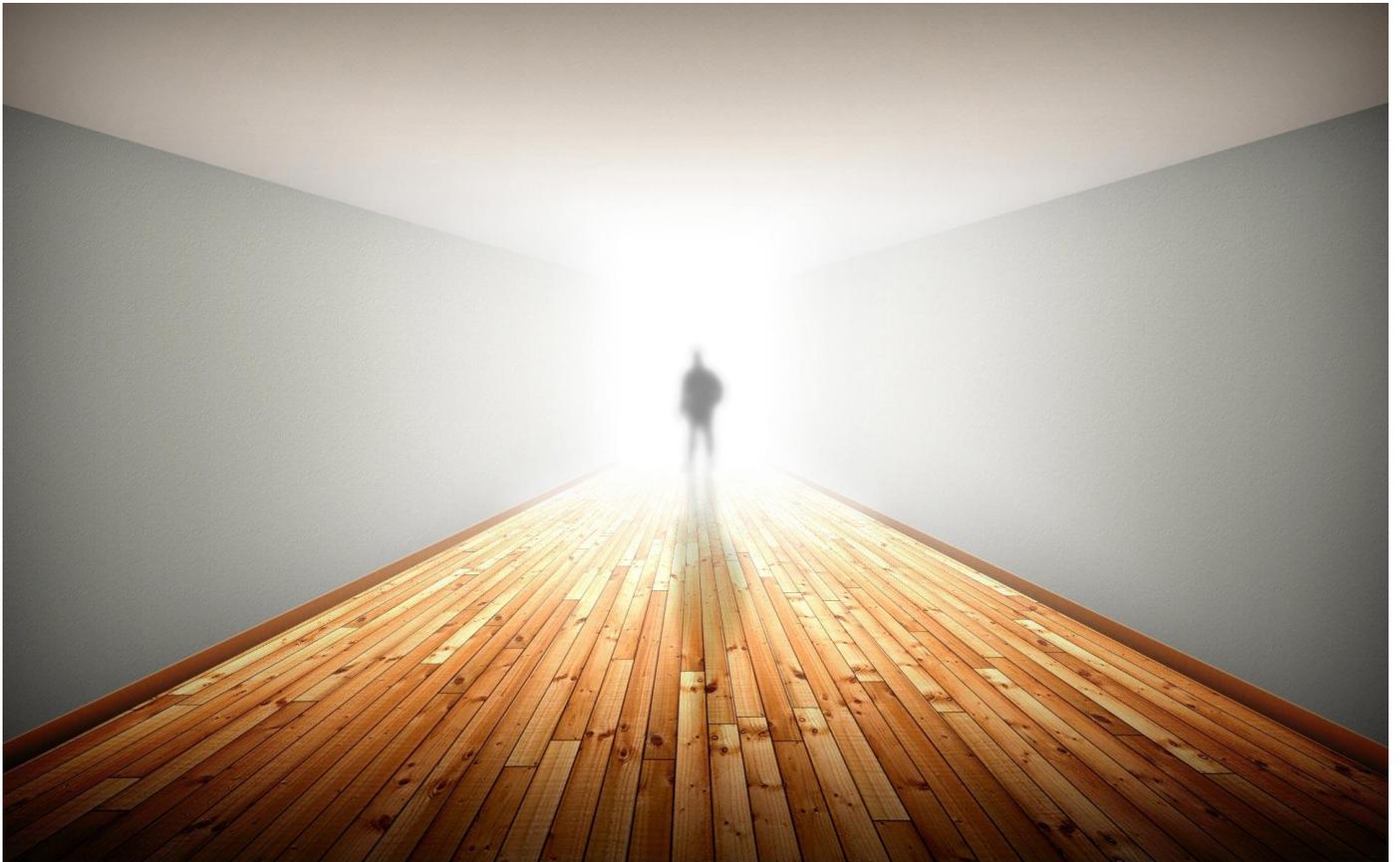




# Skänderbeg

Investment Management

Skänderbeg Investment Management AG, Aeulestrasse 20, 9490 Vaduz, Liechtenstein  
T +423 373 11 30, info@skanderbeg.li, www.skanderbeg.li



## Put into perspective

*Ahead of the mainstream*

**June 2019**

Written by  
Bruno Schneller, CAIA & Miranda Ademaj

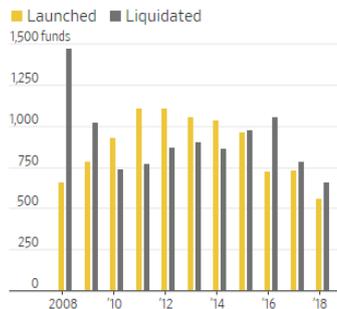
Contents:

- Hedge funds (page 3)
- Markets (page 5)
- Think tank (page 11)
- Time out (page 16)

***"The minute you think you've found the key to trading,  
I promise you the markets will change the lock."  
– Linda Raschke***

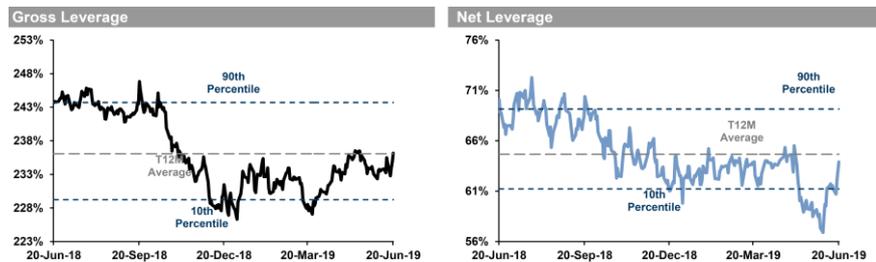
# HEDGE FUNDS

## Estimated number of hedge funds launched or closed



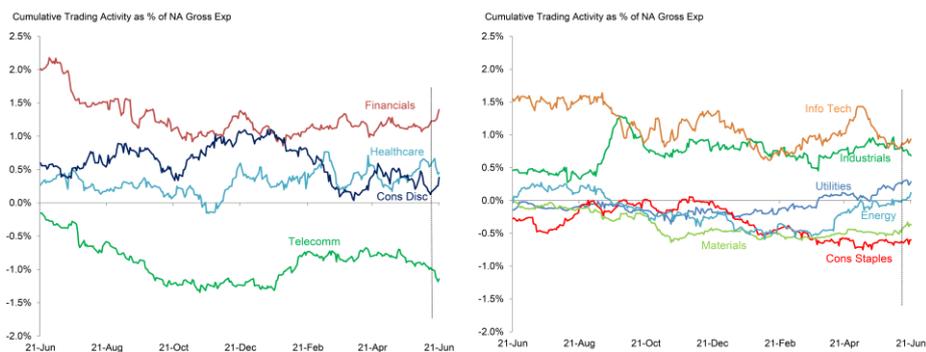
[The Wall Street Journal](#)

