

Trend growth refers to an economy's sustainable growth rate over time.

The U.S. Federal Reserve System, which serves as the U.S. central bank, was established in 1913, consisting of the Federal Reserve Board with seven members headquartered in Washington, D.C., and twelve Reserve Banks located in major cities throughout the United States.

An unlisted business is not listed (traded) on a stock exchange but can have multiple shareholders.

Valuation attempts to quantify the attractiveness of an asset, for example through looking at a firm's stock price in relation to its earnings.

Value at Risk (VaR) is a statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame, measured in three variables: the amount of potential loss, the probability of that amount of loss and the time frame.

Volatility is the degree of variation of a trading-price series over time.

West Texas Intermediate (WTI) is a grade of crude oil used as a benchmark in oil pricing.

The Japanese yen (JPY) is the official currency of Japan.

Yield is the income return on an investment referring to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Investment traffic lights (pages 8–9): comments regarding our tactical and strategic view

Tactical view:

— The focus of our tactical view for fixed income is on trends in bond prices, not yields.

Strategic view:

— The focus of our strategic view for sovereign bonds is on yields, not trends in bond prices.

— For corporates and securitized/specialties bonds, the arrows depict the respective option-adjusted spread.

— Both spread and yield trends influence the bond value. Investors who aim to profit only from spread trends must hedge against changing interest rates.