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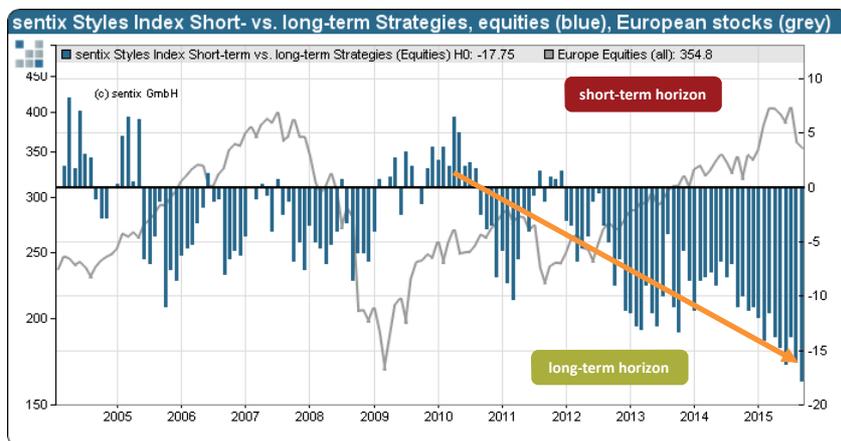


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Equities – really without any alternative?

The latest sentix data set reveals: investors commit in an increasingly strong manner to European equities despite a weakening in economic outlooks and market turbulences. For instance, they increase their investment horizon at a level never seen before. It shows the extreme conditioning of market participants regarding stocks as an investment without any alternative. This is a risk!

The monthly sentix Styles Index for September regarding the investment horizon for stocks falls to a new record low (see chart below). This means that investors' intended holding period when buying stocks was never longer than today (since inception of the indicator in 2004). Furthermore, investors' basic conviction for equity holdings remains robust. This represents quite an intriguing issue as, at the same time, market participants worry about the global economy and face dramatic stock price developments since recently.



The bottom line is that investors are willing to look through the already risen dark clouds and swear fidelity to equities. This persistent irrational behaviour is an expression of the conditioning investors have undergone by central banks' ultra-loose monetary policy: in the age of zero interest rates equities are considered being without alternative. Hence, **investors are susceptible to new market turbulences – which represents a significant risk!**



Background

“**sentix Styles Index: investment horizon for stocks**” is polled around every third Friday of a month as part of the sentix Global Investor Survey. The indicators’ history dates back until 2004. The index shows if equity investors operate with a rather short-term or a longer-term view. A longer-term view indicates stronger conviction and thus higher tolerance for losses. The indicator reflects investors’ medium-term expectations and, as a result, often leads market developments.

The latest survey was conducted from September 17th to September 19th 2015 and incorporated market opinions of 985 private and institutional investors.

About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioral finance) in Europe. Since 2001 sentix surveys on a weekly basis around 5,000 investors from over 20 countries (comprising over 1,000 institutional and almost 4,000 individual investors) about their expectations for financial markets as well as for economic developments and their portfolio actions. The sentix survey results are representative of a broadly diversified group of investors.

sentix surveys offer the rare combination of a large number of participants, high quality and an outstanding speed with which information is gathered and passed on. All sentix indices are regularly accessible for sentix data clients just about one day after the close of each poll – via the sentix website or via Bloomberg. sentix clients thus are able to use sentix data almost in real time in order to further improve performance.

sentix GmbH was founded in 2001 and today represents the basis for all the services the sentix group offers to its clients in the field of Behavioral Finance.



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