Diverse range of possible outcomes in 2023

At the end of last year, **Tell Media Group**, in cooperation with **DWS**, **UBS Asset Management** and **Kempen Capital Management**, organised a roundtable discussion in Stockholm with Swedish investors, focusing on asset allocation challenges and the outlook for 2023. Tell Media Group founder Niklas Tell and Nordic Fund Selection Journal editor Caroline Liinanki moderated the discussion.

By: **Niklas Tell** Photo: **Christer Salling**

The discussion started out with Caroline Liinanki asking the investors about their expectations going into 2022 and what the biggest surprises were during the year.

MARIE GIERTZ: "We came, of course, from a strong year in 2021, which was very good for the stockmarket. The question at the time was what the trigger would be for the markets. Companies were in good shape and consumers, especially in the US, had saved during the pandemic and were ready to spend. But at the same time, we did see inflation coming and I think everyone was prepared for monetary tightening. We expected volatility but I wouldn't say we were fully prepared for what we've seen in 2022 with the war in Ukraine, a spike in inflation and interest rates as well as an energy crisis."

CLAES AHREL: "Going into this year, we believed everything looked very expensive – both bonds and equities. We started to reduce equities, credits and the duration last year and I was actually looking forward to 2022. But then Ukraine happened and that made me regret that we didn't do more at the end of 2021. We thought we were defensive but obviously not enough considering what happened."

MAGDALENA HÖGBERG: "I agree with much of what has already been said. We've had the belief for some time that interest rates would approach more normalised levels and that inflation might rise but not at the speed we observed last year. We've therefore been trying to prepare the portfolio for a higher interest rate environment by increasing real assets and we introduced a position in defensive equities in early 2022. What we didn't see coming at the onset of 2022 was, of course, the war in Ukraine and we also weren't fully prepared for the intensity of the inflation chock. It has been an interesting year that many people have described as one to tell the grandchildren about."

JAKOB CARLSSON: "Each year, we go through what the risk and financial position would look like in different stressed scenarios. Of course, we couldn't foresee what would happen in 2022 but the board did see significantly increased risks, so we took some positions on the currency side and we also reduced the duration in our fixed income portfolio. Then we actually had workshops and discussions in January and February about the increased possibility of a war in Ukraine but we still weren't fully prepared for all that has happened this year with a full-scale war in Europe."

NIKLAS TELL: BJÖRN, DO YOU HEAR SIMILAR VIEWS FROM CLIENTS ACROSS EUROPE?

BJÖRN JESCH: "Similar in terms of 'we have been wrong' – absolutely. Both when it comes to the war in Ukraine and when it comes to the velocity of the rate hikes. Now, we take the war as an excuse and explanation for the inflation we're seeing and I think that's wrong. However, the inflation is driven by the supply side and not by the demand side. That's especially true in Europe. On a positive note, I was surprised to see how resilient companies were and how quickly countries were able to steer away from Russia. Remember that Germany used to import roughly half of the gas from Russia. Also, companies have reduced gas consumption by 15 to 25 per cent and still produce roughly the same output."

CONOR HAMILTON: "We were fairly positive going into 2022 and expected above trend growth around the world. We thought, however, that central banks would need to hike more than markets expected. We also expected inflation to peak around March and the resilience of inflation has been what surprised us the most in 2022. Also, the reopening in China is somewhat surprising given the fact that we're going into winter and I think that's something to look out for in 2023."

MICHIEL MEEUWISSEN: "I'm fairly happy with what we did at the beginning of 2022 as we had similar expectations as what has already been mentioned. We were concerned about valuations for both equities and fixed income, so we reduced duration risk and equity risk. We also invested more in more flexible macro and systematic managers. With traditional managers, you can only take duration to zero but with alternative managers, you can take the other side and that helped us. I think one of the bigger surprises this year has been the more recent rally in equities on the back of slightly lower inflation numbers."

CAROLINE LIINANKI: IT LOOKS LIKE 2022 WILL BE A DIFFICULT YEAR WHEN IT COMES TO PERFORMANCE. WHAT WOULD YOU HIGHLIGHT AS SOME OF THE INVESTMENTS THAT HAVE STILL PERFORMED THIS YEAR AND IS THERE ANYTHING YOU WISH YOU HAD IN YOUR PORTFOLIO THIS YEAR THAT YOU DIDN'T?

MAGDALENA HÖGBERG: "We've been happy with our direct lending strategies and being short duration. Infrastructure has provided an inflation hedge so far. Equity market neutral managers have also performed well."

