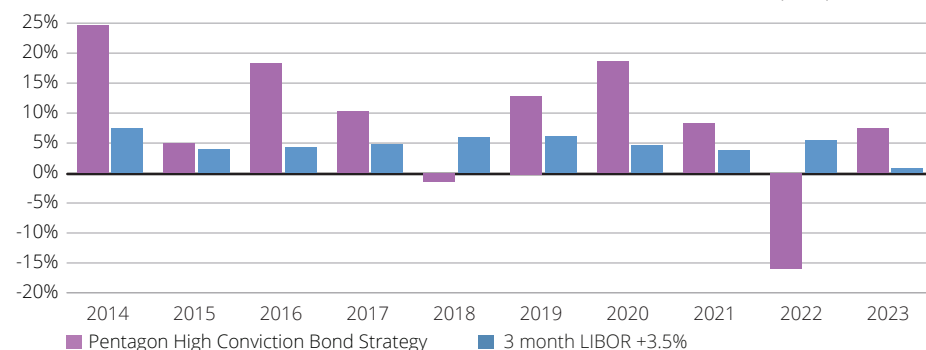


STRATEGY PERFORMANCE (USD)

	1 month	3 month	1-year	3-years	5-years	Annualised Return since Inception
Absolute Return	7.4%	6.2%	-6.2%	4.1%	4.7%	8.2%
	YTD*	2022	2021	2020	2019	2018
Absolute Return	7.4%	-16.0%	8.2%	18.6%	13.1%	-1.4%

* Calendar year to date

PENTAGON HIGH CONVICTION BOND STRATEGY – ANNUAL PERFORMANCE (USD)



FUND DETAILS

SHARE CLASSES & MONTH-END NAV

Share Class	ISIN	Bloomberg	Month End NAV
Share Class A (EUR)	IE00BF1F4X98	BBG00KG5NFM3	€114.01
Share Class B (USD)	IE00BF1F4Y06	BBG00KG5NFS7	\$125.15
Share Class E (GBP)	IE00BHR48L00	BBG00NDP1YN8	£85.48
Share Class F (USD)	IE000BYCZQN8	BBG0141HCPD8	\$97.11
Share Class G (USD)	IE000HLGDJJ3	BBG0141HCP84	\$93.95
Share Class P (USD)	IE000P52VV31	BBG015HY7961	\$93.08

INVESTMENT MANAGER

ICM Investment Management Limited is the sub-investment manager to the Pentagon High Conviction Bond Fund. www.icmim.limited

TEAM

• Gavin Blessing, Portfolio Manager • Conor Spencer, Portfolio Manager

PERFORMANCE DISCLOSURE STATEMENT

The Pentagon High Conviction Bond Fund was launched as a sub-fund of Merrion Capital Investment Funds Plc on 1 May 2018. The fund does not have an established track record as a UCITS before 1 May 2018. Prior to this, from 30 November 2015 to 11 April 2018 the performance relates to the Pentagon High Conviction Bond Fund, a Malta based Alternative Investment Fund. From 28 January 2013 to 30 November 2015, the performance relates to the Value Income Multi-strategy Bond Fund Limited with the status of an exempted company. All data presented in this report for periods prior to 1 May 2018 is unaudited. The full performance history for the Pentagon High Conviction Bond Fund "strategy" relates to the same pool of assets, managed by the same investment team using the same investment approach and investment focus throughout the full performance period outlined.

FUND LETTER JANUARY 2023

In January, the S&P 500 rallied 6.2%. Despite calling for a strong start to the year across risk assets, we were still pleasantly surprised at the strength and breadth of the market rally in January.

We outlined in detail last month the impact of rates on equity prices. In 2022, increasing rates weighed on equity prices. The increase in equities through January reflects this process in reverse, as a decline in long-term interest rates by c. one-third of 1% supported equity markets. The US 10-year treasury yield fell by 0.37% during the month, from 3.88% to 3.51%, its lowest month-end yield since August 2022. The decline in rates at longer maturities continues to act in contrast to the shorter end of the yield curve, where the US Federal Reserve continues to hike rates and guide for higher rates ahead. The US yield curve is becoming increasingly inverted as the market prices-in lower long-term rates.

