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**BCT
INVESTMENT
ALERT**
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RUSSIAN TROOPS ENTER UKRAINE – STAY CAUTIOUS, BUT NOT OVERREACT

Our investment managers generally take the following views:

- Assuming the West will respond with ever tougher sanctions.
- Still needs to observe if Russia will take more aggressive actions and the U.S. and Europe will be willing to intervene militarily.
- Uncertainty and volatility will continue, with the possibility of seeing some extremes to the downside.
- Consider this is not a time to buy the dip, as investors are not clear about all possible outcomes of the Russia-Ukraine conflict.

Investment markets are still in the process of adjustment that could continue in coming weeks. We will reassess the situation based on below critical points:

Sanctions removing Russia from SWIFT - Hurt the country's economy and cut Russia off from international financial transactions. Meanwhile, this measure will also have impacts on the global economy. If more sanctions will be rolled out from the West, it harms the ability to trade Russian assets, thereby potentially causing further interruption to the financial markets.

Oil prices - The surging oil price is a key element of inflationary risk when soaring global inflation has already persisted. Russia is the main global producer of oil, price of which is also surging, mounting pressure to the global inflation.

Central bank policies - Russia's invasion of Ukraine adds uncertainty to the global economic outlook. The impact on market sentiment and commodity prices is increasing global stagflation. In a more complex environment for monetary policy decisions, central banks may have to adjust their strategies accordingly.

Stay cautious, but not overreact

MPF is a long-term investment. We suggest members to stay cautious, while not to overreact to market and not to time it. More importantly, please review your investment goals, understand your risk tolerance level and invest according to the appropriate equity content level. BCT will continue to maintain a close dialogue with fund managers and share investment updates regularly.