

## Investment Strategy

**Stocks Greek Market** – Political developments that resulted to an increased risk premium, led the market to a substantial decline for 2014. Any estimate regarding market performance is linked with the political developments and the new government’s credentials towards the Troika negotiations. Positive market scenario would be the removal of political uncertainty through the formation of a coalition government on January 25<sup>th</sup> and the fastest possible completion of Troika negotiations.

**Stocks European Market** - During 2014 Eurostoxx fluctuated intensively. During the first 6 months of the year the index had a positive performance, that was reversed during the second half with the index ending at just +1,2%. This was mainly attributed to the Ukrainian turmoil and the sanctions against Russia, the appearance of deflation, interest rates and forecasted GDP decrease and finally to FED’s tapering. For January 2015 the intense volatility is expected to persist with major events being the developments in Russia, ECB’s QE programme and the dollar strengthening against the euro.

**Stocks US Market** - US stocks over performed, strengthened by the increased economy growth rhythms and especially the improvement on labour market indicators, as well as the increased rhythm of American companies profitability. On the other hand, fall of oil prices caused problems to the energy sector. For 2015 we anticipate increased volatility due to the expected interest rates hike by FED, the drop in oil prices and valuation of most US stocks as fairly valued based on their PE. We may see confirmation of the above at the end of the month at FED’s decision regarding US interest rates.

**Bonds Market** – Volatility of high yield bonds and low level prices prevailed in 2014, while interest rates drop by the ECB ,led government and investment grade bonds to unexpected gains. Regarding domestic bonds, 2014 was a good year for new issues of both government and corporate bonds, during the first half of the year. During the second half their prices ranged to lower than anticipated levels due to political uncertainty. This uncertainty is expected to continue during the first quarter of 2015 and as a result investors are not very positive for immediate investment. We expect that during the first month of 2015 the anticipated QE will improve prices of government and investment grade bonds, while prices of high yields are expected to stabilize as well, thanks to ECB’s increased liquidity.

## BETA Asset Management Performance & Strategy Update



### 2014 – Current Performance (non annualized)

Portfolios	BETA Asset Return 1/1/14 – 30/11/14	Benchmark	Benchmark Return 1/1/14 – 30/11/14	+/-
Greek Stocks	-23,55%	FTSE/ ASE Large Cap	-31,18%	+7,63%
European Stocks	1,29%	ESTOXX 50	1,20%	+0,09%
US Stocks	12,82%	S&P 500	11,39%	+1,43%
Corporate Bonds	2,46%	IBOXX EUR Synthetic (TRI) 70% HY and 30% Liquid Large Cap	4,90%	-2,44%



## BETA Asset Management – 4 Year Performance

Χαρτοφυλάκια	2010	2011	2012	2013
<b>BETA Greek Stocks</b>	-33,10%	-45,52%	35,95%	57,73%
FTASE / 20	-41,08%	-60,05%	16,90%	24,27%
<b>Over /Under Performance (+/-)</b>	<b>+ 7,98%</b>	<b>+14,53%</b>	<b>+19,05%</b>	<b>+33,46</b>
<b>BETA European Stocks</b>	-3,00%	-10,22%	20,35%	20,73%
ESTOXX 50	-5,81%	-17,05%	13,79%	17,95%
<b>Over /Under Performance (+/-)</b>	<b>+2,81</b>	<b>+6,83%</b>	<b>+6,56%</b>	<b>+2,78%</b>
<b>BETA US Stocks</b>	4,12%	11,86%	18,23%	32,00%
S & P 500	12,78%	0,00%	13,41%	29,60%
<b>Over /Under Performance (+/-)</b>	<b>-8,66%</b>	<b>+11,86%</b>	<b>+4,82%</b>	<b>+2,4%</b>
<b>BETA Corporate Bonds</b>	11,63%	8,28%	26,71%	9,17%
IBOXX EUR Synthetic (TRI) 70% HY and 30% Liquid Large Cap	10,05%	-0,29%	20,57%	6,55%
<b>Over /Under Performance (+/-)</b>	<b>+1,58%</b>	<b>+8,57%</b>	<b>+6,14%</b>	<b>+2,62%</b>