The US equity market was also helped by an expectation that the US Federal Reserve will be able to engineer a soft landing for the economy. In early February, Goldman Sachs cut their probability of a US recession from 35% to 25%. In January, the US economy created 517k jobs versus an expectation of 185k. The unemployment rate in the US now stands at 3.4%, its lowest since 1969.

Inflation in the US fell to 6.5% for the 12 months to December 2022, from 7.1% for the 12 months to November 2022, and 9.1% at its peak for the 12 months to June 2022. Furthermore, almost all inflation for the previous 12 months was created in the first half of 2022. If inflation maintains its current trajectory, it will likely be close to the US Federal Reserve's target of 2% by June 2023.

January reflected a buoyant scenario with falling inflation, decreasing probability of US recession and an apparent softening of stance by the US Federal Reserve on rates. Nevertheless, while

January's returns were welcome, there were many signs of deteriorating economic factors.

In December, existing home sales fell to 4 million, having been as high as 6 million last February. Existing home sales have not been as low in more than a decade, with sales collapsing to an even lower level than during the worst of the Covid pandemic. Housing permits also declined in December, falling to 1.3 million, the lowest it has been since May 2020.

The US consumer is increasingly funding consumption with lower savings and increasing levels of debt. The US savings rate was 3.4% in December, close to the lowest savings rate on record. In addition, credit card debt continues to increase steadily, rising from 770 billion in Q2 2021 to 925 billion in 2022.

The ISM Manufacturing Purchasing Managers Index ("ISM PMI") continues to indicate economic contraction ahead. The latest ISM PMI in January fell to 47.4 from 48.4 in December and 49.0 in November.

In Europe, the Eurostoxx also had a strong positive month, rising by 9.7%. Despite the uncertainty created by the Russian invasion of Ukraine, the Eurostoxx has been flat for the past 12 months. Government intervention in subsidising energy, sourcing energy supplies, and a relatively mild winter have protected Europe from a recession for now. Moreover, with gas storage units now at 75% capacity versus 35% capacity this time last year, Europe's near-term outlook is a lot sunnier than it had been just a few months ago.

The correlation between equities and bonds remains positive, with bonds also rising during January. European government bonds, as measured by the Barclays Euro Aggregate Government, increased by 2.3% for the month, while US Treasury bonds, measured by the Barclays US Aggregate Government Index, increased by 2.1%. In addition, investment Grade credit, as measured by the ICE Bank of America US corporate index, and High-Yield

continued on next page

PORTFOLIO SUMMARY

TOP TEN HOLDINGS ¹		% of gross assets
1	Arcelor Mittal 6.75% 2041	7.22
2	Microstrategy 0.75% 2025	7.21
3	Braskem Fin. 5.875% 2050	4.92
4	Square 0.125% 2025	4.83
5	Nordstrom 4.375% 2030	4.55
6	Bath and Body Works 7.6% 2037	4.52
7	Etsy 0.125% 2026	4.47
8	Coinbase 0.5% 2026	4.36
9	Cosan O/seas. 8.25% Perp	4.35
10	Sea Ltd 2.375% 2025	4.33
TOTAL		50.78

INDUSTRY GROUP SPLIT OF INVESTMENTS

Retail	16.4%
Oil&Gas	14.4%
Software	14.3%
Internet	8.8%
Cash	7.9%
Iron/Steel	7.2%
Diversified Finan Serv	7.1%
Chemicals	4.9%
Commercial Services	4.8%
Transportation	3.8%
Mining	3.4%
Insurance	3.2%
Sovereign	2.2%
Pipelines	1.5%