## Gross leverage is +0.1 pt above, while net is -0.8 pts below their respective trailing 12-month averages



[Goldman Sachs](#)

## Trading activity – by sectors



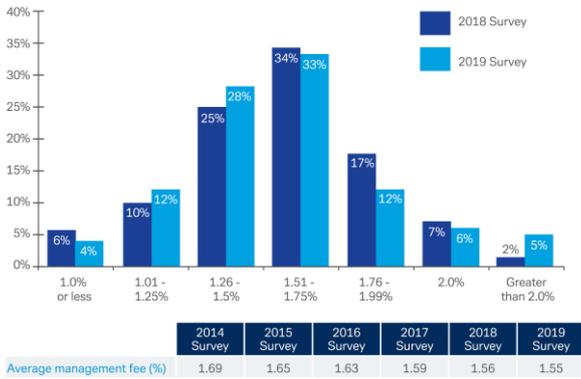
[JP Morgan](#)

## Trading activity – by factors

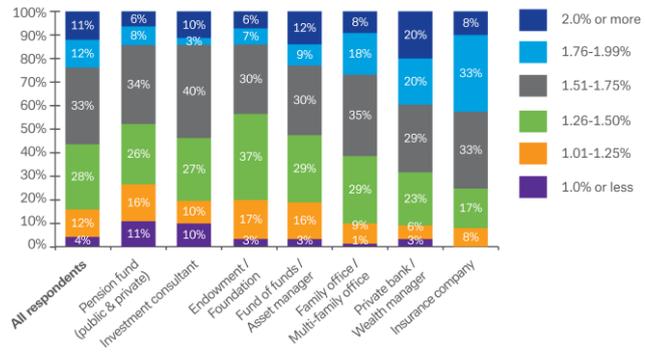


[JP Morgan](#)

### Average management fee (including expense pass through structures)

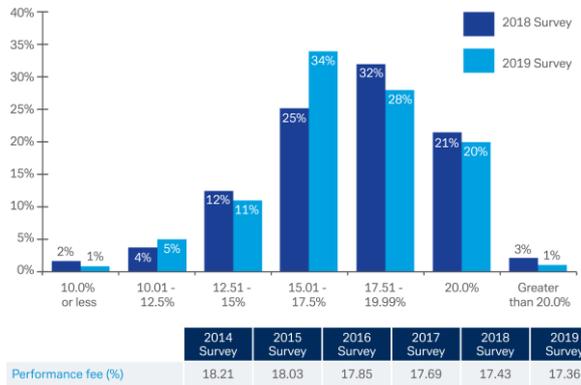


By investor type:

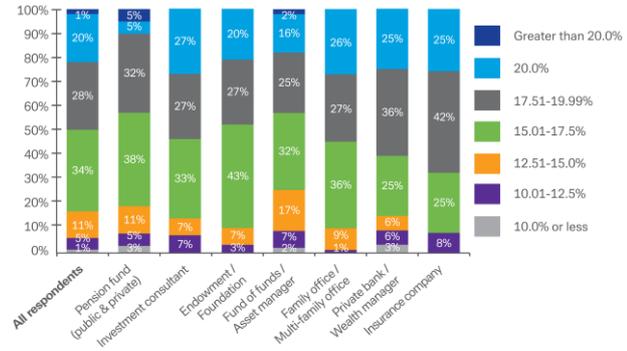


### Deutsche Bank

### Average performance fee

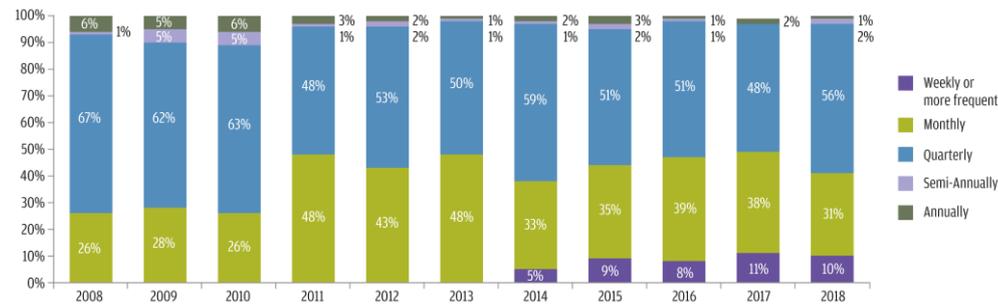


By investor type:



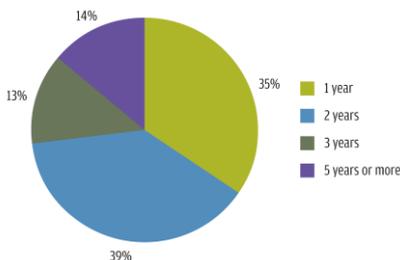
### Deutsche Bank

### Preferred liquidity terms



### JP Morgan

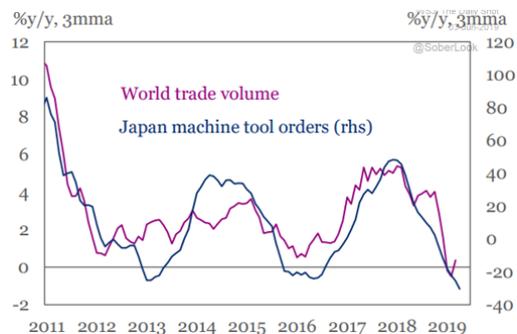
### Longest acceptable lockup period (2018)



### JP Morgan

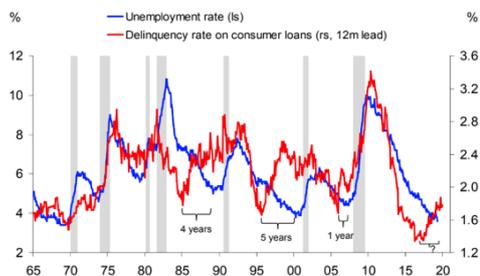
# MARKETS

## World trade volumes under pressure



The Institute of International Finance (via [WSJ's Daily Shot](#))

