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## KKR Releases 2018 Global Macro Outlook

### *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 104<sup>th</sup> 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 cyclicity. 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](http://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

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