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## CONSEQUENT INVESTING

Market views, Asset- and Style Allocation, Fund Selection.

*This letter is the continuation of my management reports of the **Patrimonium Diamond Equity Fund of Funds (FOADIMD:LX)** that has been **awarded 5 stars by Morningstar over 10 years**, and that I've managed until 30/08/2012. In this letter I elaborate my thoughts about financial markets and asset management by commenting a model portfolio that can have 0% to 100% equity exposure, and aims to perform well in positive environment and to win by losing less in a negative environment.*

**NEWSLETTER** 22 october, 2015.

### Mario Draghi did it again !

Amazing what influence this man can have. Even if he says nothing concrete, he moves the global markets. He barely finished his speech, and the stock markets were raising everywhere, in Europe with 2.50% (Stoxx 50) and the United States with 1.60% (S & P500). Everyone expected more QE, but in reality, the ECB boss revealed nothing. He said he will review the situation again in December, and reiterated that he will use "all possible means" if necessary to achieve an inflation rate of around 2%. For the rest, he told some positive stuff. He mentioned that the consumption in the Euro area is resilient, and an improvement is observed in lending to businesses and households. But that was already known. On the one hand there are some concerns about the weakness of external demand (emerging markets), but on the other hand the sensitivity (vulnerability) of Europe to the slowdown in the Chinese economy has to be relativized. And as always, Mario Draghi stressed the urgent need to implement structural reforms in the different countries. "QE is not the only game in town" he said.

I was still a little surprised of the violence with which the stock exchanges rose. But one cannot stay idly when such a move happens. With the New Diamond portfolio, I am in a comfortable situation because I have a positive YTD performance of 8.42% today (closing prices of yesterday 21/10), so I could easily wait until year end without taking additional risks. But as in any case the meters will be reset to zero on January 1st, it does not make much sense to wait to return to the markets. But I'm doing it slowly. This afternoon I sold the remaining "short" positions of the portfolio. Thus, the "net" equity exposure increased to 36%.

In other portfolios that I'm responsible for since September, and which do not have this comfortable lead, I'll probably have to be a little more aggressive.

If the S&P goes through the 2055 resistance level (see my previous Newsletter), this could trigger a big short-covering movement and boost the indices even higher.

*Dear reader, from time to time you will receive the Newsletter in English, because I have to write in English for a blog now, and I have not always enough time to translate everything simultaneously in Dutch and French. Sorry for that, but I hope you will appreciate the rapidity of my communication, and forgive my grammatical shortcomings in English.*

*Jacques Bossuyt.*

*22 October, 2015*