## The credit cycle is leading the economic cycle. Economic slowdown risk is rising



Deutsche Bank Research

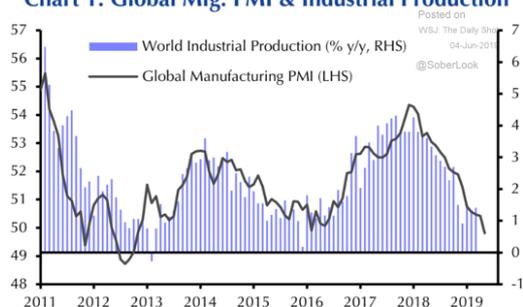
## Spending at fast-food establishments accelerates while other restaurants see a slowdown



Morgan Stanley Research (via [WSJ's Daily Shot](#))

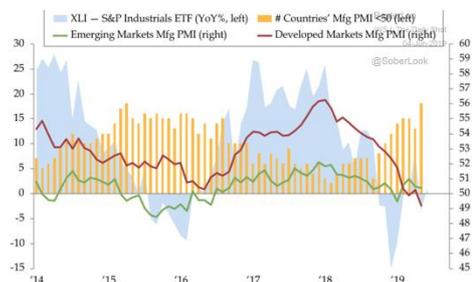
## Global manufacturing is in contraction mode (PMI < 50)

Chart 1: Global Mfg. PMI & Industrial Production



Capital Economics (via [WSJ's Daily Shot](#))

### Industrial recession: More DM than EM this time



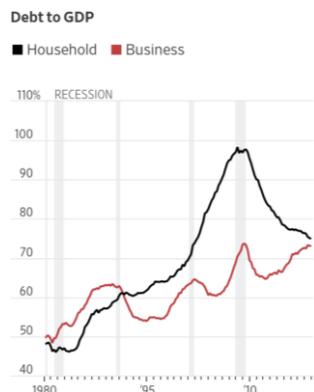
Quill Intelligence (via [WSJ's Daily Shot](#))

### Tariffs didn't boost employment



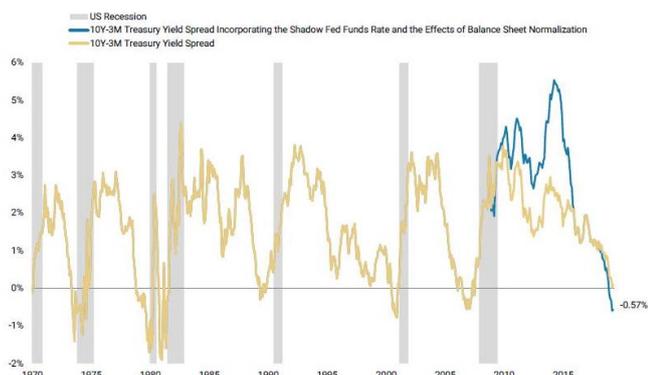
Moody's Analytics (via [WSJ's Daily Shot](#))

### Up and down: Business debt is near a record as a share of GDP, whole household debt has declined



The Wall Street Journal

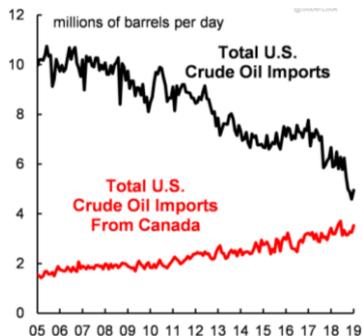
### Adjusted yield curve for QE and QT suggests the clock is ticking



Source: Morgan Stanley Research as of April 30, 2019. Note: Shadow Fed Funds rate from Atlanta Fed replaces 3M yield from 2009-2015. Starting October 2017, 3M yield is adjusted for effects of Fed balance sheet reduction—every \$200B that rolls off balance sheet equates to roughly a 0.25% rate hike based on estimates from various Fed officials. Note that this is an approximation.

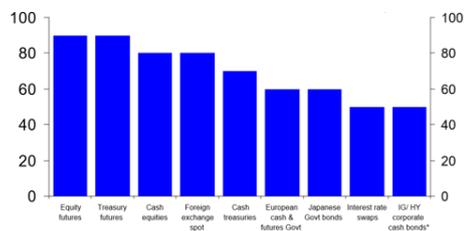
Morgan Stanley Research (via [Tracy Alloway](#))

### Canada is not getting squeezed in a shrinking market



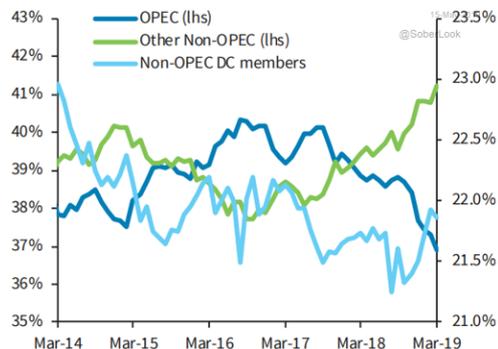
Scotiabank Economics (via WSJ's Daily Shot)

### Penetration of electronic trading



Deutsche Bank Research

### World crude oil output market share by producer group



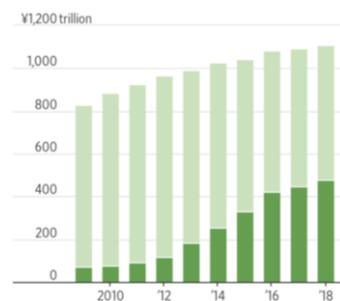
Barclays Research (via WSJ's Daily Shot)

### Some theorists say central banks can buy government debt that private investors don't want...

...Japan has put the idea into practice.