JAKOB CARLSSON: "The increased duration gap has been very profitable for us. Currency and forestry has also been good investments. It's always easy to see what you should had done with the benefit of hindsight but I think an important lesson is that you can't time these investment decisions as a long-term investor."

BJÖRN JESCH: "With hindsight, we should have done more within risk premia but at least we had some exposure. What we did was creating an asymmetric risk premia strategy providing zero returns when traditional markets are positive but providing a return when traditional markets are under stress."

CONOR HAMILTON: "A traditional 60/40 portfolio being long dollar was probably the best hedge you could have had this year."

JAKOB CARLSSON: "I read that the return of a 50/50 portfolio in 2022 has been the worst since 1971. If you want to be positive, you can of course look at the expected return from a 50/50 portfolio and that's much better today."

PARTICIPANTS

- **MARIE GIERTZ**
  Chief investment officer, Kåpan
- **MAGDALENA HÖGBERG**
  Head of strategic allocation and quantitative analysis, AP4
- **JAKOB CARLSSON**
  CEO, Länsförsäkringar Liv
- **CLAES AHREL**
  Managing director, Telia Pension Fund
- **BJÖRN JESCH**
  Global chief investment officer, DWS
- **CONOR HAMILTON**
  Investment specialist, investment solutions, UBS Asset Management
- **MICHIEL MEEUWISSEN**
  Head of manager research solutions & portfolio manager, Kempen Capital Management

MARIE GIERTZ
Chief investment officer of Kåpan, the Swedish government employees pension fund. Before joining Kåpan in 2017, she worked as chief economist at Swedish Export Credit Corporation and prior to that as chief economist at Länsförsäkringar.

JAKOB CARLSSON
CEO of Länsförsäkringar Liv. He took on his current role in 2019 and spent nine years as CFO of the pension company prior to that. Before joining Länsförsäkringar in 2007, he was head of group control at SPP and Handelsbanken Liv.

BJÖRN JESCH: “A lot has happened and there is this saying that ‘TINA has left the building – long live BOB’ – BOB being ‘Bring on Bonds’. We’re investing into bonds again and we didn’t do that 12 months ago.”

JAKOB CARLSSON: ”Could BOB be a threat to the equity market?”

BJÖRN JESCH: “Yes, I think so. It’s competition – to alternatives as well. We’ve shifted more towards credit and high yield and we’re still underweight equities in our more benchmark-related strategies.”

MARIE GIERTZ: “For us, the dollar exposure has been good and also the fact that we have a big real asset portfolio.”

NIKLAS TELL: WHAT WOULD YOU SAY ARE SOME OF THE LESSONS LEARNT FROM THE DIFFERENT CRISES WE’VE BEEN THROUGH RECENTLY – FIRST COVID AND NOW WAR AND RISING INFLATION. BUYING INSURANCE AGAINST EVERYTHING WOULD BE EXPENSIVE, SO IS KEEPING MORE DRY POWDER THE WAY TO GO?

MARIE GIERTZ: “If you look at Swedish pension funds, I think you will see that the solvency ratios are roughly the same as a year ago. We have a lot of dry powder, which means we can keep the risk level we have in the portfolio and we can stay long-term and stick with our plans. One reason is, of course, that the liability side has been shrinking with higher interest rates and if I’m a bit optimistic, we’ve actually been waiting for higher interest rates for a long time.”

MICHIEL MEEUWISSEN: “We all know that buying put options will cost you money if you hold that over a cycle. The good thing is that there are building blocks that will work well with a typical balanced portfolio of equities and fixed income. There are many options to be found in alternative credit, for example, and as we heard earlier, there are also opportunities in real assets.”

JAKOB CARLSSON: ”I think the most important lesson is to not become a forced seller. It’s critical to have a significant risk budget and capacity to afford real hard stress in the portfolio.”

NIKLAS TELL: WHAT WOULD YOU SAY ARE THE BIGGEST INVESTMENT CHALLENGES AT THE MOMENT AND WHICH ASSET CLASSES THAT ARE MOST DIFFICULT TO ASSESS RIGHT NOW?

