

## Investment Strategy

### Stocks - Greek Market

The imposition of capital controls and the deterioration of the economy resulted in very low levels of trading activity in the Athens Stock Exchange. Forthcoming elections and banks' recapitalization are expected to be two decisive factors that will determine market direction in the short run.

### Stocks - European Market

The unexpected downturn of economic indices along with the historical decision of the Chinese economic policy change, was the cause of a great uncertainty in the markets regarding the expected growth of developed economies. Investors' disappointment has led to considerable losses, while an organized reaction is anticipated from all central banks via QE programs in case the intense market volatility destabilizes the real economy function. The fact is that all data recently published from the developed economies for 2Q15 are encouraging. Markets' extreme reaction to China data, presents investors with investment opportunities specially to companies related to commodities, luxury goods and cars and the chemicals sector.

### Stocks - US Market

The long anticipated interest rates hike by FED in September, has divided analysts. As a result any indication of improvement in the US economy is likely to enhance stock liquidation in anticipation of a new cycle of interest rate hikes. However, any delay from the FED towards December or even January 2016, may lead stock prices higher, especially after the recent correction. We remain positive and increase our positions in the sectors of technology, finance and industrial goods.

### Bonds Market

Sudden risk aversion, after the violent downfall of the markets resulted in a price decrease of most corporate bonds of all ratings, and accordingly government bond prices increased. Postponement of interest rate hike in the US, confirmation of QE continuation from the ECB combined with the stabilization of commodity prices and stock markets may lead to price increases in the high yield corporate bond market. Especially with regards to Greek bonds, after the elections, we anticipate improvement of their liquidity and price increase. Corporate banking bonds attract our interest due to the probability of participation to the Bank's capital increase in November.

## BETA Asset Management Performance & Strategy Update



### 2015 – Current Performance (non annualized)

Portfolios	BETA Asset Return 1/1/15– 31/08/2015	Benchmark	Benchmark Return 1/1/15 – 31/08/15	+/-
Greek Stocks	-26,74%	FTSE/ ASE Large Cap	-31,01%	+4,28%
European Stocks	8,00%	ESTOXX 50	3,92%	+4,08%
US Stocks	-4,26%	S&P 500	-4,21%	-0,05%
Corporate Bonds	-1,06%	IBOXX EUR Synthetic (TRI) 70% HY and 30% Liquid Large Cap	0,88%	-1,94%



**BETA Asset Management – 5 Year Performance**

Portfolio	2010	2011	2012	2013	2014
BETA Greek Stocks	-33.10%	-45.52%	35.95%	57.73%	-23.55%
FTASE / 20	-41.08%	-60.05%	16.90%	24.27%	-31.18%
<b>Over/ Under Performance (+ / -)</b>	<b>+ 7.98%</b>	<b>+14.53%</b>	<b>+19.05%</b>	<b>+33.46</b>	<b>+7.63%</b>
BETA European Stocks	-3.00%	-10.22%	20.35%	20.73%	1.29%
ESTOXX 50	-5.81%	-17.05%	13.79%	17.95%	1.20%
<b>Over/ Under Performance (+ / -)</b>	<b>+2.81</b>	<b>+6.83%</b>	<b>+6.56%</b>	<b>+2.78%</b>	<b>+0.09%</b>
BETA US Stocks	4.12%	11.86%	18.23%	32.00%	12.82%
S & P 500	12.78%	0.00%	13.41%	29.60%	11.39%
<b>Over/ Under Performance (+ / -)</b>	<b>-8.66%</b>	<b>+11.86%</b>	<b>+4.82%</b>	<b>+2.4%</b>	<b>+1.43%</b>
BETA Corporate Bonds	11.63%	8.28%	26.71%	9.17%	2.46%
IBOXX EUR Synthetic (TRI) 70% HY and 30% Liquid Large Cap	10.05%	-0.29%	20.57%	6.55%	4.90%
<b>Over/ Under Performance (+ / -)</b>	<b>+1.58%</b>	<b>+8.57%</b>	<b>+6.14%</b>	<b>+2.62%</b>	<b>-2.44%</b>