Vision 2023:
The Outlook for the Year Ahead

Thursday 26th January 2023

AREF

Welcome from our Moderator

Ann Xu

Portfolio Manager, CBRE Investment Management

Agenda

- Moderator Welcome & Intro

- Keynote Speaker - Samuel Tombs, Chief UK Economist at Pantheon Macroeconmics

- Panel Discussion & Q&A:

    - Chantal Beaudoin, Partner, Head of ESG at Knight Frank Investment Management
    - Simon Durkin, Head of European Real Assets Research at BlackRock
    - Emma Grew, Head of UK Research, M&G Real Estate
    - Samuel Tombs, Chief UK Economist at Pantheon Macroeconmics

- Final words and close – Paul Richards

- Finish 10am

AREF

Keynote Speaker

Samuel Tombs

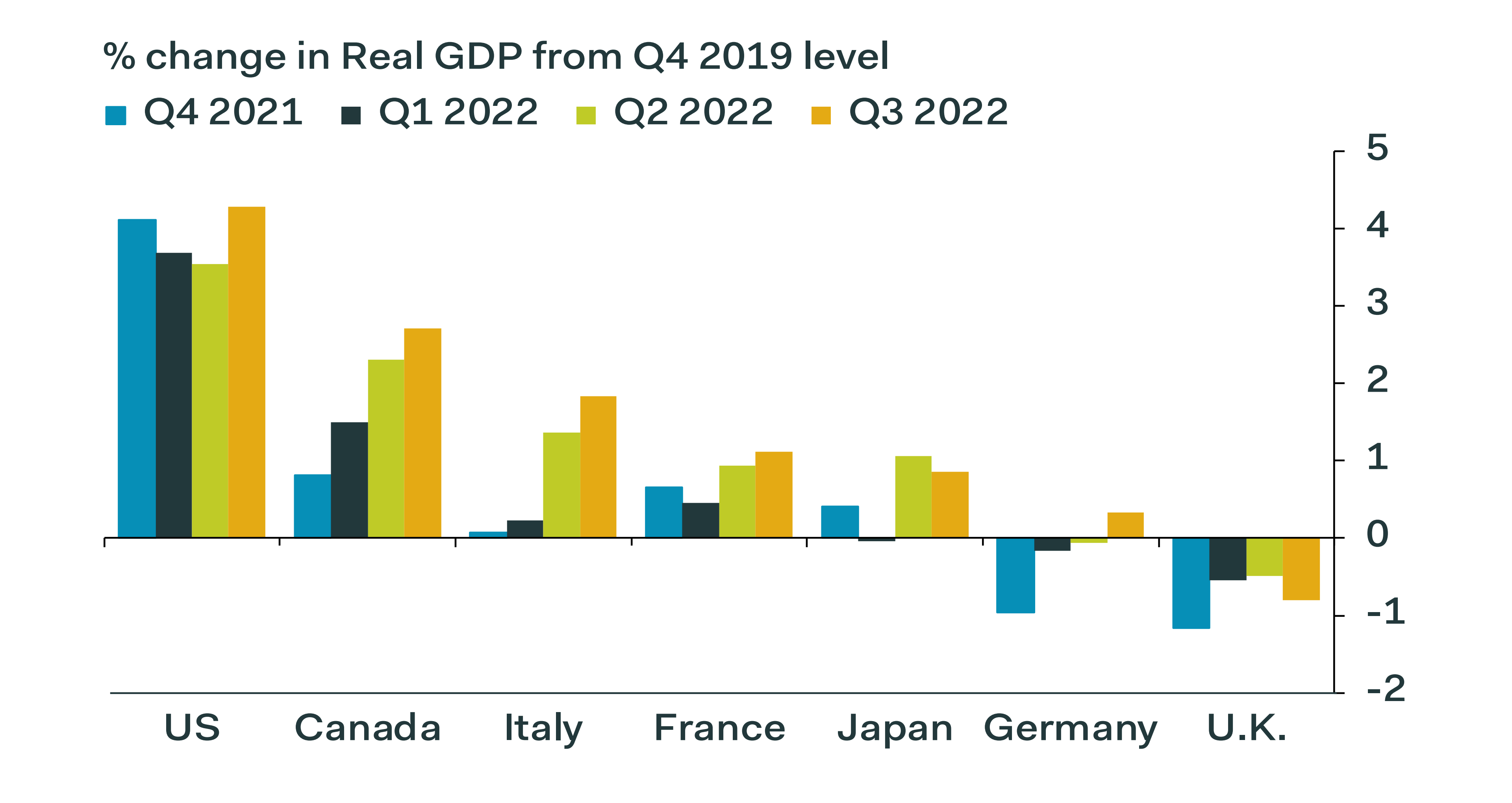
Chief UK Economist at Pantheon Macroeconmics

