



WEBSITE ABOUT PRODUCTS & SERVICES **LIFEGOALS** WHAT'S NEW CONTACT

Emergo Wealth Presents
The first horizontal provident fund in Cyprus



Newsletter 13 | April, 2015

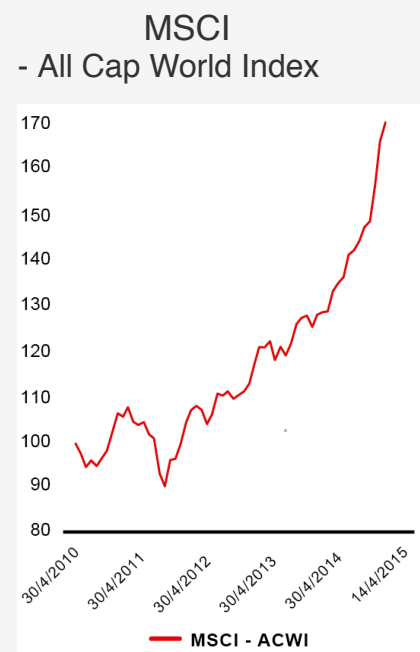
We welcome you to our April 2015 Newsletter. As I write this, the rally in the European stock markets shows few signs of decelerating and the quantitative easing process initiated by the European Central Bank last month is not a small factor in this. And while we all like the prospect of rising stock prices we have to accept that higher returns go hand-in-hand with higher risks.

We all love earning high returns, but we hate losing money a lot more. The ultimate investing strategy is the one that delivers high returns and guarantees that we never lose any money. Except that strategy is a unicorn - it does not exist. What we do for our portfolios and for our clients is to implement a strategy that provides the best possible returns for the investment risk assumed. Our investment advisory team works in tandem with asset managers to keep current with the dynamically changing economic environment and shield our client's portfolios from any preventable risks while at the same time optimizing the returns.

This month's feature article is about the low yield world we live in and strategies that work perennially that aim to deliver the best risk-adjusted returns for different levels of risk.

As always, we would love to hear from you with any feedback on our articles or for any questions regarding our services.

Chart of the Month



Do you have a Life Goal?
For more information about

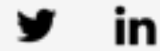
Investing in a low yield world

In what is without a doubt a historical landmark, the Swiss Central Bank auctioned 10-year sovereign bonds with a negative yield on 8 April 2015. This is probably the first time investors actually paid for a government to take their money for such a long period. In addition, many euro zone government bonds are trading at negative yields; the German government previously sold 2-year and 5-year bonds at auction with negative yields. The yield on the 30 year US Treasury bond is at the lowest level in the history of the United States (2.44%)!

The flight of investors to the bond market - which has driven bond yields down across the developed world economies - is mainly driven by fears of deflation and the European Central Bank's 1 trillion euro bond purchase scheme launched last month is accelerating the process. The Brookings-FT TIGER index, a set of composite indexes that track the global recovery confirms that the world economy is characterized by stagnant low growth, risks of deflation, and weak consumer and business confidence. Given this outlook, expectations for an interest rate hike by the Central Banks are very low (either in Europe or in the US).

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