

CORBU x WisdomTree PolyMacro Models Now Available

Published June 1, 2023

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This article is relevant to financial professionals who are considering offering model portfolios to their clients. If you are an individual investor interested in WisdomTree ETF Model Portfolios, please inquire with your financial professional. Not all financial professionals have access to these Model Portfolios.

On a recent episode of Behind the Markets, I had the pleasure of speaking with Sam Rines, Managing Director and economist from CORBU, a research intelligence and advisory platform.

We discussed Sam's latest views on the economy, inflation and key investment themes, but also notably a collaboration for new Model Portfolios we are making available through our [Portfolio and Growth solutions platform](#).

CORBU x WisdomTree PolyMacro Model Portfolios are designed using CORBU's proprietary "bottom-up macro" thematic framework. This proactive, data-driven process allows for forward thinking portfolios that incorporate the best opportunities and avoid the biggest investment risks.

WisdomTree's differentiated suite of ETFs and our Model trading and implementation platform provide a unique ability to execute Models for advisors in a cost-effective manner.

PolyMacro Portfolios:

- Driven by a combination of near-term and longer-term themes
- Designed for low turnover
- Consistently researched with distributed content

Problems, Solved

This is not the investment landscape of the early 21st century. With globalization backtracking, volatile global government bond yields and national security coming to the forefront of policy-making, investing now requires a different mindset.

PolyMacro aims to take advantage of these policy pivots through a thematic view of global markets and asset allocation. The PolyMacro portfolios are much different than a traditional "index" approach, *with an eye to what will work, not what has worked.*

The current PolyMacro Model has three investment themes at the core:

- Regionalization
- De-escalation
- Fed miss takes

Regionalization and De-escalation

Geopolitics are driving two of the investment themes in the current portfolio. One of the major economic trends in the post-COVID world is near-shoring or friend-shoring to lower the risk of supply chain dependencies on China.

Mexico has been a big beneficiary in North America for manufacturers who do not want to put more capital on the ground in China. But Allied Asia also is seeing a renewed focus. Japan in particular is the closest ally.

Sam discussed that what he likes most about Japan now is the small-cap companies growing their dividends and being better stewards of capital with capital distribution growth is very positive.

Is China Investable?

Sam's take is that allocations to China must be quite tactical with regard to stimulus from the government. This year, CORBU's view has been that geopolitical issues were trending toward de-escalation and that could provide another positive catalyst. But CORBU Models would trade around China rather than have a strategic holding.

Fed Miss Takes

This theme has two motivations:

1. The Fed is likely to make a mistake at some point
2. The market is likely to have many 'miss' takes as to what the FOMC is going to do

Both miss takes lead to opportunities in the bond market.

Sam likes the yields available in short duration corporate bonds. There are some dislocations in pricing but if the Fed does break something, there could be a dramatic repricing and lowering of rates that would support bond prices.

The 2-Year to 5-Year Treasury bonds are another way to express this theme, where re-pricing a possible Fed mistake would manifest.

Attention Financial Advisors

If you're an advisor interested in learning more about our collaboration for model portfolios, WisdomTree's ETF Model Portfolios and our Portfolio & Growth Solutions program, fill out the contact form below:

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Model rebalancing and trading will be provided by Adhesion Wealth, a provider of outsourced investment management solutions, giving their advisor clients direct access to a platform that will deliver a more customizable approach with advisor input. WisdomTree's Portfolio and Growth Solutions enables advisors to prioritize customizable brand practices and fact sheets, investment design of models, and efficiencies across implementation, trading and tax transitions, which can serve as a springboard toward their growth.

For financial advisors: WisdomTree Model Portfolio information is designed to be used by financial advisors solely as an educational resource, along with other potential resources advisors may consider, in providing services to their end clients. WisdomTree's Model Portfolios and related content are for information only and are not intended to provide, and should not be relied on for, tax, legal, accounting, investment or financial planning advice by WisdomTree, nor should any WisdomTree Model Portfolio information be considered or relied upon as investment advice or as a recommendation from WisdomTree, including regarding the use or suitability of any WisdomTree Model Portfolio, any particular security or any particular strategy.

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