AREF

The U.K. economy will continue to fare worse than its peers...
…but at least the peak for Bank Rate is near

Samuel Tombs
Chief U.K. Economist
Pantheon Macroeconomics
26 January 2023

The G7's laggard will slip further behind the pack in 2023

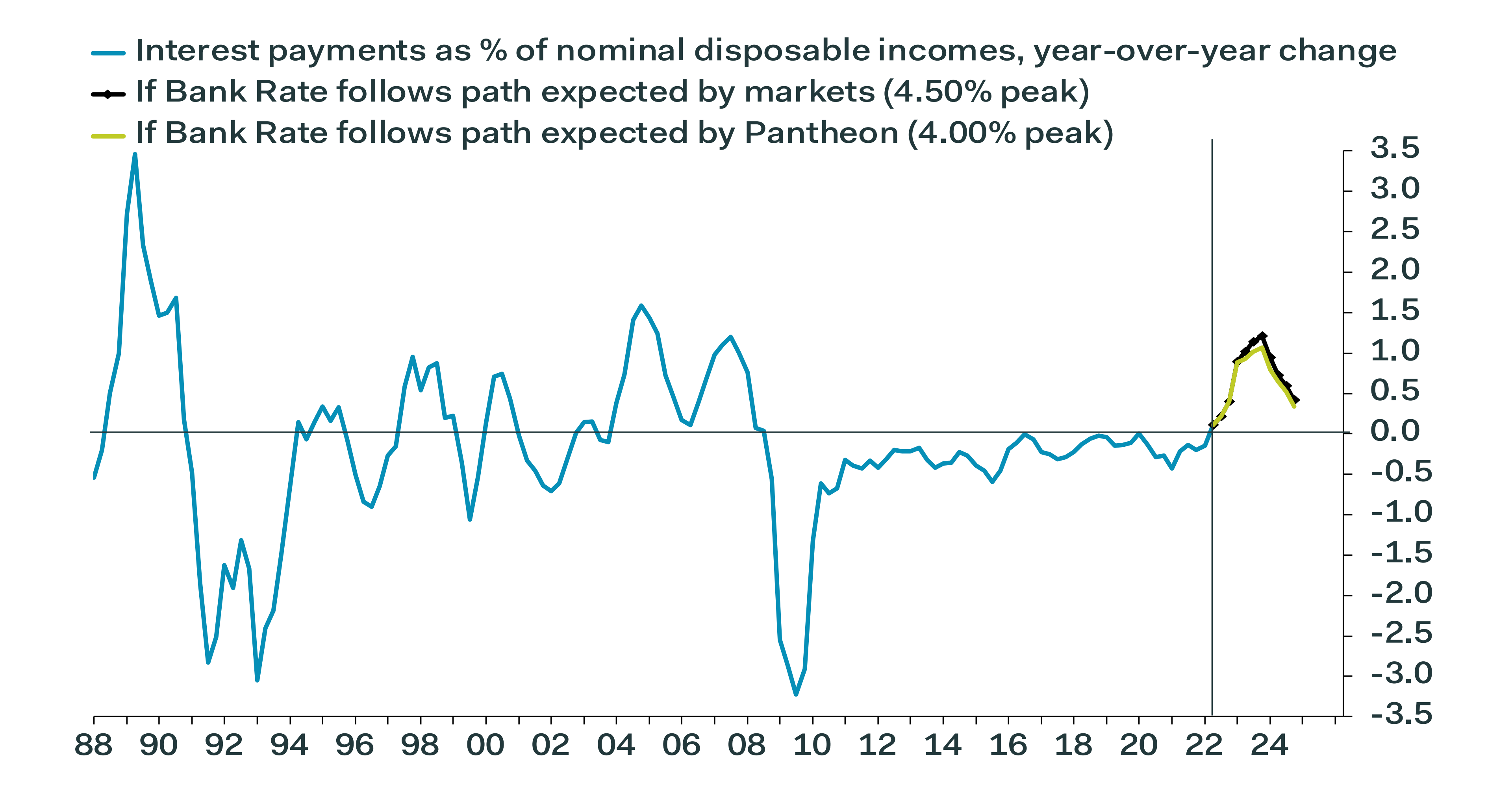


The monetary policy shock is particularly strong in the U.K.

