



December 5, 2023 - [Portfolio Solutions Group](#)

Investors are looking for resilient sources of return in the face of mounting headwinds for equity markets. Long/short and market-neutral equity strategies deserve consideration. We review the case for allocating to long/short equity and address several key choices faced by investors and by managers.

A S S E T A L L O C A T I O N



September 5, 2023 - [Portfolio Solutions Group](#)

What are the implications of higher interest rates for asset allocation? This article reviews historical patterns and forward-looking expected returns for a range of asset classes, and highlights the role of “cash-plus” liquid alternatives — overlooked beneficiaries of higher cash rates. We show that in a higher-rate world that investors haven’t seen for many years, diversification away from equities may prove to be especially valuable.

A L T E R N A T I V E I N V E S T I N G



June 12, 2023 - [Portfolio Solutions Group](#)

After 2022 showed the downside of traditional portfolios’ reliance on equity risk, many investors have recently begun to reconsider the role of risk-mitigating portfolios within their broader asset allocations. We show why we believe trend following deserves a prominent place in any serious risk-mitigation portfolio.

A S S E T A L L O C A T I O N



1Q 2023 - [Portfolio Solutions Group](#)

We update our estimates of medium-term (5- to 10-year) expected returns for major asset classes. We also include two special topics: one highlighting the case for emerging market equities, and the other assessing the impact of large interest rate rises on various risk premia.

P O R T F O L I O R I S K A N D P E R F O R M A N C E



Q4 2022 - [Portfolio Solutions Group](#)

2022’s drawdown provides a clear picture for the types of strategies that can actually deliver in a “slow burn” market downturn. While some options-based strategies have generated positive returns, in many cases they have disappointed. In contrast, trend following strategies have generally posted very strong returns. Looking ahead, many of the macro conditions that have been advantageous to trend following are still in place—and have historically tended to persist.

P O R T F O L I O C O N S T R U C T I O N



Q3 2022 - [Portfolio Solutions Group](#)

During the first half of 2022, equity markets tumbled around 20% from their peak, with losses on typical stock/ bond portfolios almost as large. More worryingly, this type of downturn may be unfamiliar to many younger investors: with inflation still high, there is little prospect of central banks riding to the market’s rescue. We assess the prospects for stock and bond markets after the H1 selloff, consider the impact

of macroeconomic risks on a range of investments, and explore the use of diversifying investments to fortify portfolios.

A S S E T A L L O C A T I O N



Q1 2021 - [Portfolio Solutions Group](#)

We update our estimates of medium-term (5- to 10-year) expected returns for major asset classes. We also discuss what investors should expect from the stock-bond correlation in the coming decade.

M A C R O E C O N O M I C S



Q4 2020 - [Portfolio Solutions Group](#)

The COVID-19 pandemic and the responses to it by governments, central banks and consumers have unleashed both disinflationary and inflationary forces, but we do not know which forces will win over the longer term. We explore the historical inflation sensitivities of a range of different investments and present the benefits of both risk-balanced asset allocations and dynamic directional strategies to prepare for uncertain times.

P O R T F O L I O R I S K A N D P E R F O R M A N C E



September 28, 2020 - [Portfolio Solutions Group](#)

Investors try to outperform their strategic asset allocation benchmarks by taking active risks. Some of these are intentional, but others are low-conviction or even unintentional, which can be a large part of a portfolio's total active risk. When it comes to beating a strategic asset allocation benchmark, reducing these unintentional active risks may among the clearest sources of "low hanging fruit".

A S S E T A L L O C A T I O N



January 29, 2020 - [Portfolio Solutions Group](#)

We update our estimates of medium-term (5- to 10-year) expected returns for major asset classes, and introduce a method for quantifying the expected return on cash.

