



KKR Releases 2018 Global Macro Outlook

January 11, 2018

Henry McVey Believes Investors Can ‘Get What They Need’ in the Year Ahead

NEW YORK--(BUSINESS WIRE)-- KKR today released the 2018 Global Macro Outlook piece by Henry McVey, Head of Global Macro and Asset Allocation (GMAA). In “You Can Get What You Need,” McVey outlines his perspective on the current investing environment.

“As we are poised to enter the 104th month of economic expansion amidst the second longest bull market on record in the United States, it is definitely harder to get ‘what you want’ when it comes to uncovering new and compelling investment opportunities. The good news is that our work shows that investors can still ‘get what they need’ in order to generate returns in excess of their liabilities.”

Overall, a major underpinning to Henry McVey and the GMAA team’s view for 2018 is that overly optimistic investors are currently overpaying for growth and simplicity in many instances, while at the same time ignoring stories with complexity, uncertainty, and/or cyclical. Therein lies a huge, long-tailed investment opportunity to arbitrage the notable bifurcation that has already begun to occur across many parts of the global markets, according to the team.

Against this backdrop, the report outlines several actionable investment themes that multi-asset class investors should consider weaving into their portfolios in 2018 and beyond, including:

1. **Equities Having More Potential Upside Than Credit**
2. **The Move Towards Mid-Cycle Phase of Emerging Markets Recovery**
3. **Central Bank Normalization**
4. **Shifting Preferences in Private Credit**
5. **Buy Complexity, Sell Simplicity**
6. **Experiences Over Things**
7. **Arrival of a Different Kind of ‘Political Bull Market’**

In addition to the aforementioned themes, the report details specific macro influences that factor into the GMAA team’s updated asset allocation model for 2018, including GDP targets around the globe as well as outlook for earnings, rates, oil, cycle duration and expected returns.

Links to access this report as well as an archive of Henry McVey's previous publications follow:

- To read the latest Insights: click [here](#).
- To download a PDF version: click [here](#).
- To download the KKR Insights app [for iOS click here](#), and [for Android click here](#).
- For an archive of previous publications please visit www.KKRinsights.com.

About Henry McVey

Henry H. McVey joined KKR in 2011 and is Head of the Global Macro and Asset Allocation team. Mr. McVey also serves as Chief Investment Officer for the Firm’s Balance Sheet and oversees Firmwide Risk at KKR. Prior to joining KKR, Mr. McVey was a managing director, lead portfolio manager and head of global macro and asset allocation at Morgan Stanley Investment Management (MSIM). Prior to that he was a portfolio manager at Fortress Investment Group and chief U.S. investment strategist for Morgan Stanley. While at Morgan Stanley, Mr. McVey was also a member of the asset allocation committee and was the top-ranked asset management and brokerage analyst by Institutional Investor for four consecutive years before becoming the firm's strategist in January 2004. He earned his B.A. from the University of Virginia and an M.B.A. from the Wharton School of the University of Pennsylvania. Mr. McVey is a member of the TEAK Fellowship Board of Trustees after previously serving as co-chair of the board for five years. Henry is also a member of the Pritzker Foundation Investment Committee, a board member of the University of Virginia Investment Management Company (UVIMCO), a member of the national advisory board for the Jefferson Scholarship at the University of Virginia, and a member of the Council on Foreign Relations Corporate Leader Program.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit and, through its strategic manager partnerships, hedge funds. KKR aims to generate attractive investment returns by following a

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The views expressed in the report and summarized herein are the personal views of Henry McVey of KKR and do not necessarily reflect the views of KKR or the strategies and products that KKR offers or invests. This release contains projections or other forward-looking statements, which are based on beliefs, assumptions and expectations that may change as a result of many possible events or factors. If a change occurs, actual results may vary materially from those expressed in the forward-looking statements. All forward-looking statements speak only as of the date such statements are made, and neither KKR nor Mr. McVey assumes any duty to update such statements except as required by law.

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Source: KKR