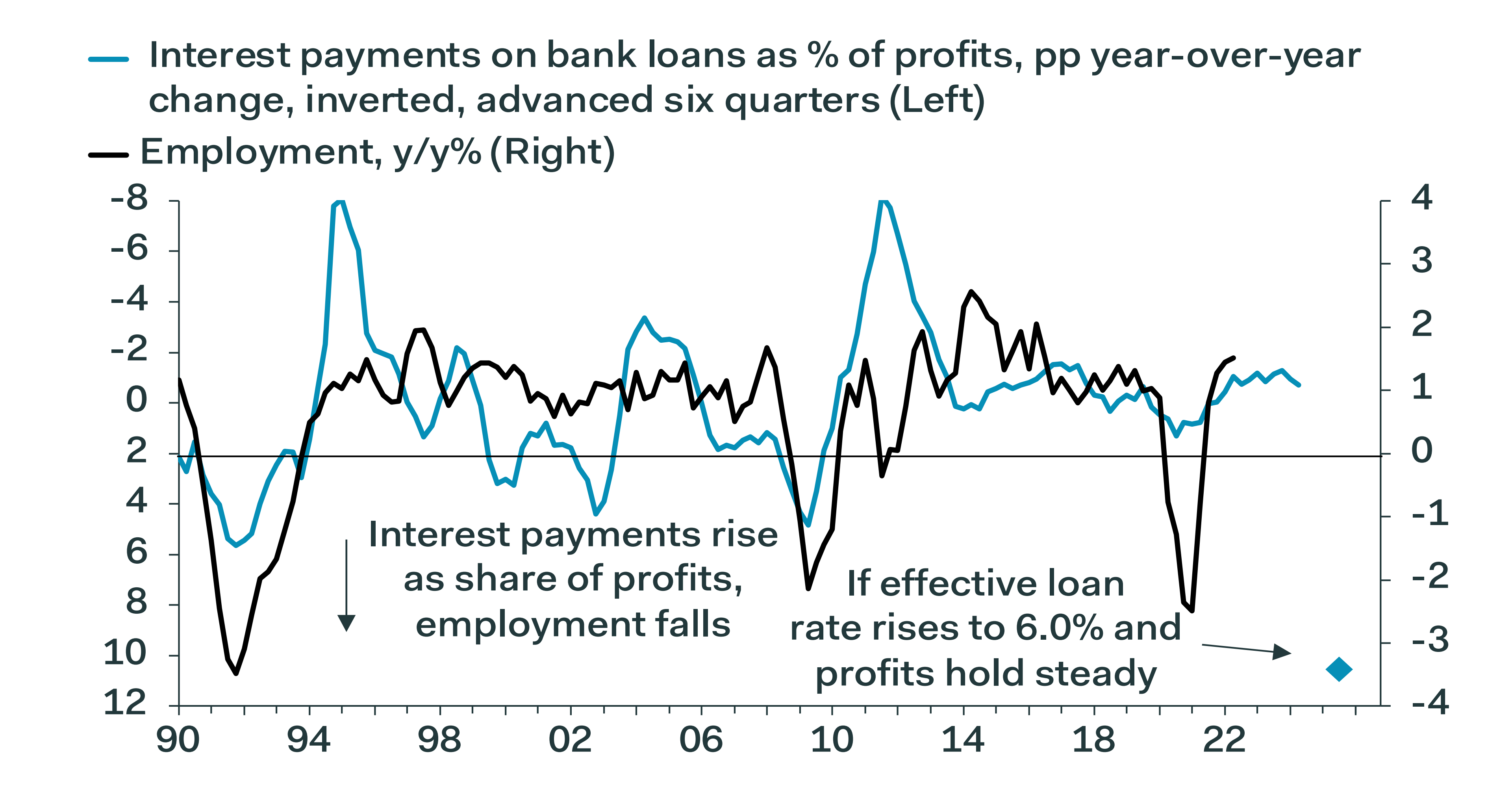
Impact of Higher Official Interest Rates

	U.K.	Eurozone
Increase in main policy rate to date, bp	**340**	250
Total increase expected by Pantheon, bp	390	**400**
Gross debt-to-income ratio of households, %	**134**	96
% of mortgages with a variable rate or short-term fixed rate (less than 5 years)	**98**	48
Loans to non-financial corporations, % of GDP	55	**73**
Floating rate or fixed rate for less than one year, % of total	**77+**	19

