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

Global Perspectives on Investment Management: Learning From the Leaders

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A healthy functioning global market requires trust and a supporting regulatory structure. Because we have seen the consequences of unethical response in our industry, hedge fund manager Noreen Harrington urges us to keep the benefits of the ethical response — placing client interests first and foremost—top of mind.

In another chapter, Swiss central banker Philipp Hildebrand explains how new participants in new markets with access to new products allow investors to save, invest, transfer risk and finance trade to a much greater extent than ever before.

Sir David Tweedie, chairman of the International Accounting Standards Board, offers a holistic approach to building higher standards into the fabric of global markets that increase transparency and foster cross-border investment.

Jack Gray, the head of investment solutions at AMP Investment Australia Ltd., clarifies the advantages of long-term thinking. A distinctly narrow focus on the near term, what he calls "short-termism," too often leads to poor decisions that result in the destruction of wealth. Such short-termism often stems from our fascination with managing risks, but in so doing, do we lose sight of what is ultimately important?

Continuing this line of thought, Peter Bernstein suggests that because the future is always uncertain, perhaps the challenge of managing risk is really about the quality of the decisions we make in the face of uncertainty. A myopic focus on measuring and quantifying risk can undeniably lead to low-quality decisions.

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