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Challenges of Incorporating Tactical Views

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We emphasize strategic diversification over tactical view-taking for two main reasons:

- Tactical timing is inherently more difficult than it seems
- Tactical tilts tend to forgo some powerful diversification benefits

In this article we illustrate and provide evidence to support these assertions. We also explore which types of tactical views are worth taking, and the conditions under which tactical decisions have a better chance of improving long-term performance.

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