CLAES AHREL: “Coming back to what Jakob said about having a risk buffer, I very much agree with that. Going into the Covid crisis, we had used half of our risk budget but due to the way we calculated the risk, the whole budget disappeared very quickly. The lesson learnt was that we needed to look at risk differently. Looking back at 2022, the best position we had was short duration and the big challenge right now is what to do with it. Should we close that position or keep it? We’re a strategic investor and we let our external managers take the tactical bets but even as a strategic investor, you still need to make decisions such as keeping or closing positions. Another question on my mind right now is how much that has already been priced into credits and how you should position yourself from a strategic point of view.”

CONOR HAMILTON: “I agree. I think especially US duration is one of the most difficult asset classes to assess at the moment. Ultimately, it comes back to your view on inflation. If you have the luxury to close your eyes and not look at your portfolio for the next 12 months, I do think that duration is an attractive investment at the moment.”

MICHIEL MEEUWISSEN: “If you look at the US yield curve, it’s telling us that a

recession is coming. But if you look at equity markets, we see that earning expectations have not come down. How do you fit those two together? I guess that’s the million dollar question. Which market is correct?”

MAGDALENA HÖGBERG: “I agree. I think the uncertain macro situation is the biggest challenge right now. It’s not enough to have a view on earnings growth in nominal terms because you want to look at real corporate earnings. If you think that earnings will grow with 4 per cent but inflation is at 8 per cent, that’s not really a good situation for the companies, even though the nominal growth number sounds optimistic.”

JAKOB CARLSSON: ”I think one challenge is that the range of possible outcomes is so huge – from good to bad. We still believe that the base scenario is positive but how do you capitalise on that base scenario while at the same time making sure you can cope with that broad range of possible outcomes? Another challenge is of course ESG.”

BJÖRN JESCH: “Before we move into ESG, I would just like to mention two challenges that I see right now. The first is Chinese equities. We saw how markets spiked on the day when we first heard about the reopening and I think it’s hard to predict the outcome. If you can handle the risk, I don’t think investing in Chinese equities is a bad idea as the upside should be fairly large. Another challenge is the move from value back to growth. Maybe that will happen sometime in 2023. The large tech companies in the US need to restructure in order to improve earnings but when that’s done, I think it’s time to think about growth again.”

NIKLAS TELL: YOU MEAN WHEN THEY BECOME MORE LIKE VALUE COMPANIES?

BJÖRN JESCH: “Exactly!”

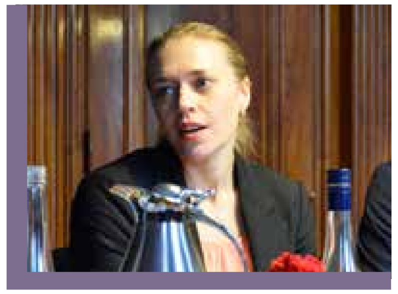
CONOR HAMILTON: “To me, the question about value versus growth is similar to what we were discussing on fixed income and duration because tech stocks typically behave like long duration investments. I think we will need to see interest rates starting to come down for that switch to happen.”

NIKLAS TELL: YOU TALKED ABOUT GROWTH VERSUS VALUE BUT WHAT’S YOUR TAKE ON DEVELOPED MARKETS VERSUS EMERGING MARKETS?

MAGDALENA HÖGBERG: “As long-term investors, emerging markets are obviously interesting from a strategic point of view given the expectation of growth in markets such as China and India. We were positive on China going into the year as we expected looser Covid policies sooner but given the geopolitical developments during the year, we have instead adopted a long-short strategy for China, opting for less outright exposure. The situation for emerging markets right now is maybe not as positive from a tactical perspective with a strong dollar and geopolitical tensions but there are opportunities in trying to find the winners and losers from these developments and related trends, such as nearshoring. We’re taking a more specific approach trying to find the right countries or clusters rather than taking exposure to emerging markets in general.”

JAKOB CARLSSON: ”We excluded China, Russia and most of emerging markets some two years ago – mostly due to ESG reasons but also due to the relatively low return expectation in these areas.”

NIKLAS TELL: AND WHEN YOU SAY ESG REASONS, WAS THAT PRIMARILY GOVERNANCE REASONS?



MAGDALENA HÖGBERG
Head of strategic allocation and quantitative analysis at the national pension fund AP4. Before taking on her current role in 2021, she worked as a senior portfolio manager and quantitative analyst at the pension fund. She joined AP4 from VPD Financial Software Consulting in 2013.

CLAES AHREL
Managing director of Telia Pension Fund since 2014. Before joining the corporate pension fund, he spent seven years as a senior portfolio manager in the asset allocation team at AP4. He has also been chief strategist at Länsförsäkringar Asset Management.

