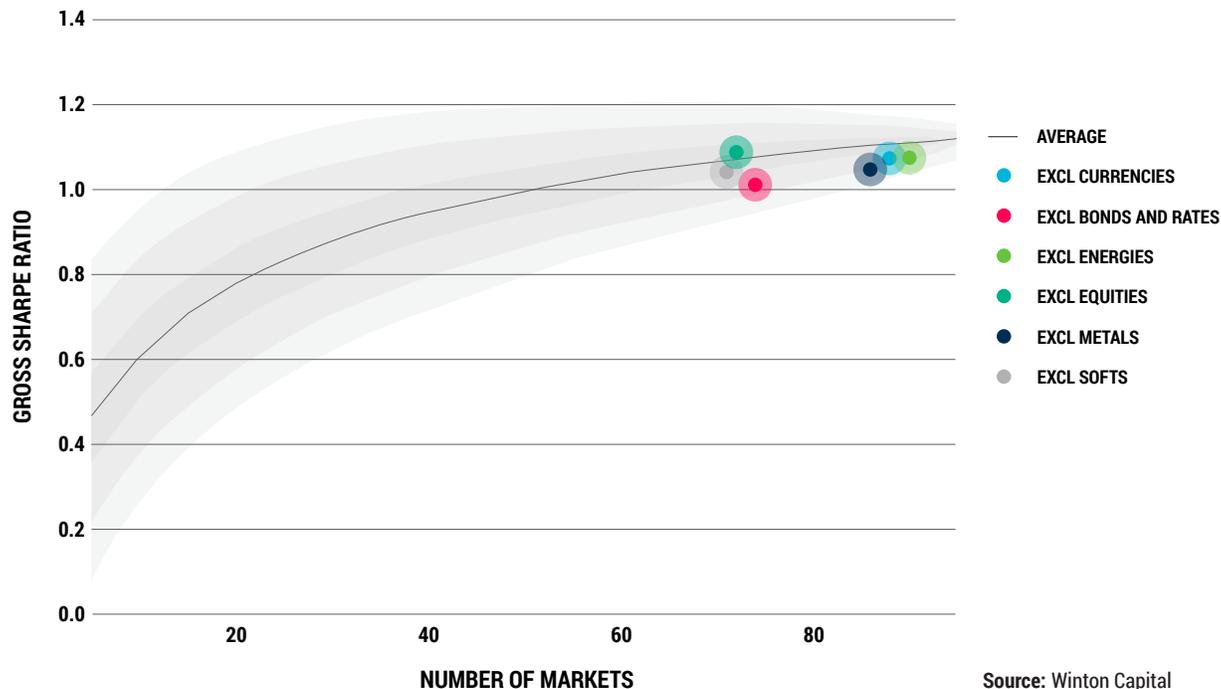


Do more markets improve risk-adjusted returns?

In a paper titled “How to Design a Trend-Following System,” Winton Capital studied the impact a broad investment universe can make on risk-adjusted returns.



There are two main takeaways from this analysis:

1. Participating in more markets tends to **increase risk-adjusted returns**
2. Strategies that exclude whole sectors **tend to perform worse** than those that maintain a diversified portfolio

As you weigh up managed futures managers, ask the portfolio team if their strategy excludes any markets – **you may be missing out on critical diversification opportunities.**

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