GEOGRAPHICAL SPLIT OF INVESTMENTS

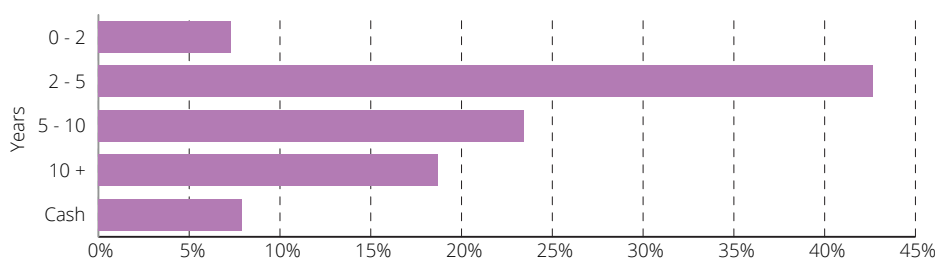
United States	53.0%
Brazil	13.1%
Cash	7.9%
Luxembourg	7.2%
Britain	4.5%
Singapore	4.3%
Canada	3.4%
Norway	3.2%
Ghana	1.8%
Cameroon	1.5%

HIGH CONVICTION STRATEGY ANALYTICS¹

Average Credit Quality	BBB-
Sharpe Ratio (Risk Free Ref: US 3mth T-Bill)	0.68
Annualised Standard Deviation	10.97%
Correlation to Treasuries	-0.23
% Periods Up:	65
% Periods Down:	35

¹ Source: ICMIM

DURATION SPLIT OF INVESTMENTS



WARNING: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. If you invest in this fund you may lose some or all the money you invest. This fund may be affected by changes in currency exchange rates.

Important Notes

The information in this factsheet should not be considered an offer, or solicitation, to deal in the Pentagon High Conviction Bond Fund (the "Fund"). The information is provided on a general basis for information purposes only, and is not to be relied on as investment, legal, tax or other advice as it does not take into account the investment objectives, financial situation or particular needs of any specific investor. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. The value of investments and the income therefrom may fall or rise. Past performance is not indicative of future performance. Investors should read the prospectus and the supplement or seek relevant professional advice, before making any investment decision. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given or may be implied that they are accurate or complete. The Investment Manager reserves the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited. Registered in England: 08421482. Authorised and regulated by the Financial Conduct Authority.

credit, as measured by the ICE Bank of America high-yield index, both increased by 3.9%.

PORTFOLIO PERFORMANCE

In January, the Pentagon High Conviction Bond Fund (the "Fund") returned 7.4%, versus 3.89% and 3.91% for the U.S. investment-grade and high-yield indices, respectively.

January 2023 was the Fund's strategy's tenth anniversary. Since its inception, the Fund has returned over 120.21%, 8.21% annualised.

Since its inception, the Fund's return is 2.4x the U.S. High Yield Index and 4.4x the U.S. Investment Grade Index.

In our letter last month, we outlined the challenges in 2022 and why we believe the Fund is positioned to enjoy strong returns in 2023. We believe that we have turned the corner. We think we have hit our low point for the cycle and will enjoy positive returns over the medium term, even if volatility remains elevated.

MARKET OUTLOOK

"Ability is of little value without opportunity, I had rather my generals be lucky than able" - Napoleon Bonaparte

More often than not, when a central bank moves to loosen or tighten monetary policy, given that economics is an inexact science, they will typically end up over-tightening or over-loosening and making policy errors. This is especially the case when uncertainty is considerable and the magnitude and speed of the tightening or loosening are large. Hence it has been our belief for some time that the Federal Reserve would overtighten during the current cycle leading to a sharp recession in the US and more significant collateral damage than was probably necessary to get inflation under control. This belief was also bolstered by the suspicion that the Federal Reserve committee, knowing that they had made a previous error by mistakenly believing that the inflation upswing in 2021 was transitory and not intervening earlier, would now end up overcorrecting in the other direction by pushing interest rates one step too far. We believed this psychological overhang would lead to an overreaction in this cycle, almost guaranteeing a recession. Now we are less sure, not because we think Chairman Powell and his team at the Federal Reserve have judged their tightening exercise to perfection but more likely because they might have just got lucky.