JAKOB CARLSSON: "Yes, weak governance was the strongest argument but also environmental reasons. For example, CO2 emissions are at higher levels in these regions compared to developed markets."

NIKLAS TELL: I GUESS YOU COULD ALSO ARGUE THAT EMERGING MARKETS ARE THE MOST IN NEED OF INVESTMENTS IN ORDER TO TRANSITION.

JAKOB CARLSSON: "Absolutely, which is why I highlighted ESG as one of the challenges. It's a difficult area."

MICHIEL MEEUWISSEN: "We spent a lot of time in 2022 looking at emerging market debt and applying a country policy looking at 'E', 'S' and 'G'. If you only look at 'E' and punish countries for the change in CO2 emissions, you will probably punish developing countries that are starting from a very low base and that would typically be the countries most need of capital."

NIKLAS TELL: AS LONG-TERM INVESTORS, HOW DIFFICULT IS IT TO BALANCE THE PRESSURE FROM OUTSIDE STAKEHOLDERS TO HAVE A PORTFOLIO WITH LOW CO2 EMITTERS AND AT THE SAME TIME WISHING TO BE PART OF THE TRANSITION, WHICH WOULD REQUIRE INVESTMENTS IN COMPANIES THAT MIGHT BE BAD TODAY BUT ARE CHANGING?

BJÖRN JESCH: "It is very difficult. It's of course easier to look back compared to incorporating the future. I think the solution is to be engaged with companies and also with index providers in order to argue for change. You need to be an active shareholder but it's resource intensive and it takes time. It's also difficult because you're not responding to a regulated framework but rather to different points of views."

MARIE GIERTZ: "We've had an exposure to emerging markets for a long time but it has been shrinking because of market developments. Emerging markets have underperformed developed markets for a long time so it has been a questionable exposure from a return perspective and then you add on ESG worries on top of that. It's difficult to cope with. Then you come back to the argument that you do get exposure to emerging markets through global companies. Another issue is, of course, that the easy approach to emerging markets is not there any longer. A beta exposure to global emerging markets today will give you a 60 per cent exposure to China and maybe that's not really what you want."

JAKOB CARLSSON: "We're moving away from exclusions because you can't change the world by excluding companies and countries. And in addition, that strategy might hurt your performance. We instead move towards impact investments and try to ask ourselves what and where our capital can drive change and at the same time have opportunities to create strong long-term returns."

MICHIEL MEEUWISSEN: "I fully agree with that approach but I think the SFDR regulation is pushing in the other direction. It's pushing for exclusions. If you want to be part of the transition and focus on inclusion rather than exclusion, I think you need to accept getting lower ESG ratings and then investors will also need to understand and accept that."

MAGDALENA HÖGBERG: "We take the same approach, trying to influence companies. Across sectors we will try to find the companies that are best positioned to take advantage of the energy transition."

NIKLAS TELL: BUT I GUESS TAKING THAT APPROACH ALSO MEANS THAT YOU WILL BE EXPOSED TO QUESTIONS.

MAGDALENA HÖGBERG: "Yes, but we feel confident that our active fundamental work means that our managers are able to answer those questions. As a long-term investor, we think we're able to support the transition to a sustainable society both in emerging markets and in developed markets by selecting brownish companies and supporting them through engagement to becoming greener."

CLAES AHREL: "That's why you don't want beta exposure to emerging markets – you need an active manager so you don't end up with 60 per cent in Chinese tech companies. I love index managers in general but not for emerging markets. ESG is critical in emerging markets and that's why we use active managers that really incorporate ESG in the investment process. We had a very small exposure to Russia due to ESG reasons, so that's one example when it works. Long-term, it might be right to increase the exposure to emerging markets but tactically, it might be better to wait a bit."

CONOR HAMILTON: "I think we need to remember that ESG is a very personal choice and investors here in Sweden will probably have a very different approach to ESG compared to an investor in Texas, for example. From an asset manager point of view, the ever-changing regulatory landscape is making cross-regional implementation of ESG values more challenging and we see a lot of managers taking a 'wait-and-see' approach for now."

BJÖRN JESCH: "We must also remember that the awareness and focus on these issues are very different from region to region. Europe is very different compared to Florida and Texas when it comes to ESG, to take a well-known example."