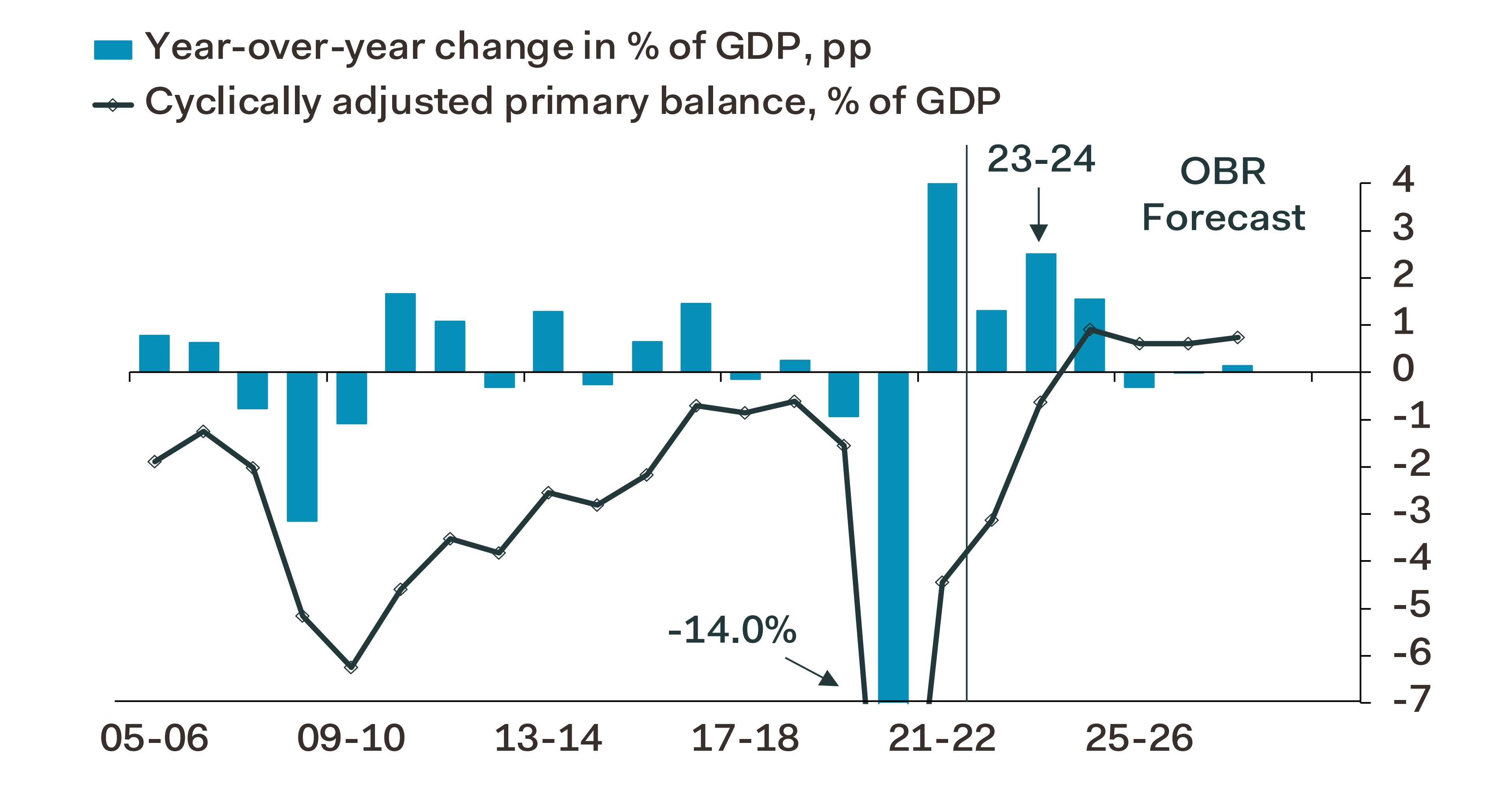
Mortgage refinancing will reduce incomes by 1.0pp in 2023



