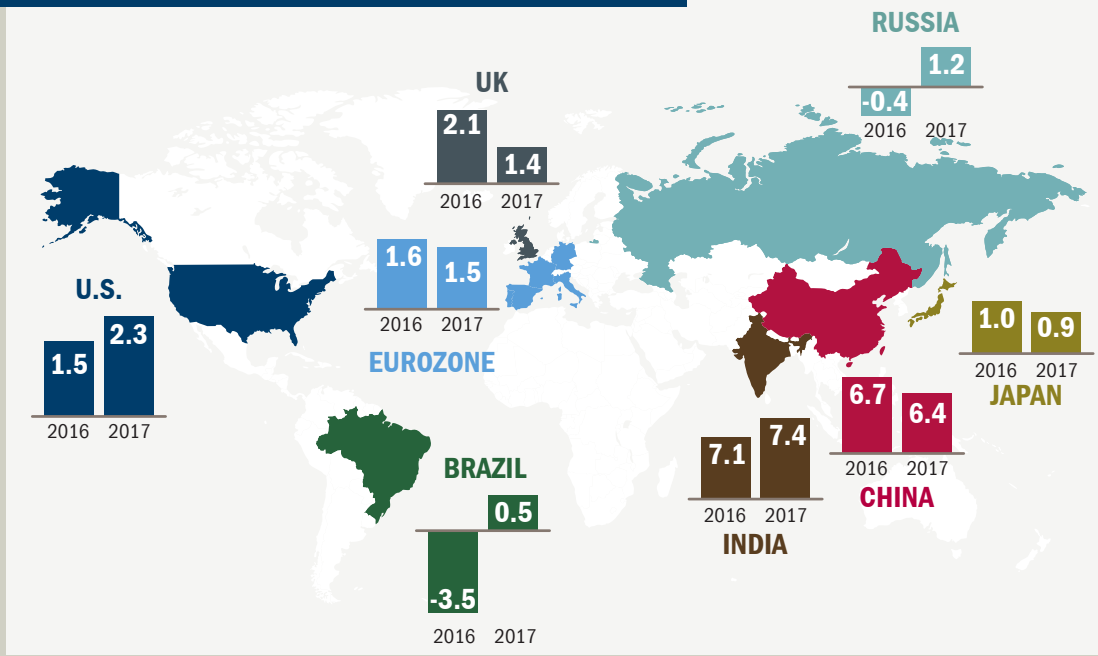
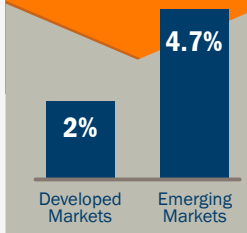
Macroeconomic Outlook 2017

Global Growth

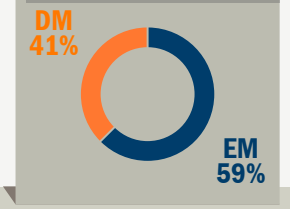


Key GDP figures

+ 3.6%
World GDP Growth



Contribution to World GDP Growth



Modest, but Persistent Growth

- Fiscal policy is expected to be more stimulative in response to social discontent...
- ...and the ECB remains supportive in order to improve inflation expectations and stimulate growth

RISKS: Elections, ECB tapering

New Stimulus Ahead

- A new wave of fiscal and monetary policy measures are under way...
- ...to support the inflation outlook, profits and exports

RISKS: Slow reforms, strong Yen

Economy to Slow (With No Drama)

- Overcapacity cut, rebalanced towards domestic sectors leading to softer growth...
- ...counterbalanced by more infrastructure spending

RISKS: US policy, trade war

US Economic Acceleration

- Sound economic conditions (labour market strength, confidence pick up) and fiscal boost ...
- ...are consistent with the Fed raising rates three times in 2017

RISKS: Strong US Dollar, Fed policy mistake

Resilience could be Tested

- Foundations for EMs have strengthened, helped by a more favourable commodity cycle...
- ...but winners will be those ones with more fiscal and monetary room

RISKS: Protectionism, Fed, strong US Dollar

Source: Pioneer Investments, as of December 31, 2016. ECB means European Central Banks.

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Key Global Themes

Macroeconomic Outlook 2017

GEOPOLITICAL EQUILIBRIUM
Middle East, Russia, China and EMs

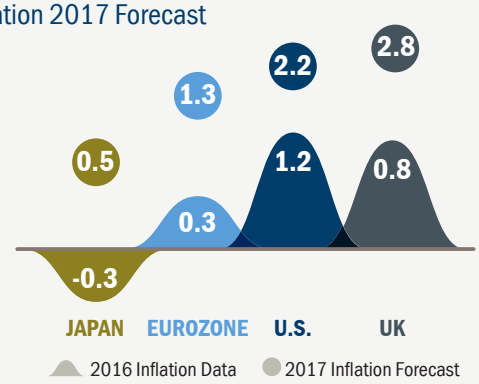
US FISCAL BOOST
* $3-6tn tax cut/$1tn infrastructure spending

POPULISM IN EUROZONE
**72% of GDP "voting" in 2017

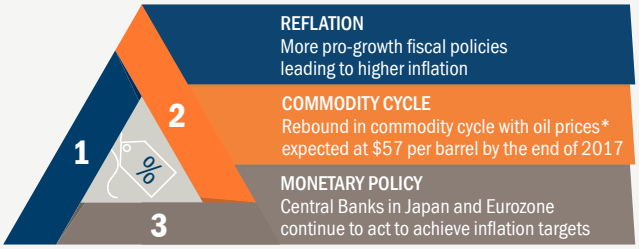
Source: Pioneer Investments, as of December 31, 2016. *Fiscal boost data are estimates based on President-elect campaign by 2026. ** IMF estimates on 2016 Eurozone GDP data.

Reflation

Inflation 2017 Forecast

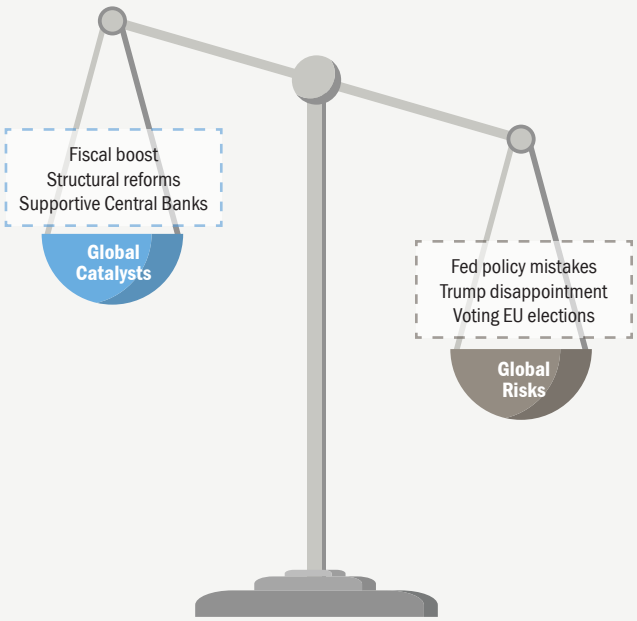


Main Inflation Drivers



Source: Pioneer Investments, as of December 31, 2016. * WTI prices (West Texas Intermediate).

Global Triggers and Risks



Important Information

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