The probability of an overall US recession continues to fall

Given the continued strength of the US labour market, despite the best efforts of the Federal Reserve to dampen economic activity, it is becoming increasingly unclear whether we will see a mild, never mind a sharp and deep, overall economic recession within the next several quarters. While the manufacturing side of the US economy is now in recession and will likely slip further into contraction, the services and consumer-led side of the economy, which is a far more significant component of overall economic output, is proving far more robust. It is pretty remarkable that almost a year after the Federal Reserve started tightening monetary conditions and with US manufacturing now in recession, that the unemployment rate has fallen to its lowest ever in 54 years. Indeed, January's most recent jobs report shows that the US economy created 517,000 jobs during the month, well above expectations of a slowdown to 185,000 jobs. The Bureau of Labor Statistics also revised the number of jobs created for all of 2022 to 4.8 million jobs, up from 4.5 million. January saw Technology and Utilities as the only sectors that saw job losses, with gains across all other sectors, including, notably, manufacturing and construction.

The US labour market remains in rude health. A measure of the ratio between the number of jobs available versus the number of workers seeking work, known as the Jobs Workers Gap "JWG", remains historically high and, after having edged slowly downwards in recent months, nudged higher again in December demonstrating an underlying strength and resilience to the overall US economy.

US Jobs Workers Gap - Job Openings versus Available Workers



Source: Numbronomics.com

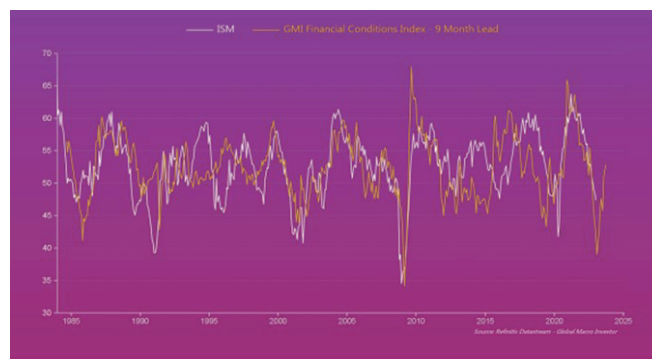
Tight US Labour markets might be explained by the fallout from the global pandemic

As to the reasons for what might be causing this anomalous tightness in the labour markets, given the best efforts of the Federal Reserve to dampen demand for labour, we probably need look no further than the aftereffects of the global pandemic. According to Wendy Edelberg, a director of the Hamilton Project at the Brookings Institution, the US economy has "...approximately 2.5 million fewer people in the labour force than we were on track to have with pre-pandemic trends."¹ The so-called 'Great Resignation', where certain workers left the US labour force and decided for their own personal reasons not to return after the pandemic, together with the untimely deaths of many persons still in the labour force, has resulted in a sharp and unexpected shortage of workers compared to the total level of workers that might have been reasonably expected to be present at this juncture had there been no pandemic.

Typically, the JWG ratio has had to be closer to 1.2 for the US unemployment rate to rise materially. The current strength of this measure suggests that we should not expect US employment to worsen materially in the short term. In its most recent summary of economic projections, the Federal Reserve Committee has pencilled in an unemployment rate of 4.6% by the end of 2023, which it says would be commensurate with its inflation target of closer to 2%².

In our opinion, this unemployment rate target of 4.6% is starting to look unlikely given that overall financial conditions have inflected in recent months and are now improving, meaning that the recession in US manufacturing will probably bottom out in coming months and that the overall economy should start growing once more. As we move through this year, this renewed economic impetus could prove challenging for the Federal Reserve in terms of its inflation goals. The chart below shows how financial conditions have improved in the US since late last year and how this impulse leads the broad US Manufacturing and business cycle by several months.

