

BITESIZE

PORTFOLIO ADVISORY INSIGHTS

Why you should add government bonds to your portfolio now.

Government bond markets have been volatile over the first half of the year. Fortunately, equities have been delivering solid returns and most portfolios will have ended Q2 in reasonable state. But the Fed will almost certainly hike in July, and that will be a signal to begin preparing for difficult times ahead.



The Fed cuts hard in a recession.



Policy rate cuts mean significant declines in yield.



That outlook favours government bonds



The potential total returns on a US 2-year and 10-year US Treasury bond between now and mid-May next year are skewed towards the upside. If you believe that a recession is likely, then the returns on offer are even more attractive.



Curated by Dr. **Isaac Poole, CIMA**®
Chief Investment Officer, Oreana Portfolio Advisory

Isaac is the Global Chief Investment Officer and Portfolio Manager for Oreana Financial Services. With experience across investment strategy, portfolio and risk management, research and central banking in Asia, the UK and Australia, he leads the team in monitoring economic and market outlooks.