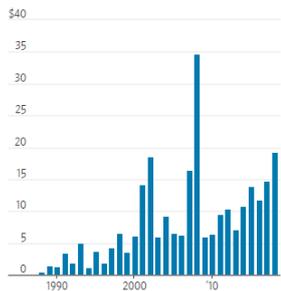
Government debt held by:

■ Bank of Japan ■ Others



The Wall Street Journal

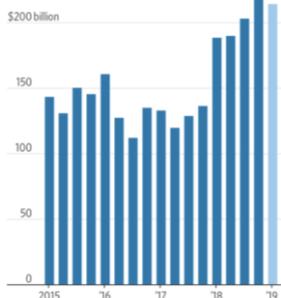
### The difference between "operating" earnings and GAAP earnings for S&P 500 companies is growing



The Wall Street Journal

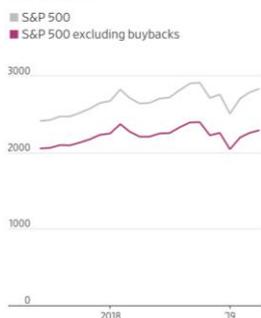
### Buybacks continue to prop up the stock market

S&P 500 share buybacks



Note: Preliminary estimate for the first quarter of 2019

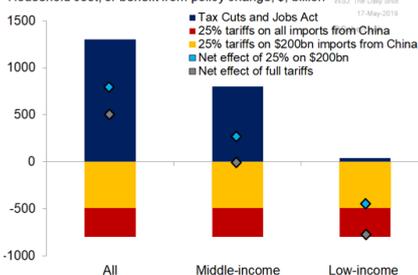
Analysts at Ned Davis Research estimate the S&P 500 would be 19% lower through the end of the first quarter if companies hadn't bought back any stock.



The Wall Street Journal

### Trade war trumps tax cuts for most households

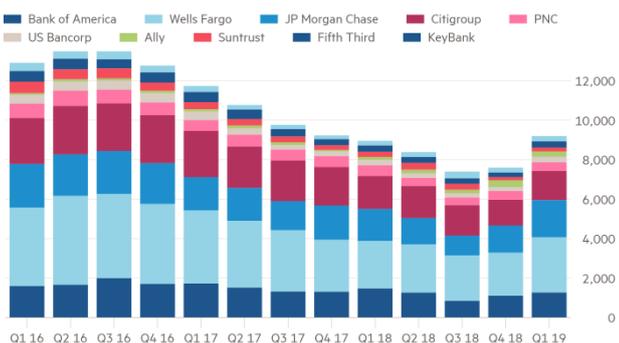
Household cost, or benefit from policy change, \$, billion



Oxford Economics (via WSJ's Daily Shot)

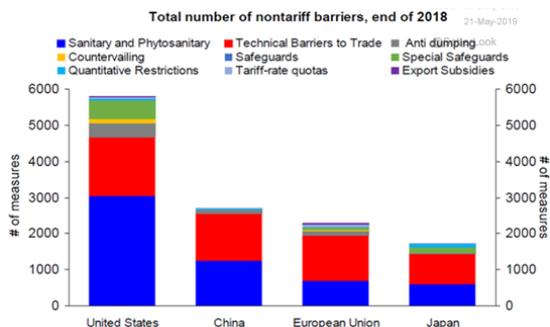
### Bad loans bounce back

Non-performing commercial loans, \$m



The Financial Times

### US has twice as many nontariff barriers as China



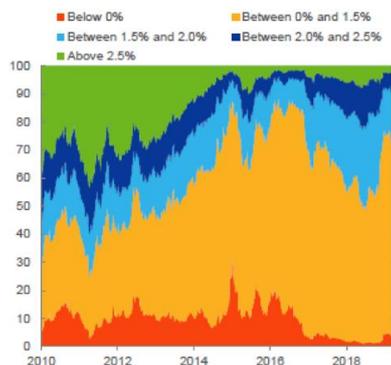
Deutsche Bank Research (via WSJ's Daily Shot)

### Chinese firms' M&A activity of US owned firms is down dramatically from its 2017 high



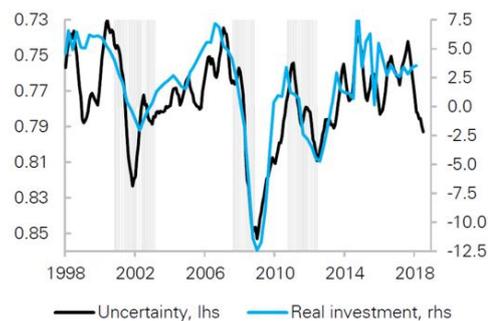
Michael McDonough

### Euro area: option implied risk-neutral distribution of average inflation over the next 5 years



Pictet Wealth Management

### Economic uncertainty is raising the hurdle to a recovery in investment spending



Deutsche Bank Research

### Video of the month

#### Only 20% of financial advisors are female

Blair duQuesnay discusses the massive reaction that her New York Times op-ed generated throughout the wealth management industry. Blair makes the point that the industry must make the career trajectory more appealing and to do a better job of encouraging young women to join if it ever wants to shake its image of being an (old) boy's club. She notes that other professions have made great strides toward attracting and promoting women, but the financial advice business is still stuck at the same gender breakdown it had during the 1980's. You can read her article at the New York Times here: [Consider Firing Your Male Broker](#) (Remember, writers don't write headlines, the editors does). Check out her blog, [The Belle Curve](#).



[Click to watch](#)  
[The Big Picture](#)

### Tweet of the month

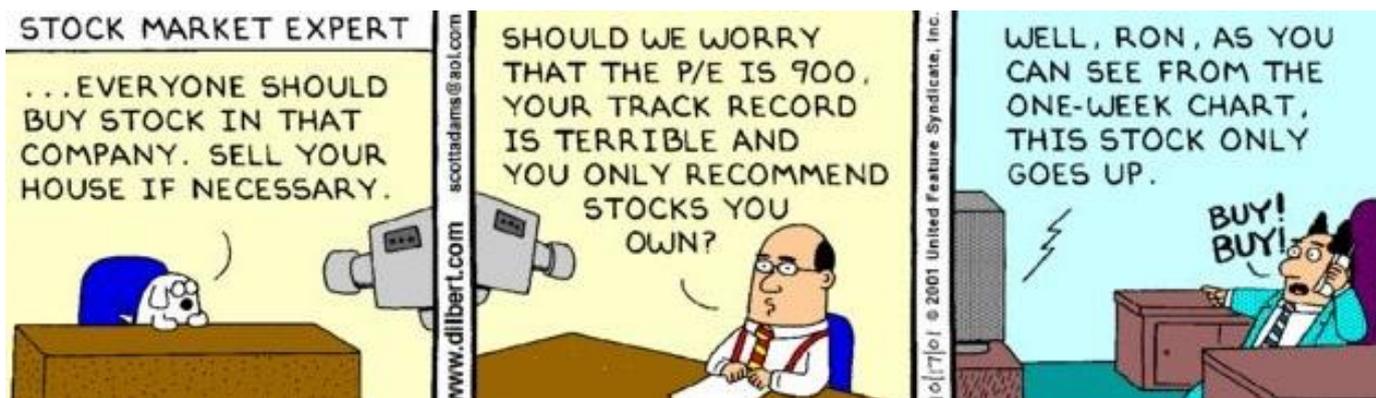


[Hipster Trader](#)

### Joke of the month

Twitter turned 13 this year. Don't worry, when I was 13, I didn't make any money either.