US Business Cycle – US ISM Manufacturing Purchasing Managers Index versus GMI Financial Conditions Index



Source: Global Macro Investor

While we believe the disinflation momentum we have seen to date from higher levels is likely to continue, given the fact that the liquidity cycle has turned, it suggests that the rate of change in disinflation is expected to slow over time. Moreover, if economic activity begins to improve by surprising to the upside in coming quarters, we believe this should underpin pricing in the economy and certainly slow the rate of disinflation over time.

The Federal Reserve looks at inflation across three broad components: goods, housing-related, and non-housing-related services. During the most recent Federal Reserve meeting, Chair Powell reiterated that the committee was content with the situation in the first two components as there was sufficient evidence that inflation related to these two areas was on a consistent path towards their target of 2%. As a result, the key focus of the Federal Reserve is now on non-shelter-related services or predominantly the wages sector of the economy. Essentially the Federal Reserve is waiting for sufficient evidence of sustained downward pricing pressure to emerge in wages before it can announce victory over inflation. Despite the relative strength in the labour markets, we seem to be on the right path, with average hourly earnings showing signs of further deceleration in January. Annualised average hourly earnings fell to 4.4% in January, down from 4.8% in December and from a peak of 5.9% in March last year.

Another gauge of wage inflation, considered the most reliable measure of overall wage growth, is the quarterly Employment Cost index, as shown in the graph below. The Q4 2022 reading came in lower than expected at 1.0%, down from 1.2% in Q3 2022, implying an annualised run rate of about 4% in wage growth. The Federal Reserve has indicated that an annualised wage growth range of 3-3.5% would be consistent with their overall inflation target of 2%, given assumed annual productivity gains of 1-1.5%.

US Bureau of Labor Statistics – Employment Cost Index



Source: Bloomberg

Still far from the point where the Federal Reserve cuts rates

While it does appear safe to conclude that inflation is coming down overall, the Federal Reserve wants to see more evidence that inflation is coming down sustainably. It is also seeking assurance that inflation will not rise quickly again once the US economy returns to more consistent growth of around 2-3%. Given that the labour market is still so tight, and the recent positive contributions to falling inflation from the goods sector will eventually decline, it is clear that the Federal Reserve still believes the job of quashing inflation is not yet done. While we may be getting close to a point where the Federal Reserve might pause with further interest rate hikes, it seems we are still far from a point where the Federal Reserve would feel comfortable cutting rates. As Powell pointed out last week, it is much easier to correct a mistake from a position where the Federal Reserve has over-tightened, and the economy has softened, than from a point where the Federal Reserve corrects too little only for inflation to embed itself into the economy causing second-round effects and inflation expectations to become unanchored. In these circumstances, trying to get the inflation genie back into the bottle can be very challenging and lead to much tighter monetary restrictions and even greater economic hardship.

The Federal Reserve has already told us that a prerequisite for a cut in rates is to see 'below-trend growth and some softening of labour market

conditions' or, in other words, a recession. We know the Federal Reserve will only cut if they feel comfortable that inflation is on a sustained path lower. If an overall recession is avoided, as is becoming increasingly the central case, then it probably means that the adjustment process, to a point where the economy can enjoy trend growth without runaway inflation, will take longer.

We believe that the Federal Reserve will soon decide to pause as they will be uncomfortable continuing to increase rates while the manufacturing side of the economy is clearly in a recession. However, unlike market consensus, we have a growing sense that the Federal Reserve will not cut this year. Instead, we believe that given the renewed economic growth impulses we will likely experience this year, the Federal Reserve will be forced to keep interest rates higher for longer than the market expects.