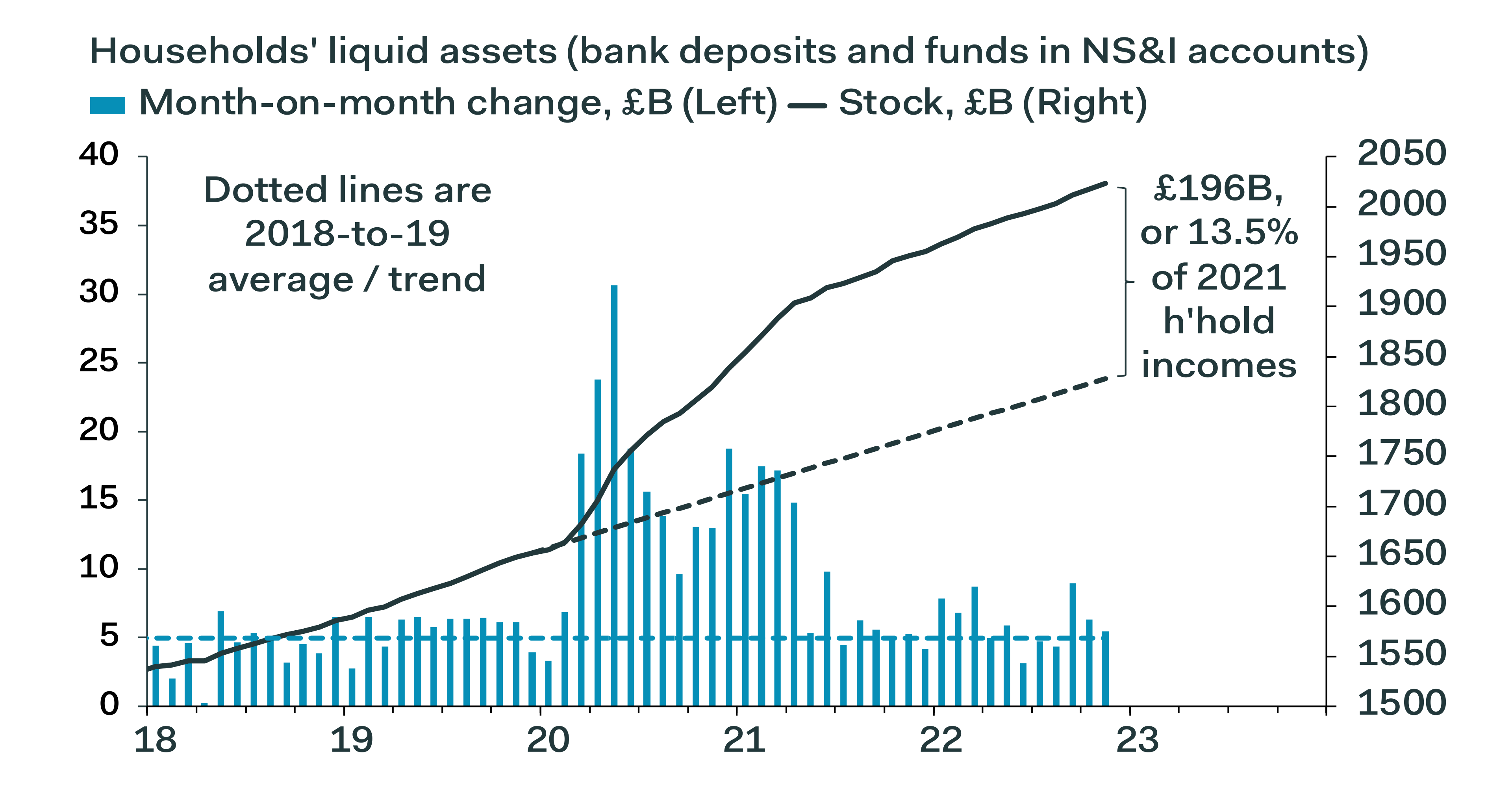
Firms will layoff staff in response to their financing shock



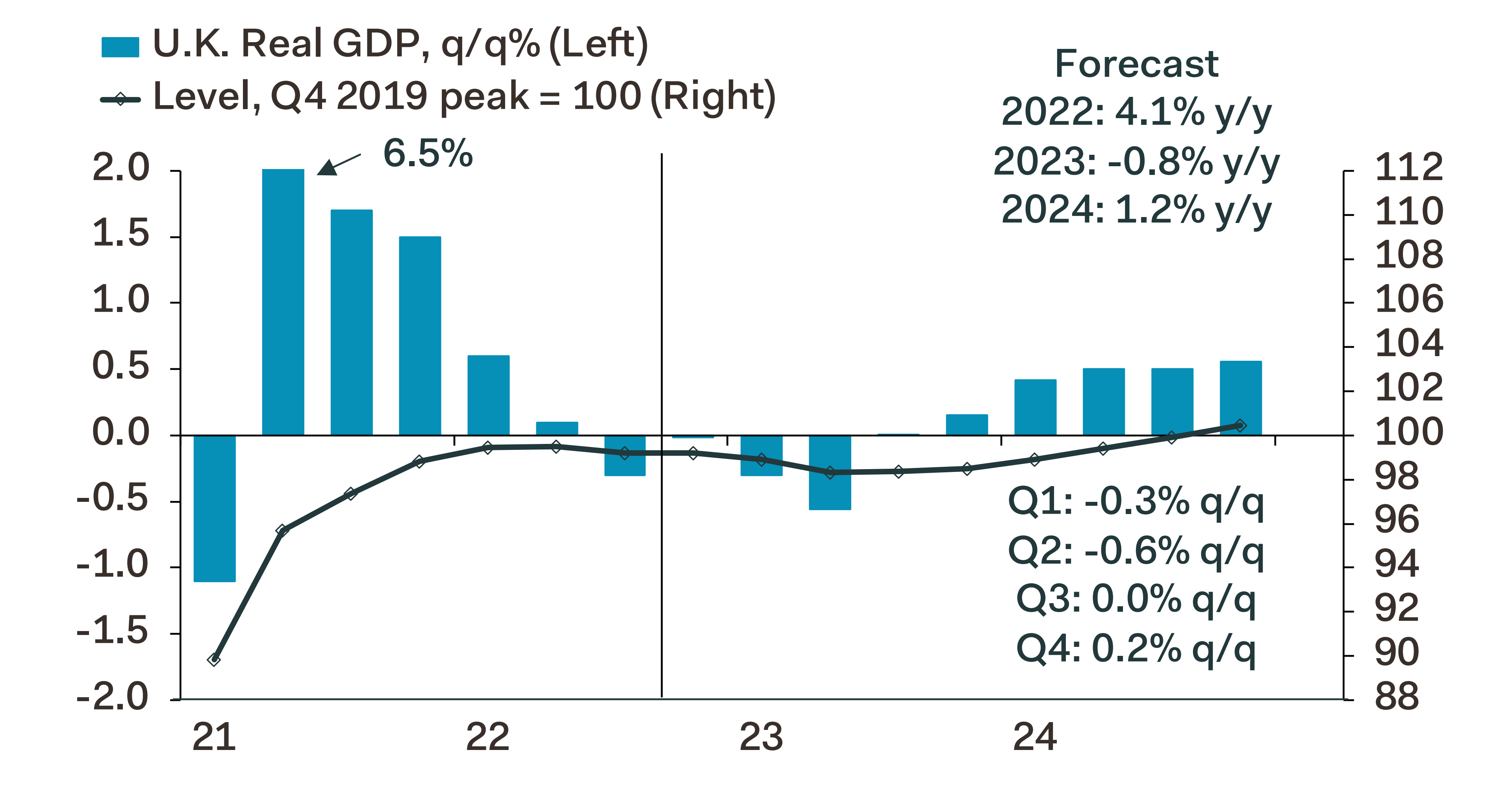
Fiscal support is being withdrawn exceptionally quickly