### Cartoon of the month

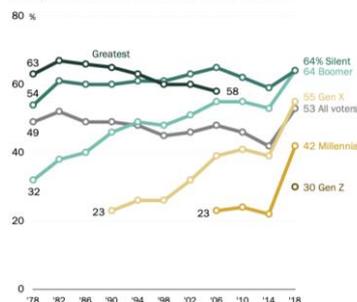


# THINK TANK

## Gen Z, Millennials and Gen X outvoted older generations in 2018 midterms

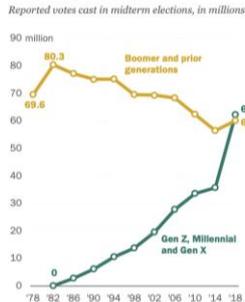
### Millennial turnout nearly doubled from 2014 to 2018

% of eligible voters who reported voting in midterm elections



### Younger generations outvoted Boomer and prior generations in 2018

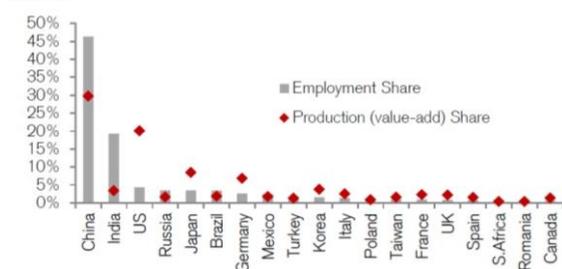
Reported votes cast in midterm elections, in millions



Pew Research Center

## Share of world's manufacturing production and employment

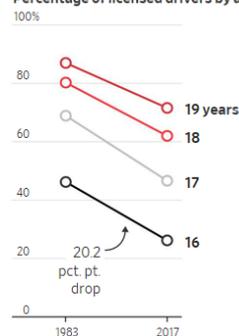
As of 2017



Credit Suisse (via Business Insider)

## The share of 16-year-olds getting their licenses has nearly halved since the 1980s

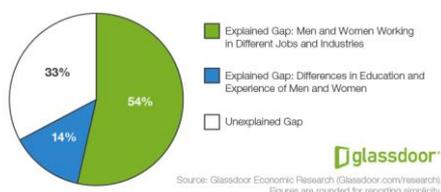
Percentage of licensed drivers by age



The Wall Street Journal

## What factors explain the US gender pay gap?

Total U.S. Pay Gap = 75.9 Cents Per Dollar



Source: Glassdoor Economic Research (Glassdoor.com/research). Figures are rounded for reporting simplicity.

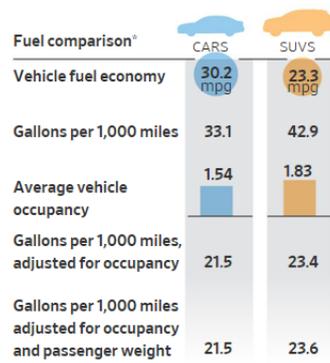
Glassdoor Economic Research (via Fortune)

### EVs as a percentage of total vehicle sales, by country



[Visual Capitalist](#)

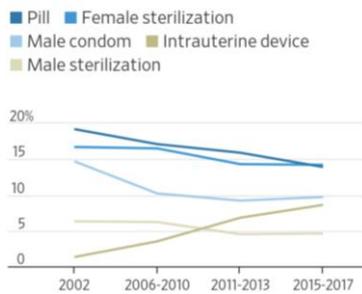
### SUVs consume more fuel per mile, but transporting more passengers means using less fuel per person



[The Wall Street Journal](#)

### Contraception: Use of more-effective intrauterine devices has increased

Percentage of women aged 15-44 using:



[The Wall Street Journal](#)

### Polls say Biden, model says Trump

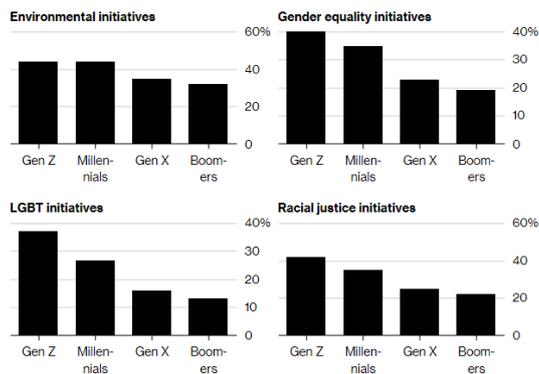
Share of popular vote in 2020 presidential election: estimated versus polls.



Model estimate is representative of a two-party vote. Polling is a match-up between Trump and Biden.

[The New York Times](#)

## Ethical spending: Would pay more for a product if the brand or retailer promotes initiatives



[Bloomberg](#)

## Brits choose Thatcher as their PM to lead Brexit negotiations

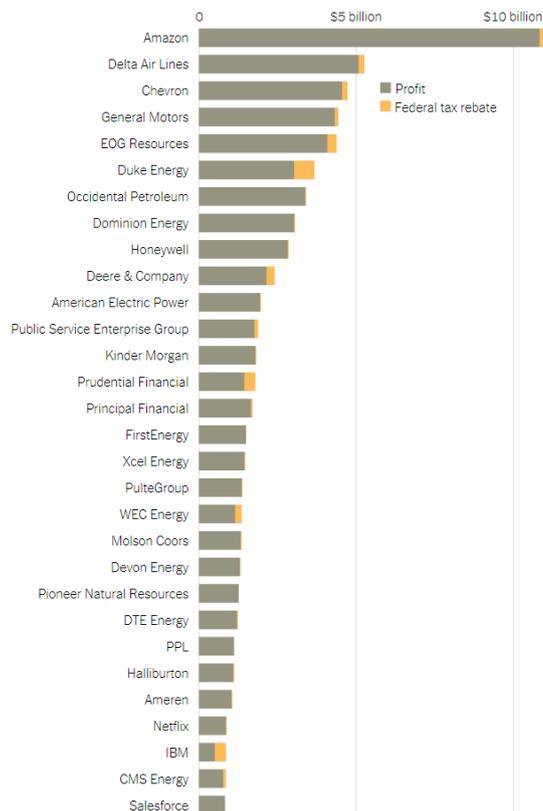
If you could choose one British Prime Minister from the last thirty years to be leading Brexit negotiations, who would it be? %