US economic growth could surprise to the upside, slowing the disinflation adjustment process

While wage inflation will continue to moderate, it will likely remain higher than we have seen in recent years. We think the recently renewed strength in labour market indicators is important as it indicates that disinflation in that key component of overall inflation, which the Federal Reserve is focused on, may decelerate, thereby making it harder to achieve the Federal Reserve's overall target inflation rate of 2%. This could challenge the market consensus that we will continue to see substantial core disinflation this year. Not only does a stronger-than-expected labour market argue against further wage disinflation, but it also suggests that economic growth may surprise to the upside. The strong ISM services report for January informs us in a similar manner. Interestingly the strongest component of this report was a massive rebound in ISM new orders, which suggests that a large swath of the US economy, far from being in recession, is looking forward to renewed future growth.

US ISM Services Purchasing Managers Index – New Business Orders



Source: Bloomberg

Indeed, the arguments for a stronger-than-expected economy in 2023 are beginning to mount, again pointing to the Federal Reserve keeping rates higher for longer. The combination of lower inflation yet growing wages underpinned by a strong labour market is likely to boost real disposable income, further supporting consumer spending and reducing the probability of recession, certainly one that is deep and long-lasting. The negative growth impulse from tighter financial conditions, having peaked in Q4 2022, is likely to fade as we move through the first half and into the second half of the year. This is clearly evidenced by a weaker US dollar, lower US market and mortgage interest rates from their peak and strong equity markets. Indeed, the US Housing market is starting to show signs of recovery as pending home sales have risen for the first time in more than a year³ and mortgage rates have fallen for five straight weeks boosting refinancing demand⁴. Possibly most surprisingly, the cost of energy has dropped precipitously over the last several months and none more so than the price of Henry Hub natural gas, which is down almost 70% from its peak last June. Natural gas prices are now lower than they were exactly a year ago, just before Russia's invasion of Ukraine. They are now back to pre-Covid levels, as shown in the chart below.

Henry Hub – US Natural Gas Prices



Source: Bloomberg

A stronger-than-expected China re-opening will also be favourable for global and US growth. We expect a rapid increase in Chinese consumer spending and activity, similar to our experience in the west, as Covid restrictions are lifted, and consumers are free to move and spend again. Household savings in China have risen significantly over the last three years, and we expect these savings will finance a strong upswing in consumption in 2023 and beyond.

We believe the Federal Reserve will soon cease with further interest rate increases. We believe we will get an additional 25bps increase in March, bringing us to an upper bound of 5% in the Federal Funds rate. We may or may not get another 25bps in early May, depending on wage data. It is our central case expectation that the Federal Reserve will then pause, opting to monitor the unfolding situation and allowing the disinflationary tendency in the economy to continue unwinding. For the reasons given above, there is a risk that economic growth could surprise positively in the second half of 2023, which may restrain the disinflation process. In this case, the Federal Reserve may feel compelled to raise interest rates again to ensure that inflation, particularly wage inflation, does not get embedded in the system. This scenario, while becoming increasingly possible, is not our central case. Instead, we believe it is more likely that once the Federal Reserve pauses, it will remain on hold until it considers its original goal of reducing inflation has been achieved. Then, it can begin to lower interest rates gradually rate back to a level consistent with trend growth and price stability. This neutral rate will probably be higher than previously thought, and our best estimate is that the neutral rate eventually settles around 2.5%-3%. We further believe that a renewed growth impetus will somewhat hinder the process of disinflation. Therefore, we do not see any rate cuts in 2023.

Implications for markets

We believe the economic background described above will generally support risk assets in 2023, particularly in the early part of the year. We think markets will be comforted by less hawkish messaging from the Federal Reserve confirming the disinflation process and that we are close to the end of the tightening cycle. Furthermore, the turn in the liquidity cycle and an improving economic growth outlook augur well for consumer spending and corporate profitability.

