How we did in 2015

Our Prediction	What Happened	Score
Overall we see continued global economic growth in 2015. Central bank interventions have and will continue to drive capital markets. Policy differentiation sees potential exits from zero rate policy notably in the UK and US but continued support and stimulus in other regions such as Japan, Eurozone and China.	2015 saw continued if unspectacular global economic growth. Ongoing stimulus in the Eurozone, Japan and China was overshadowed by the markets pre-occupation with if/when the Fed would raise rates. This was confirmed at their December meeting.	**4/5**
Inflation to remain muted in Developed Markets below 2%, aided by the fall in oil price for most of 2015 forcing yields to remain suppressed and even negative in Germany and Switzerland.	Inflation remained anchored in the year, in no small part to the continued fall in Oil price in 2015. Prices rose briefly in the first quarter but oversupply, China growth fears and warmer temperatures saw the commodity lose 30% in 2015. Negative yields came to fruition in Germany and Switzerland as predicted.	**5/5**
Commodity cycle to continue its decline before finding a bottom, with demand from China forecast to ease and pressure from certain oil producers to maintain lower oil prices. We believe oil to average around out at $60 in 2015.	China growth fears were justified and amplified oversupply concerns amongst ongoing pressure from Gulf Oil producers to push out the costlier US Shale supply. As a result Oil averaged around $53 in 2015, falling as low $36 in December after almost breeching the $70 mark in May.	**4/5**
We forecast the US economy to continue to grow into 2015, GDP 3.2%, and being the 3rd year of the Presidential term, believe the S&P index could touch 2200 over the next 12 months. Though there are technical indicators that indicate reduced buying pressure and more selective gains typical of the latter stages of a Bull market. Valuations are also relatively high which again means we will be more wary than in 2014.	GDP growth in the US remained muted at around 2% for the year, based on the latest figures. The S&P 500 finished the year -0.7%, hitting highs of 2135 in May, only a few percentage points lower than forecast. The predicted selectivity was certainly evident with our more favoured stocks in the US returning on average +20%.	**3/5**
US dollar to continue strengthening against other currencies with dollar v euro reaching 1:1.10 by 2016, dollar v yen 1:135 by 2016. This may adversely impact US companies relying on exports or those repatriating profits from overseas.	US dollar strength was a key theme throughout the year and one which was quickly adopted by markets. Against the Euro it reached the predicted 1.10 by March, hitting 1.05 before finishing the year around 1.086 Dollar v yen was much more muted, with forecasts well priced -in, hitting 125 before finishing the year at 120. Manufacturing PMI figures that are hitting 2012 lows alongside sagging freight volumes and cautious management forecasts indicate the strong dollar is starting to impact US multinationals.	**4/5**

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Geopolitical uncertainty is likely to create worry and volatility in global stock markets. Elections in the Eurozone, including here in the UK in May, and the ongoing tensions surrounding Russia, will, for periods, significantly increase safe haven assets.	Geopolitical uncertainty was again a source of volatility, with the terrorist attacks in Paris and Tunisia impacting stock markets and sentiment globally.	**5/5**
Differentiation is essential for us in determining where to invest in Emerging Markets. Currency manipulation, government policy as well as financial stimulus will impact countries throughout 2015, with the price of oil benefiting oil importers such as India and China.	A volatile year for emerging markets was dominated by China, where the Shanghai Index enjoyed a 60% rise before falling more than 40% following their attempts to devalue the Yuan against the dollar in August. Commodity exporting countries such as Brazil (-13%) underperformed the importers such as China (+9%) and India (-4%).	**5/5**
Bond yields in developed markets remaining at historical lows with a suppressed outlook for inflation and muted growth prospects, the long end of the yield curve is likely to remain flat. But with potential rates hikes in UK and US we could see the short end rise fairly dramatically.	Low yields remained in place throughout the year but with the Fed finally raising interest rates in December investors witnessed the 2 year treasury hit a 5 year high.	**4/5**
China is expected to continue with reforms in corporate governance, cultural and social aspects as well as financial stimulus to support overall growth. We therefore see potential areas of opportunity throughout 2015.	Amid ongoing rate cuts, reforms were a key area of focus. Services sector indicators expanded while manufacturing remained in contraction territory. Exposure to favourable sectors like healthcare, media, tourism and technology proved fruitful for investors.	**5/5**
We anticipate further advances in technology and communications, which aim to drive efficiencies and benefits to consumers and businesses globally. We have already seen the Eco Systems of the 'tech giants' develop as they capture market share and diversify to protect their revenues going forward.	Technology continues to drive business and is a theme that continues to show traction. The technology heavy NASDAQ index outperformed its more established peers in the US while our more favoured names enjoyed returns in excess of 60% on average.	**5/5**