[YouGov](#)

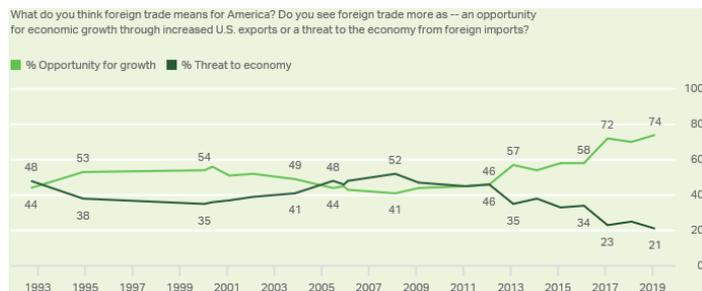
## Companies that paid no Federal taxes in 2018

These are the 30 most profitable companies that paid no federal income taxes in 2018. In many cases, the companies also received tax rebates that could be used to reduce their tax burdens in other years.



[The New York Times](#)

## Record high in US see implications of trade as positive for US



[Gallup](#)

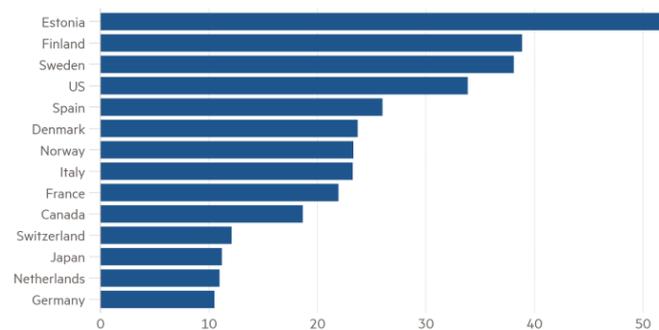
## Average credit scores across the US have increased over the past decade

Average credit score across all scored individuals



[Goldman Sachs](#) (via [Sam Ro](#))

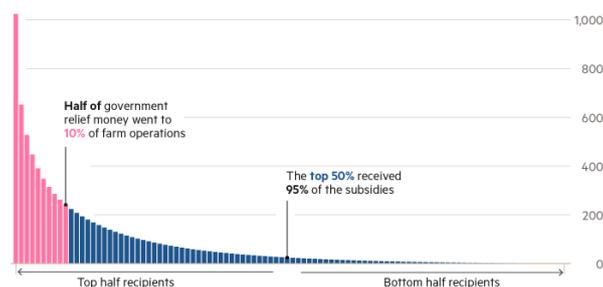
## Low on stock: Share of household financial assets in shares and other equities, 2016 (%)



[The Financial Times](#)

## Top producers receive biggest government cheques

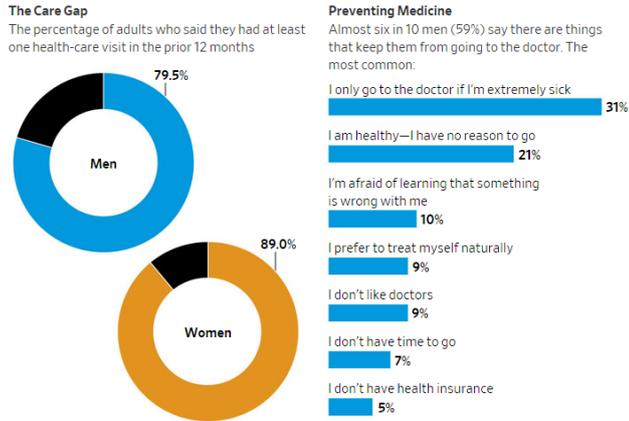
USDA Market Facilitation payments by percentile\* of recipient (\$m)



\*Each bar aggregates 1 per cent of recipients, or 55,522 persons or legal entities.

[The Financial Times](#)

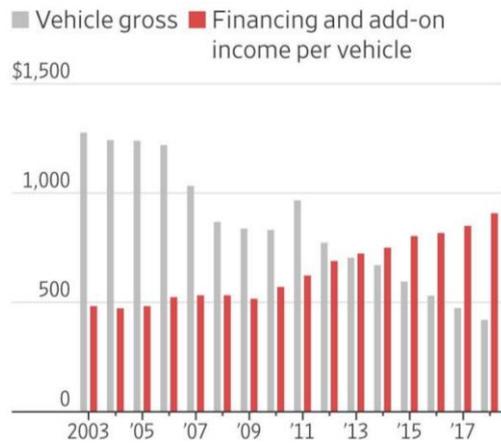
## What's the matter with men: Their reluctance to see a doctor and how it might play out in their health



The Wall Street Journal

## A growing portion of dealer's profits is coming from financing and add-ons

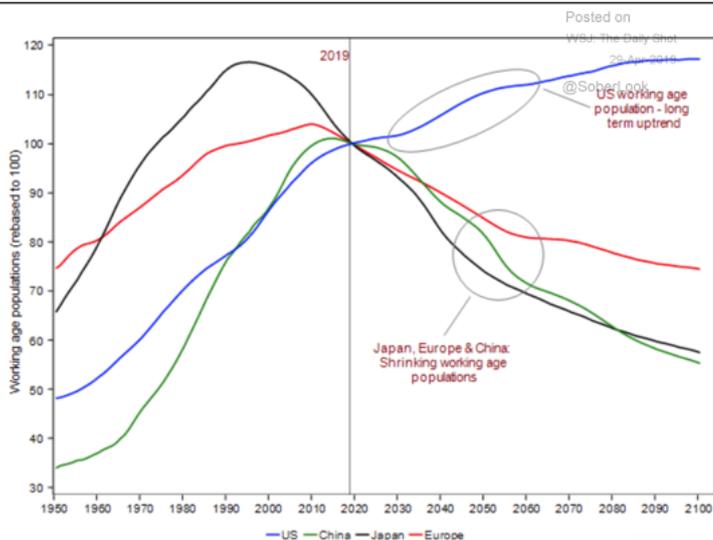
### Average dealer profit from a new vehicle sale