It is gratifying that our bullish call on a strong start to the year has materialised, despite most investors positioning for further weaker markets coming into the new year. Clearly, there will be volatility ahead, but we continue to believe that risk assets will provide strong returns over the medium term. A key risk to equity valuations has been the concern that earnings revisions may come in worse than expected, driving stock prices down further. We have remained relatively sanguine on this point as fundamentals point to a strong labour market and, therefore, consumption which can remain relatively strong despite an economic slowdown. According to Bloomberg Intelligence, with more than half of the S&P 500 Q4 2022 earnings reports already digested, aggregate earnings per share had fallen 2.8% from a year earlier, less

than the 3.3% drop expected before earnings season began. This smaller-than-anticipated drop in earnings supports our view that consumer spending will remain relatively robust, supporting corporate profitability and equity valuations. Nevertheless, we do see a risk to equity valuations during the middle part of this year primarily due to a combination of weak seasonals but also due to fears that a buoyant job market and stronger-than-expected economic data will keep pressure on the Federal Reserve to stay hawkish, pushing any expected rate cuts firmly in 2024.

We expect the US dollar to continue to weaken during 2023. The recent crossover of the 50-day moving average over the 200-day moving average suggests a new weaker trend has now been established for the time being. Furthermore, policy and growth fundamentals should support a weakening of the US dollar as the interest rate differential between it and other major currencies narrows over time.

As explained in greater detail above, given our view that global growth could surprise to the upside, we remain constructive on commodities and energy prices in general. As China reopens, there will be greater demand for commodities which will offset demand weakness that may emanate from other parts of the globe due to worsening recession risk.

Given our call for a weaker US dollar over time and stronger commodity markets, we expect emerging market currencies and stocks to perform well, especially if global growth rises to the upside and China recovers strongly from loosening its covid restrictions.

While we expect US market interest yields to fall over time as inflation cools and expectations grow of an eventual cut in interest rates by the Federal Reserve, we suspect they could remain elevated for some time yet as economic growth potentially surprises to the upside during the course of 2023. If the US economy improves, surprising to the upside, we could see the US yield curve steepening and an end to the curve inversion we have seen to date.

While corporate spreads have already tightened quite considerably in recent months, presumably pricing out the risk of a deep earnings recession, we still expect strong absolute returns from this sector over the coming year or two as higher running yields combined with some yield reduction and spread compression make for strong annualised returns.

FUND POSITIONING

In January, ICM increased the Fund's duration by investing in the 30-year U.S. treasury.

Over the past six months, ICM has reduced the Fund's investments in energy bonds, which significantly outperformed the market in 2022. We reinvested this capital in industrials and oversold retailers, which we believe continue to constitute a considerable value proposition.

We maintain our overweight to convertible bonds in high-growth technology companies, taking profit when we feel the time is right, as was the case in January.

We continue to see significant value in bonds. We remain nimble to take advantage of these opportunities.

SUMMARY

In summary, we believe that an unusually strong US labour market will probably help ensure that any possible US recession in 2023/2024 will either be mild or be avoided altogether. Indeed, we think there is mounting evidence to suggest that US economic growth could surprise to the upside during 2023. The liquidity cycle has turned, and the drag from tighter financial conditions will fade as we move through the year. A combination of lower inflation, growing wages and plentiful job openings will likely protect consumer confidence and boost real disposable income supporting US consumer spending. The Chinese economic reopening, supported by significant stimulus, should also be positive for global growth. Finally, a stronger growth outcome combined with

increasingly less hawkish actions from the Federal Reserve and other central banks should support risk assets over the next several months.

Source Data: ICM, Bloomberg as of January 31st 2023.

¹ <https://www.washingtonpost.com/business/2022/09/16/worker-shortage-strikes-economy/>

² <https://www.wsj.com/livecoverage/federal-reserve-meeting-interest-rate-hike-december-2022/card/fed-officials-raise-estimates-for-inflation-unemployment-in-2022-H7HsGyfWcXtybb6gMVbb>

³ <https://www.bloomberg.com/news/articles/2023-01-25/housing-demand-climbs-as-us-market-starts-to-show-signs-of-life#xj4y7vzkg>

⁴ <https://www.cnbc.com/2023/02/08/mortgage-refinance-demand-jumps-18percent-as-interest-rates-drop.html>