

High-yield debt

Idea initiated
 February 24, 2015

Reference measure

Average of Barclays U.S. High Yield and Barclays Euro High Yield indices, weighted according to market size, in U.S. dollars vs. cash**

Investment horizon
 3 – 12 months

Performance since initiation



Both U.S. and euro high-yield markets suffered in early July from increasing concerns around Greece and the Chinese equities market. There were outflows from U.S. high-yield bonds and low liquidity in the European market led to sharp daily price and sentiment swings. But these high-yield sectors strengthened after signs of progress on Greece and we remain positive here on a 3- to 12-month horizon. In the United States default rates are expected to remain low as issuers have largely refinanced maturities into 2017 and beyond.

U.S. consumer discretionary

Idea initiated
 September 19, 2014

Reference measure

S&P 500 Consumer Discretionary Index vs. cash**

Investment horizon
 3 – 12+ months

Performance since initiation



Overall U.S. retail-sales growth has been relatively modest in recent months with, for example, 1.0% year-on-year growth in May followed by a 1.4% gain in June. Part of this has been due to a fall in gasoline-station sales due to lower gasoline prices, year-on-year. But some areas of consumer-discretionary (as distinct from consumer-staples) spending have continued to perform strongly, including auto sales. This has been reflected in resilient performance by the S&P 500 Consumer Discretionary Index, which reached a year-to-date high in mid-July. We expect a continued pickup in consumer-discretionary spending as 2015 progresses, encouraged by further labor-market improvement, wage growth and higher household net worth.

Opportunities in cloud computing

Idea initiated
 November 26, 2013

Reference measure

n/a

Investment horizon
 3 – 12+ months

Performance since initiation

n/a

Recent news has focused on cloud-based consumer-oriented music storage systems, but there is also considerable activity related to business applications, for example on order management and fulfillment processes. The further evolution of cloud-computing software technologies will continue to offer opportunities, in both analytical software (to allow firms to make better data-driven decisions) and also security applications. Cloud computing may boost software spending at the expense of services spending.

High-conviction ideas key
 ⊕ indicates gain
 ⊖ indicates loss

* Relative-return idea, based on the relative performance of the two measures in U.S. dollars. Stated performance is from given entry date to 7/9/15.
 ** Total-return idea where performance is measured by the gain/loss in the performance measure in U.S. dollars. Stated performance is from given entry date to 7/9/15.

High-conviction ideas may not be suitable for all investors. Investments come with risk. The value of an investment can fall as well as rise and your capital may be at risk. You might not get back the amount originally invested at any point in time. Some investments may not be suitable for all investors and investors should seek professional advice before investing. The examples above are shown for illustrative purposes only and should not be considered to be an offer or solicitation, advice or recommendation. It is not possible to invest directly in an index.

Sources: Deutsche Asset & Wealth Management Investment GmbH, Deutsche Bank Trust Company Americas, as of 7/9/15

Past performance is not indicative of future returns. No assurance can be given that any forecast, investment objectives and/or expected returns will be achieved.