Global Macro

Fundamental Trends and Dislocated Markets: An Integrated Approach to Global Macro Investing

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We describe two approaches to global macro investing: a systematic strategy focused on identifying fundamental trends and an opportunistic strategy capitalizing on extreme dislocations between prices and fundamentals. We explore the potential benefits of combining these approaches into a single integrated macro strategy. We present evidence that this integrated strategy may offer attractive risk-adjusted returns that are consistent across economic environments and are diversifying to traditional asset classes. Finally, we show that these simulated strategy returns are diversifying to other alternative investments, including both the universe of global macro managers and market-neutral multi-asset style premia portfolios.

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