



By Igor de Maack  
Fund manager and spokesperson for fund management team

## **Emmanuel Macron's victory inters the threat of political extremism in Europe for five years.**

**Investors will flock to French and then European equities in their asset allocation.**

**Democracy has again narrowly defeated the menace of political extremism. Austria, Spain, Italy, the Netherlands and now France have decided to tread the path of wisdom, with consistent and constant striving, despite the admittedly complex situation in Europe since 2008.**

Voters stood fast in favor of democracy to weigh the scales in favor of a President with a social-liberal, strong and euro-compatible economic program. Voters turned away from the grandiose fantasies promoted by populists, with their doubtful economic programs and promises of public spending that are impossible to finance. Emmanuel Macron's victory buries the specter of political extremism in Europe for five years, but he will need an absolute or even a relative parliamentary majority that can vote through this program of reforms and trigger that renowned "confidence shock". Domestic and international investors will naturally flock to French and then European equities in their asset allocation. Real estate, which is an asset class that provides private income, should not be the priority for the next French government that seeks to develop financial savings in productive assets.

**So now it is time to refocus on the economy as the euro area is steadily confirming its economic improvement day after day. The first 1Q earnings reports are solid and world trade is embarking on a timid revival.**

The various observers who have been announcing the end to our democracies and the suffering of the European monetary area since 2011 bear a large share of the responsibility for the public's uncertainties on Europe. But terrorist attacks, the migrant question, temptation from extremists and economic crises have not yet managed to break this European dream of peace and freedom in place since 1945: the freedom to live together, to educate our children, to protect our families, to set up our businesses, to invest and save for the older generations and for the generations of the future. So creation will well and truly be the watchword for the years ahead in Europe and elsewhere: job creation, business creation, wealth creation, talent creation. As Albert Camus wrote in his book *The Myth of Sisyphus*, "to create is to live twice". After this crucial vote and after the May 8 VE Day commemorations, many may breathe a sigh of relief, even if the future of France and the continent as a whole is still to be penned.

*Text completed on May 8, 2017 by Igor de Maack, fund manager and spokesperson for DNCA fund management team.*

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<sup>1</sup> Net asset value as of September 30, 2016.

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