CAROLINE LIINANKI: CONSIDERING THE SIZE OF CHINA IN INDICES, IS IT TIME TO STOP THINKING ABOUT EMERGING MARKETS AS A BLOCK AND INSTEAD THINKING ABOUT INDIVIDUAL COUNTRIES OR REGIONS OR EVEN APPROACH IT FROM A MORE THEMATIC POINT OF VIEW?

MAGDALENA HÖGBERG: "I agree. We think of emerging markets as a heterogenous space where you have both individual countries, such as China and India, and then you have blocks exposed to different drivers, such as commodities or industrial production. You can also take a factor view of emerging markets, so there are a lot of different ways to think about it."

JAKOB CARLSSON: "What about looking at sectors instead of geographies? For the asset allocation, our industry is still focused on geographies but is anyone doing something else, such as allocations based on sectors?"

MICHIEL MEEUWISSEN: "I think you will at least need to be aware of sector differences. For example, if you say that US equities have outperformed European equities, you need to understand that tech is a much larger exposure in US compared to Europe."

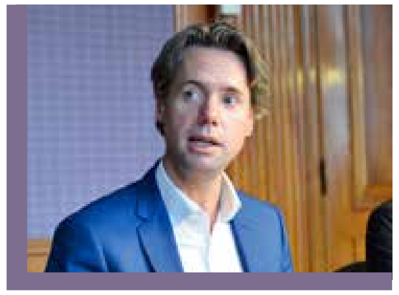
BJÖRN JESCH: "I agree. We still have a geographical breakdown but you need to understand which sectors are driving different markets and what factors you want to have in your portfolio."

CLAES AHREL: "I think the US versus Europe example is very good because if you adjust for sector exposure, the valuation is usually very much the same. If you're increasing your exposure to one of the geographies, you're essentially taking a sector bet, so you need to consider both."

NIKLAS TELL: WHEN WE ARE TALKING ABOUT ASSET ALLOCATION, WE'VE SEEN A LOT OF DIFFERENT TRENDS

BJÖRN JESCH
Global chief investment officer of DWS. Having previously held several positions at Deutsche Bank, he rejoined the company in 2020. Prior to that, he worked as global head of investment management at Credit Suisse as well as CIO & head of portfolio management at Union Investment.

CONOR HAMILTON
Investment specialist with UBS' investment solutions team and responsible for delivering portfolio solutions to clients in wholesale and institutional channels across EMEA. He joined UBS Asset Management in 2020, having previously worked in the CTA industry.



MICHIEL MEEUWISSEN
Head of manager research solutions and a portfolio manager at Kempen Capital Management. He joined the asset manager in 2000, has co-founded its two funds of hedge funds and oversees the firm's investments in external managers across traditional and alternative strategies.

OVER THE YEARS. INSTEAD OF HAVING AN ASSET CLASS BREAKDOWN, IT COULD BE DIVIDING THE PORTFOLIO INTO DIFFERENT RISK BUCKETS. HOW DO YOU DEFINE YOUR ASSET ALLOCATION?

MAGDALENA HÖGBERG: "We try to think about our exposure in as many ways as possible. Our base line is to look at macro factors, such as growth, real rates and inflation, from a top-down asset allocation perspective. However, it's easier to communicate the allocation in the traditional sense of different asset classes, so that's usually how we do it."

MICHIEL MEEUWISSEN: "Ultimately, a lot of assets are either driven by growth expectations or inflation expectations, so it's probably good to think about these drivers."

MARIE GIERTZ: "I think that it's very much about communication and for that, we use traditional asset classes and try to explain the risk and drivers of each component. Then, we of course do our risk budgeting and ALM studies."

BJÖRN JESCH: "I would like to come back to the question of ESG and the question if the ESG trend is broken because of the war in Ukraine. I think it's not. It's even more important to be energy independent and to move to renewables. Tactically, we see that coal is again an option in order to keep us warm during winter but for me, that's a very short-term solution. The long-term trend towards renewables is still intact."

MICHIEL MEEUWISSEN: "I agree. If you look at the big trends over the last decade, we saw the move from traditional active to benchmark passive and then to bespoke indexing with sustainability factors driving it. Much of that is, however, exclusions and now I think we're moving towards more positive impact solutions. Maybe that's a bit of a hope as well but that should mean we're moving towards more active management again. Away from simple exclusions and towards more engagement and impact solutions. That's easier in private markets due to the additionality aspect but I also think there are things to be done public markets."

CAROLINE LIINANKI: WHAT DO YOU SEE AS SOME OF THE BIGGEST ESG OR SUSTAINABILITY CHALLENGES RIGHT NOW?

