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## Market perspectives from our Multi Asset Team

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# The quest for 'uncorrelated' returns. The fall (and rise?) of absolute return funds

11 JUN  
2019

**STUART CANNING**

**INVESTMENT INDUSTRY** The quest for uncorrelated returns can be an expensive pursuit, especially in terms of opportunity cost.

The rise and fall in popularity of absolute return funds is a case in point. For years, the Targeted Absolute Return sector

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was among the most popular among UK and European fund buyers, but...

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## Walking into recessions

6 JUN  
2019

STUART CANNING

**BEHAVIOURAL FINANCE** You **MARKETS** may have seen charts like the one below before (possibly [here](#) or [here](#)) which suggest that investors and commentators find more to worry about than they really should:

This certainly seems to have been the case for bulk

## How should ESG investors think about government bonds?

20 MAY  
2019

MARIA MUNICCHI

**ESG** It is often easier to conceptualise ESG considerations when making investments at a corporate

## Episode blog Quicktake: Theresa May's Resignation

24 MAY  
2019

TRISTAN HANSON

As Theresa May remarked in her resignation speech, her successor will face the same challenge of finding consensus over Brexit within Parliament. So far Westminster has been able only to express what it doesn't want, and has failed to coalesce around a way forward. The path ahead remains as uncertain...

## Episodeblog Quicktake: Trade Wars reignite

7 MAY  
2019

STUART CANNING

While markets were closed in Japan, Korea, Thailand

Investments in a corporate level. A company's activities are often relatively narrow in focus, and forming a direct link between the company and those activities that we don't support (polluting

## A summary of

### Q1 2019: When will diversification return?

3 APR 2019

STUART CANNING

**ECONOMICS MARKETS** In 2018, almost all major asset class categories delivered negative returns:

So far in 2019, almost all major assets have done the opposite:

This degree of correlation is unusual. Some described last year as **the worst on**

## Could the IMF weaker growth projection be a good signal to back equities?

25 JAN 2019

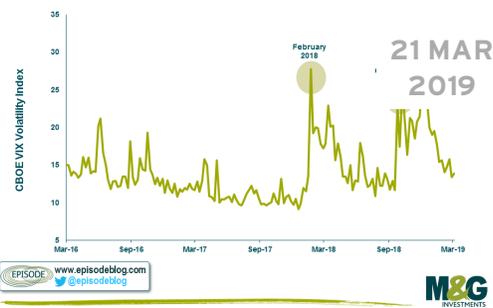
MARIA MUNICCHI

**BEHAVIOURAL FINANCE** Earlier **ECONOMICS** this week the IMF released its **latest economic outlook**. It was the debut of the newly appointed and first female

and the UK yesterday, stock markets in other regions 'plunged' (there's that **word again**) on a **re-emergence of trade war fears**.

Domestic Chinese markets were the hardest hit, with some impact on neighbouring countries.

Figure 1: Volatility abates from spikes in 20 CBOE VIX Volatility Index



## The Fed is data dependent, is the market?

STUART CANNING

**BEHAVIOURAL FINANCE** Our **MARKETS** sense **at the end of 2018** was that the volatility being seen in markets at that time was **episodic in nature**. Yes, there were things to be worried about from a growth standpoint, but the rapidity and nature of price moves suggested that...

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## Paying up for illiquidity: a potential

14 JAN 2019

IMF chief economist, Gita Gopinath.

She observed that “While global growth in 2018 remained close to post crisis highs, the global

## A summary of Q4 2018: Be careful what you wish for

4 JAN  
2019

**STUART CANNING**

**BEHAVIOURAL FINANCE MARKETS** The last quarter of 2018 saw some significant equity weakness, which came in two bouts:

In October, price weakness emerged in response to **rising rate expectations** in the US. However, any investors hoping that an abatement of those pressures would support equity markets were to be disappointed.

...

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## consequence of volatility averse investors

**ALEX HOULDING**

**INVESTMENT INDUSTRY** The liquidity of an asset is the extent to which it can be bought or sold without affecting its price. In extreme market conditions especially, investors trying to sell illiquid assets may be forced to accept drastically reduced prices to find a buyer quickly (or at all). A lesson learned...

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