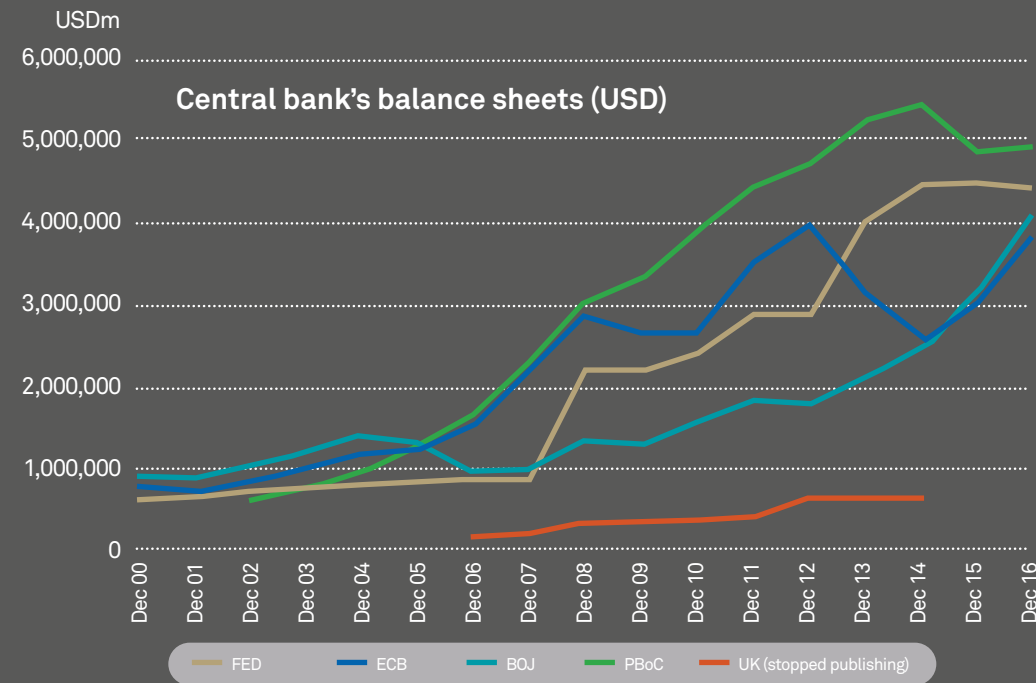


The 'everything' bubble

As asset markets have risen, incomes stagnated and valuations become more expensive, consumers, companies and governments have become ever more dependent on debt, with little regard for the long term consequences.

Central bank support through QE has helped asset prices rise...



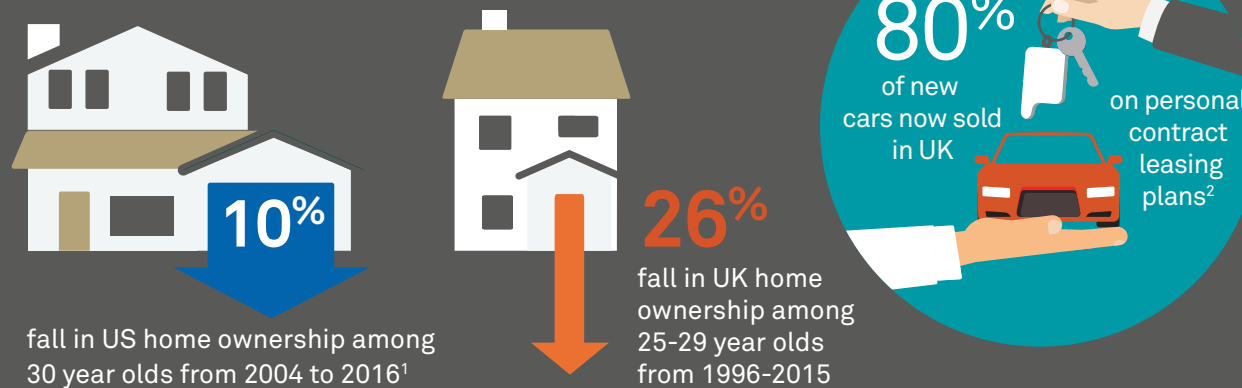
For illustrative purposes only. Sources: pinterest.com, Newton, Bloomberg as at 31 December 2016.

But while unemployment has fallen, incomes have stagnated*...



* As a percentage
Sources: Haver Analytics; IMF.

Now ownership of homes and cars is dwindling among younger people...



While economic warning signs rise as potential interest rate hikes loom...

8m Americans

are 90 days or more now behind on their car payments³



US\$217 TR

global debt level reached in Q1 2017⁴



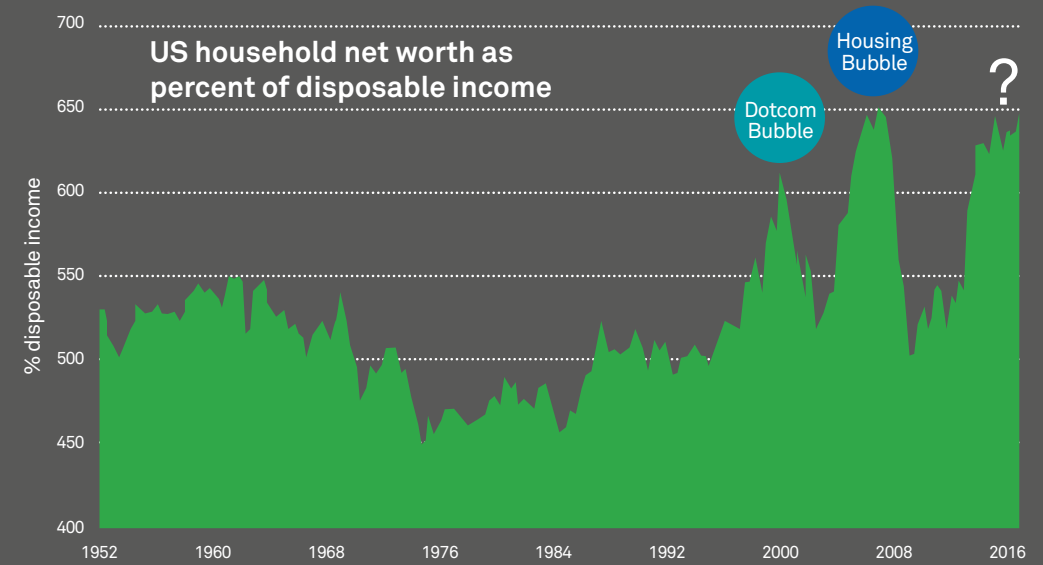
current level of global debt as a % of GDP⁵



7%

increase in UK household debt in the past five years⁶

As QE has helped drive asset prices upwards to the 'everything' bubble...



For illustrative purposes only. Sources: Datastream, Newton. Data to Q4 2016.

¹ Federal Reserve Bank of New York. Echoes of Rising Tuition in Students' Borrowing, Educational Attainment, and Homeownership in Post-Recession America. July 2017. ² FT. Are the wheels about to fall off car finance? 24 March 2017. ³ Federal Reserve Bank of New York: Quarterly Report on Household Debt and Credit, August 2017. 3.9% of auto loan balances 90 or more days delinquent on June 30. ⁴ CNBC. China's debt surpasses 300 percent of GDP, IIF says, raising doubts over Yellen's crisis remarks. 28 June 2017. ⁵ Ibid. ⁶ The Guardian. The UK's debt crisis - in figures. 18 September 2017.

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