CONOR HAMILTON: "From a bigger picture perspective, there's the Paris agreement and the UN SDGs and I think there has been huge progress made by the whole asset management industry. But there's still a lot to be done and the next step is absolutely active impact investments. What we want to do is direct capital to help achieve the goals outlined by the SDGs. However, doing that within the regulation and classification systems can sometimes be a challenge."

JAKOB CARLSSON: "The biggest risk to me is that European politicians don't have the courage to stick with the 'fit for 55' strategy. If we really trust that they will put a cost on emissions, we know that our investments in CO2 efficiency will be profitable and that will drive capital in the correct direction. Today, I'm unfortunately not convinced that they will have the courage and power to stick with it all the way to the end if they see Europe and the rest of the world taking different roads."

MICHIEL MEEUWISSEN: "I think one of the big challenges is the quality of ESG data and related to that communication of ESG. We, as asset managers, need to do a lot of work ourselves in order to understand individual companies and investors need to do a lot of work because it's not enough to look at an ESG rating of a company or an SFDR classification of a fund."

MAGDALENA HÖGBERG: "The ESG ratings are just like analyst recommendations

"We're taking a more specific approach trying to find the right countries or clusters rather than taking exposure to emerging markets in general"

– Magdalena Högberg, AP4

for individual companies and you, of course, see dispersion there. There's a qualitative aspect to it and you therefore need to look beyond the rating and look at the underlying data."

BJÖRN JESCH: "I think one of the challenges is that considering there are no common standards, we can have a different filter or different approach compared to our clients. We use a multi-vendor approach when assessing companies and we might therefore include a certain company in our portfolio that's not accepted by a client because they follow a different provider."

NIKLAS TELL: LOOKING INTO 2023, WHICH FACTORS ARE POINTING TO IT BECOMING A GOOD YEAR AND WHAT WOULD BE A NIGHTMARE SCENARIO?

JAKOB CARLSSON: "I think it's easier to answer the last part of the question and that would be central banks getting it wrong and that's absolutely a possibility. However, our base case scenario is that we will have a year with relatively good returns on equities, even if we expect the economy to struggle."

MICHIEL MEEUWISSEN: "For traditional markets, it might well be another difficult year given the combined risk of inflation and a recession, so I see another year where alternatives will be important diversifiers. Markets are pricing in a positive scenario of inflation being under control without a real slowdown of the economy. That scenario is not likely but also not impossible given that the starting point is ok. Banks are in better shape compared to 2007 when we went into the global financial crisis. The consumer is in better shape and even if corporates have a lot of debt, it's not due for some time. That makes it possible for earnings to hang in there, even if I don't think the likelihood is great."

CONOR HAMILTON: "The case for a good year is that 2022 was a terrible year on a cross-asset basis and therefore, ex ante, we can expect a reversion. But on the flipside, years as bad as 2022 are typically linked to an economic recession and we are yet to get to that point. Maybe that will come in 2023."

BJÖRN JESCH: "We're forecasting a mild recession and a mild recovery. The corporate sector is resilient and labour market tight, so we don't see a typical pattern with recession and high unemployment rate. That's the good news. The bad news would be if inflation is much stickier and it could be due to structural issues such as demography, de-globalisation etc, which are all inflationary."

MAGDALENA HÖGBERG: "I agree with what's been said. It's actually easy to paint scenarios in both directions for 2023."

NIKLAS TELL: ARE THERE ANY ASSET CLASSES THAT YOU WILL AVOID AND WHAT DO YOU SEE AS OPPORTUNITIES NEXT YEAR?

MARIE GIERTZ: "I think the big unknown is the unlisted space due to the lag in valuations. That could be a drag for returns in 2023. However, as long-term investors, I think we should continue to be long-term also when it comes to our unlisted investments."

BJÖRN JESCH: "I think high yield is a tricky asset class, especially in the US. If we're going towards a recession, I would rather take that risk in equities than in high yield as defaults would increase."

NIKLAS TELL: MAYBE LOOK AT DISTRESSED DEBT INSTEAD?

MICHIEL MEEUWISSEN: "Yes, it might become an opportunity during 2023."

CLAES AHREL: "I think real estate should be interesting as it's a good inflation hedge if you have unlevered real estate with long contracts. We have too little real estate in the portfolio and I think opportunities will come. It might be a bit early due to the lag in valuations as mentioned before but I do look forward to opportunities in the real estate sector over the next two years."