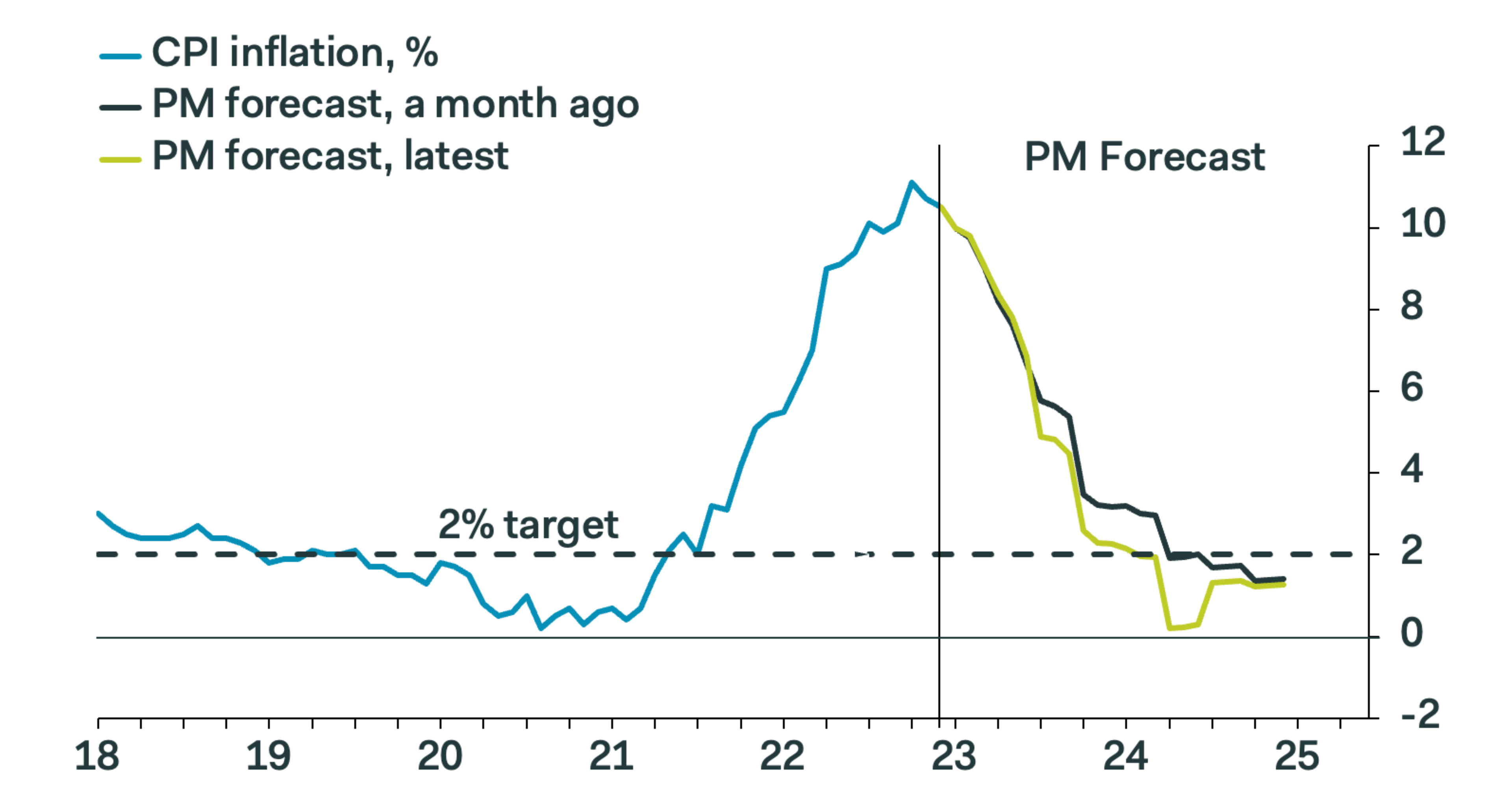
Households have savings, but still aren't touching them