The Wall Street Journal

## The US working-age population is expected to keep growing (assuming immigration levels hold up)

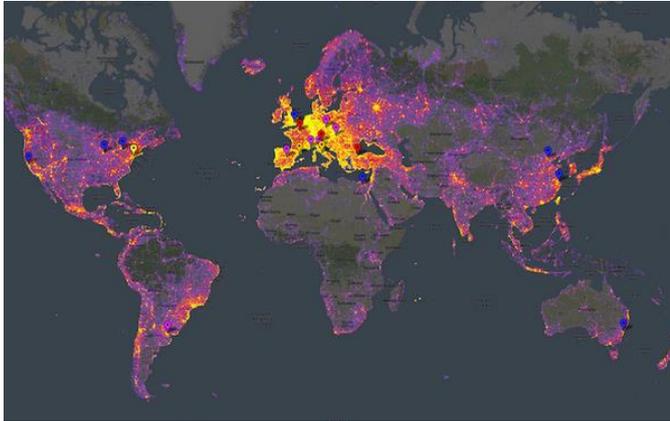
Fig 1: Working age populations (UN forecasts, rebased to 100 at 2019)



Longview Economics (via WSJ's Daily Shot)

## TIME OUT

### Most photographed places on earth



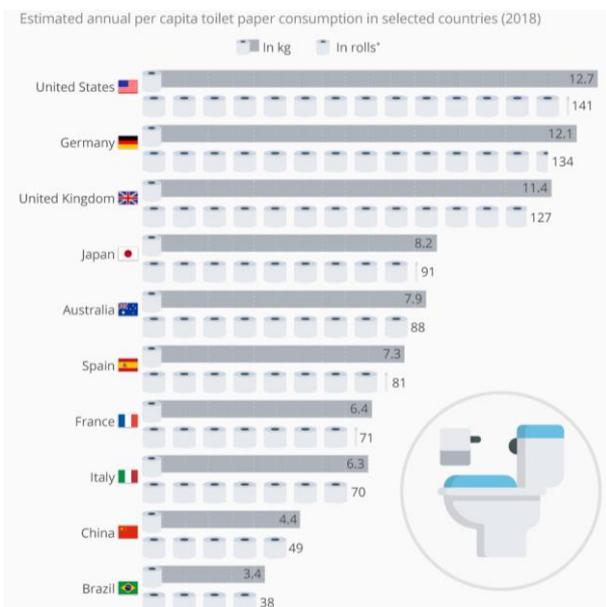
[The Spectator Index](#)

### How to fix a broken trendline



[StockCats](#)

### The US leads the world in toilet paper consumption



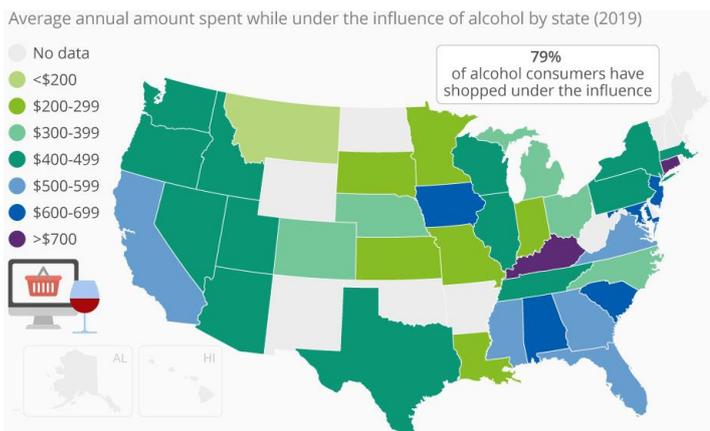
[Statista](#)

### Longest-serving world leaders currently in power

LEADER	COUNTRY	YEARS IN POWER
Mbasogo	Eq. Guinea	39
Biya	Cameroon	36
Hun Sen	Cambodia	34
Museveni	Uganda	33
Khamenei	Iran	29
Bashir	Sudan	29
Deby	Chad	28
Nazarbayev	Kazakhstan	28
Afwerki	Eritrea	27
Rahmon	Tajikistan	26
Lukashenko	Belarus	24
Nguesso	Rep. of the Congo	21
Bouteflika	Algeria	19
Guelleh	Djibouti	19
Putin	Russia	18

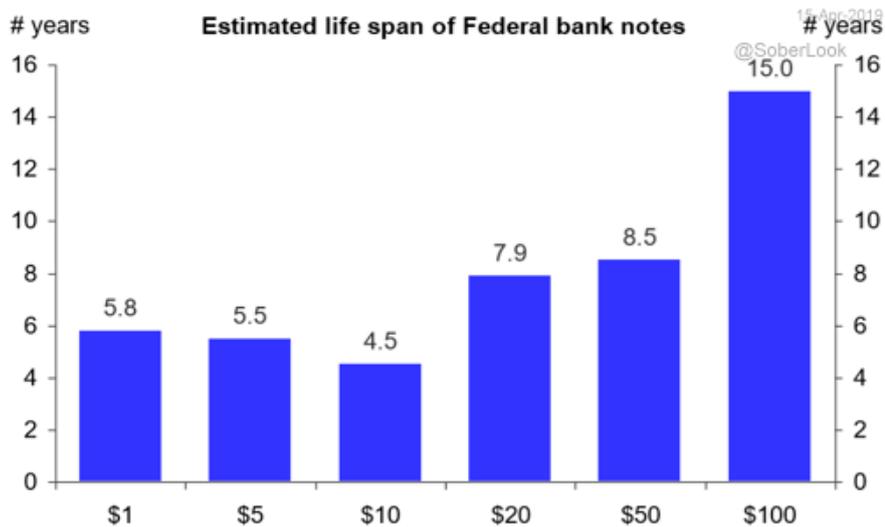
[Axios](#)

### Shopping under the influence



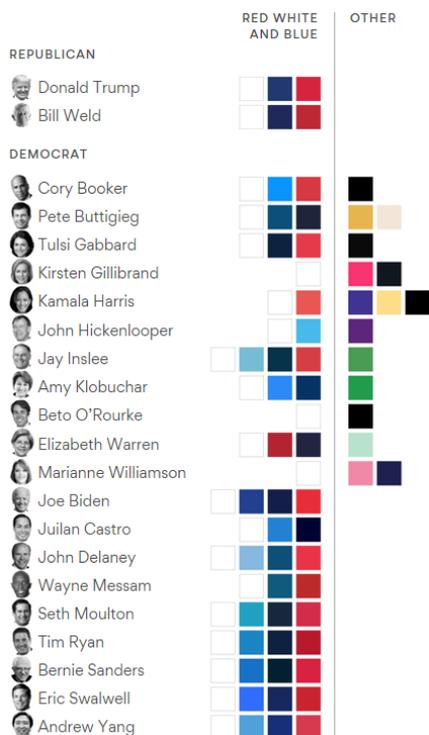
[Statista](#)

