Dear investor,

Thank you for your interest in ING Belgium. We are committed to providing you with the best possible service to help you make informed investment decisions. If you no longer wish to receive our newsletter, please click here to remove your name from our mailing list.

As odds of Clinton victory, the day of the “dog”?

Memories of the last U.S. presidential election are still fresh. In 2008, Barack Obama overcame challenges from the incumbent John McCain to win the presidency. Despite the much different political climate today, the outcome may be similarly close.

While the election is over a year away, investors and analysts are already weighing the possible impacts of the next presidential administration on the economy and markets. Hillary Clinton, the Democratic presidential nominee, and Donald Trump, the Republican candidate, are both making their mark on the campaign trail, with Clinton currently leading in polls.

As odds of Clinton victory climb, the market sentiment has turned more bullish. Stocks have gained, while bonds have slipped. This is despite the potential for increased political risk, as investors are concerned about the political uncertainty that could arise from a Trump presidency.

However, it is important to note that political events can be unpredictable, and the outcome of the election is far from certain. While Clinton may be leading in the polls, there are still many months before the election day.

In this context, we keep our careful approach on risk assets such as dog stocks. Since January, buying the worst-performing stocks over the prior 12 months has been a better strategy than picking past leaders. This approach is based on the belief that central bankers will not disappear anytime soon, and that the support of central bankers will not disappear anytime soon.

While theisk supportive environment is still in place, we believe that the potential for political risk and uncertainty will continue to shape the market environment. We remain neutral on equities and maintain our underweight positioning on corporate bonds.

Inflation

We have been tilting our portfolio away from bonds, particularly long-term bonds, as we see inflation risks on the horizon. While the current environment is still favorable for bonds, we believe that the potential for higher inflation will eventually make bonds less attractive.

We remain positive on equities, as stocks have become much cheaper relative to bonds and remain attractive despite the current market uncertainty. However, we continue to monitor inflation expectations closely, as they can significantly impact market sentiment and returns.

Other Asset Classes

We remain bearish on commodities, as we expect prices to remain weak for the foreseeable future. The Federal Reserve and the Bank of England are expected to keep interest rates low, which will reduce demand for commodities and keep prices low.

As always, we recommend that investors maintain a diversified portfolio and carefully consider their investment goals and risk tolerance before making any investment decisions. In this dynamic environment, it is important to stay informed and adapt to changing market conditions.

Thank you for your continued trust in ING Belgium.

Thierry Masset, Chief Investment Officer ING Belgium

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Monthly Market Review

June 2016

Volatility

The yen failed to breach 100 per dollar.

The dollar dropped against the yen, the euro, the pound and the Swiss franc.

Inflation

Gold prices continued to rise, as investors looked to gold as a hedge against inflation and we keep our underweight positioning on commodity securities.

We refer to our report for more information on inflation, including the potential impacts on the market environment.

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Equities

We maintain our neutral positioning on equities, as we believe that the potential for political risk and uncertainty will continue to shape the market environment.

We continue to monitor inflation expectations closely, as they can significantly impact market sentiment and returns.

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Fixed Income

Central banks have been cautious in their monetary policy, as they are trying to balance the need to support growth and employment with the need to keep inflation in check.

While inflation expectations remain low, we believe that the potential for political risk and uncertainty will continue to shape the market environment.

We refer to our report for more information on fixed income securities, including the potential impacts on the market environment.

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Commodities

We maintain our bearish positioning on commodities, as we expect prices to remain weak for the foreseeable future.

The Federal Reserve and the Bank of England are expected to keep interest rates low, which will reduce demand for commodities and keep prices low.

We refer to our report for more information on commodities, including the potential impacts on the market environment.

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For more information, please contact us at www.ing.be/security.