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CONSEQUENT INVESTING CONCEPT

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

This letter is the continuation of my reports of the fund of equity funds **Patrimonium Diamond** that I managed according to my CONSEQUENT INVESTING CONCEPT and that has been rewarded in 2011 with **5 stars by Morningstar on a 10 year period**.

Investors can benefit from my CONSEQUENT INVESTING CONCEPT through a mandate with management companies I work with.

January 31, 2016.

Update

A new day, a new surprise...

In my previous letter (Friday 29/1) I wrote that I could eventually change my strategy if the markets rise for other reasons than China and Oil. Friday, the markets soared because of Japan introducing negative interest rates. What the hell is the relation between our stock exchanges and a negative interest rate at the antipodes ??? Every day brings another surprise.

On January 4, the financial world panicked because the Chinese currency devaluated by 2%. On January 29 the world celebrated with joy the depreciation by 2% of the Japanese currency. Is there some logic in this world ? *"Japanese exports will become more competitive, yeah, let's have a party !!"*

Look at what happened in Japan last Friday when we were still sleeping. As soon as the Bank Of Japan announced its negative interest rate, the Nikkei jumped 3.10% (from 17041 to 17570 points). **But then the index literally crashed 4.57% in only 35 minutes** (16767), and finally ended the trading day up at +2.80% (17518).

Do you believe that it were human beings calling their local banker that provoked these huge moves ? Certainly not. Only computers can take such decisions. Some computers were programmed to "take profit", other computers were programmed to "buy on a dip". We will see which computers were right or wrong in the coming days.

Yes, the European and US markets soared for another reason than China and oil, but is a negative interest in Japan a reason to jump on the bandwagon ? For the time being I keep my asset allocation until further notice : equity exposure at 28%.

Jacques Bossuyt

WARNING: This letter contains no investment advice.

This letter is the continuation of my management reports of the Patrimonium Diamond equity funds of funds that I managed, and that has been awarded 5 stars by Morningstar over 10 years. I managed the fund until 31/08/2012, when I took my retirement. Patrimonium Diamond was a compartment of the Patrimonium Sicav owned by Foyer Patrimonium SA, the asset management branch of the Luxembourg insurance company Le Foyer. Following my departure, the fund was liquidated, but the history is still visible on Bloomberg under the ticker FOADIMD LX. Now I am an active member in various investment committees and assist professional wealth managers in terms of asset allocation, management style and fund selection. I also publish this Newsletter in which I develop my ideas on financial markets and asset management through managing a virtual portfolio called CONSEQUENT INVESTING CONCEPT PORTFOLIO, formerly known as New Diamond Flexible Portfolio.

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