



## ALTERNATIVE MARKET BRIEFING

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# Alternative strategies to ease portfolio risk, Coronavirus: Which asset classes are private markets investors turning to amid the crisis?

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### **From Fund Select** Alternative strategies to ease portfolio risk

From Fund Selector Asia: Investors have to balance the support from central bank and government stimulus against economic headwinds, as well as the uncertainties over the speed and strength of recovery after the containment of the Covid-19 pandemic.

Recovery is also likely to be uneven across sectors, as fear of infection could continue to alter consumer behaviour. Many businesses will struggle, and some will close. However, as Adrian Zuercher, head of asset allocation in Apac for UBS Global Wealth Management's chief investment office points out, during extreme market stress and volatility, correlations for different conventional asset classes tend to converge to one, at least temporarily.

### **Coronavirus: Which asset classes are private markets investors turning to amid the crisis?**

From Alt Assets: Private markets investors are preparing themselves for a shift into distressed debt as disruption from the coronavirus pandemic causes investors to change tack to weather the storm, new research shows.

More than 70% of investors have a favourable investment outlook towards the asset class according to a survey of more than 120 investment professionals by Oxane Partners. The report - Covid-19 and the Private Markets - also revealed a huge drop in sentiment for real estate, with more than half of respondents saying the attractiveness of the sector had taken a big hit for them.