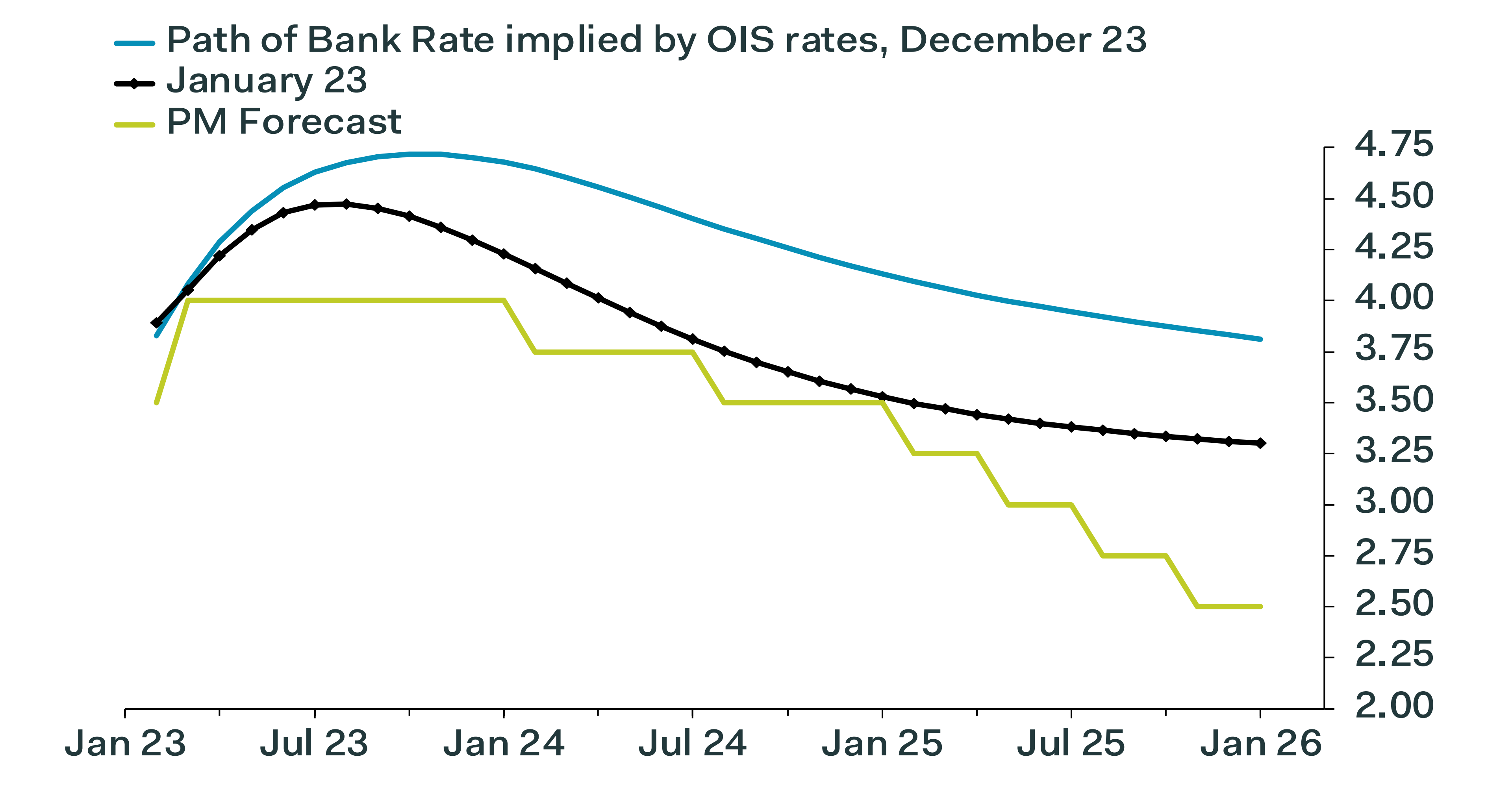
The recession, however, shouldn't last too long