### A \$100 bill lasts 15 years and a \$1 bill lasts 6 years



[Deutsche Bank Research](#) (via [WSJ's Daily Shot](#))

### The 2020 campaign gets colorful: Presidential campaign colors



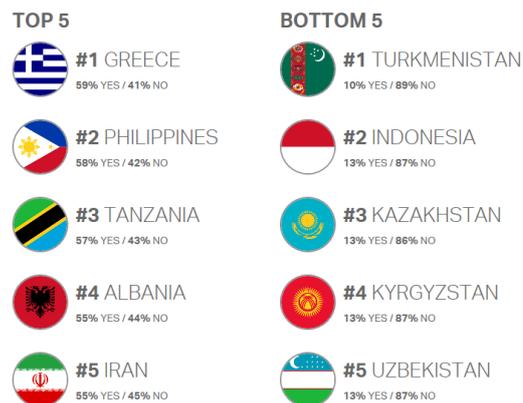
[Axios](#)

### America's fastest drive-thrus



[Statista](#)

### Did you experience the following feelings during a lot of the day yesterday? How about stress?



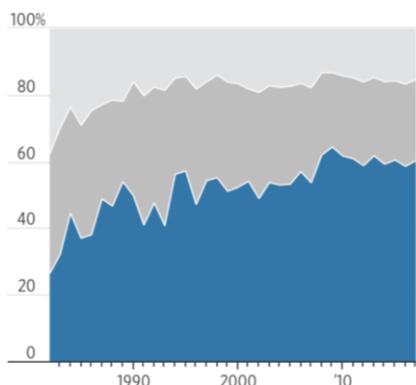
[Gallup](#)

### The rise of the superstars

The top 1% of performers raked in 60% of overall global concert-ticket sales in 2017—more than double their share in 1982. In 2017, the top 5% accounted for an overwhelming 85% of revenue.

#### Ticket revenue market share

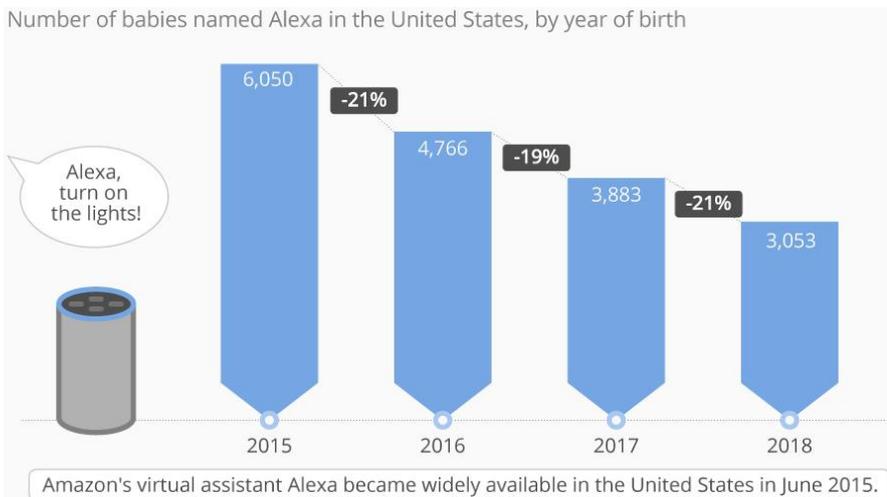
- Everybody else (10,267 acts in 2017)
- Top 2-5% (432 acts)
- Top 1% (109 acts)



[The Wall Street Journal](#)

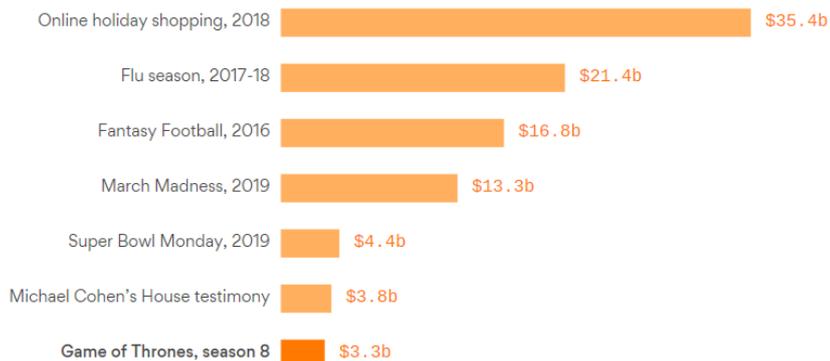
### Has Amazon ruined the name Alexa?

Number of babies named Alexa in the United States, by year of birth



[Statista](#)

### Cost of lost productivity in the workplace due to...



[Axios](#)

## Bruno Schneller, CAIA



Bruno Schneller is the co-founder and CIO of Skänderbeg Investment Management AG. Prior to establishing the company, Bruno worked at investment boutique and fund of hedge funds pioneer BrunnerInvest AG.

Prior to BrunnerInvest AG, Bruno worked at AXA Private Equity in 2007 and at Zurich-based hedge fund Naissance Capital Ltd. in 2006.

 [LinkedIn profile](#)

## Miranda Ademaj



Miranda Ademaj is the co-founder and CEO of Skänderbeg Investment Management AG.

Prior to establishing the company, Miranda worked at BrunnerInvest AG and Sallfort Privatbank AG. Before that, she worked at Credit Suisse for several years.

 [LinkedIn profile](#)

## About us

Liechtenstein-based **Skänderbeg Investment Management AG**, wholly-owned subsidiary of Swiss-based Skänderbeg Alternative Investments AG, is an asset manager authorized and regulated by the Financial Market Authority Liechtenstein (FMA). The company is incorporated in Vaduz under number FL-0002.579.371-8. To subscribe to our monthly "Put into Perspective" newsletter, please visit [www.skenderbeg.li](http://www.skenderbeg.li).

## Contact us

### Skänderbeg Investment Management AG

Aeulestrasse 20  
9490 Vaduz  
Liechtenstein  
[info@skenderbeg.li](mailto:info@skenderbeg.li)  
T: +423 373 11 30



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