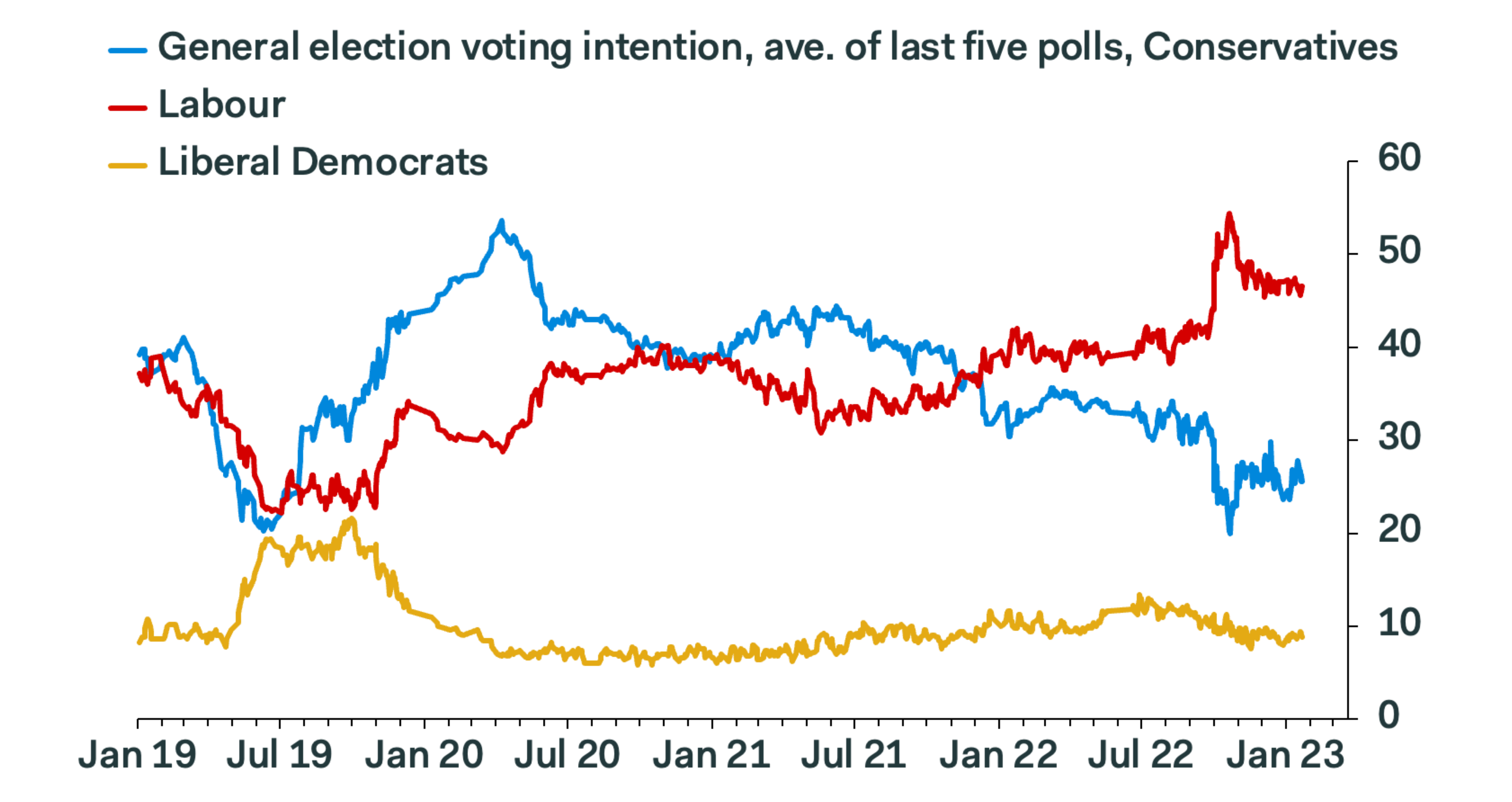
Consumers will benefit from lower energy prices in Q3…



…and the MPC will eventually be able to reduce Bank Rate



Politics won't put off investors in '23, but the GE brings risks



PANTHEON™
MACROECONOMICS

Audience Poll

Scroll to your browser, search Slido, enter this code: 334 03 44

Will the total return of the MSCI/AREF All Balanced Funds Index be positive for the full year 2023?

Panel Discussion - followed by Q&A

Chantal Beaudoin
Partner, Head of ESG, Knight Frank Investment Management

Simon Durkin
Head of European Research & Strategy, BlackRock Real Assets

Emma Grew
Associate Director, Property Research Team, M&G Real Estate

Samuel Tombs
Chief UK Economist, Pantheon Macroeconomics

AREF

You can also ask questions via Slido: # 334 03 44

Final words

Paul Richards
Managing Director, AREF

AREF

Thank you for joining us.

AREF