

What is Randomness of Returns?

Investment returns vary unpredictably across asset classes, sectors, and markets – whether developed or emerging—driven by economic shifts, political events, and market dynamics.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
UK Small 36.6%	Global Property 22.2%	UK Small 14.8%	Global Small 34.4%	Emerging 25.4%	Gold 5.2%	Global Quality 30.8%	Global Momentum 24.3%	Commodities 41.6%	Commodities 41.9%	Global Quality 24.9%
Global Small 29.9%	Global Min Vol 18.3%	Global Min Vol 11.3%	Commodities 32.8%	Emerging Value 25.4%	Global Bond 9.9%	UK Small 30.0%	Gold 20.8%	Global Property 27.3%	UK Value 14.7%	Emerging Small 16.9%
Global Value 29.5%	Global Quality 15.2%	Global Momentum 10.1%	Emerging 32.6%	Emerging Small 22.3%	Global Min Vol 4.1%	Global Momentum 22.7%	Global Quality 18.4%	Global Quality 26.8%	Gold 13.1%	Global Developed 16.8%
Global Momentum 27.2%	Global Momentum 13.2%	Global Quality 9.7%	Emerging Value 32.6%	UK Small 21.0%	Global Momentum 3.3%	Global Developed 22.7%	Emerging Small 15.6%	Global Developed 22.9%	Hedge Funds 7.8%	Global HY Bond 12.6%
Global Quality 24.7%	Global Developed 11.5%	Global Small 5.5%	Global Value 29.0%	Global Momentum 20.7%	Hedge Funds 1.6%	Global Small 21.3%	Emerging 14.7%	Global Value 21.1%	UK 3m T-Bill 2.0%	Global Value 12.6%
Global Developed 24.3%	Global Value 10.5%	Hedge Funds 5.1%	Gold 28.9%	Global Quality 15.1%	UK 3m T-Bill 0.7%	UK 19.2%	Emerging Value 14.7%	Emerging Small 19.8%	Global Min Vol 1.6%	UK Small 9.8%
UK 20.8%	Global Small 8.2%	Global Property 5.0%	Global Developed 28.2%	UK 13.1%	Global Short Bond 0.4%	Global Min Vol 18.4%	Global Small 12.4%	UK 18.3%	Global Value 1.5%	Global Small 9.2%
Global Min Vol 16.4%	Hedge Funds 7.5%	Global Developed 4.9%	Global Min Vol 28.2%	Global Small 12.0%	Global Quality 0.4%	Global Property 17.2%	Global Developed 12.3%	UK Value 17.7%	UK 0.3%	Gold 8.1%
UK Value 16.0%	Emerging Small 7.3%	Global Bond 2.5%	UK Value 26.4%	Global Developed 11.8%	Global Property 0.2%	Global Value 14.4%	Global Bond 5.8%	Global Small 16.8%	Global Bond -5.7%	UK 7.9%
Global HY Bond 6.7%	Global Bond 6.8%	Global Value 2.3%	Global Quality 24.7%	Global Value 11.6%	Global Developed -3.0%	Global Developed 3.9%	Global HY Bond 4.2%	Global Momentum 15.7%	Global Momentum -7.4%	UK Value 6.4%
Hedge Funds 4.5%	Gold 6.4%	Global Short Bond 1.6%	Global Momentum 24.3%	UK Value 10.7%	Global HY Bond -4.5%	Emerging Value 1.9%	Global Short Bond 4.1%	Global Min Vol 15.3%	Emerging Small -7.7%	Global Short Bond 5.9%
Global Property 1.7%	Emerging 3.9%	UK 1.0%	Global Property 24.1%	Global HY Bond 7.2%	Commodities -8.5%	Gold 13.9%	Hedge Funds 1.2%	UK Small 14.5%	Global Developed -7.8%	Global Momentum 5.5%
Global Short Bond 1.1%	Emerging Value 3.9%	UK 3m T-Bill 0.6%	Emerging Small 22.0%	Global Min Vol 7.7%	Global Small -8.5%	UK Value 13.8%	UK 3m T-Bill 0.3%	Hedge Funds 5.0%	Global Short Bond -8.3%	UK 3m T-Bill 5.2%
UK 3m T-Bill 0.5%	Global Short Bond 3.8%	Global HY Bond -0.8%	Global Bond 21.8%	Gold 2.9%	Global Value -8.6%	Commodities 13.1%	Global Min Vol -0.6%	Global HY Bond 2.2%	Global Small -8.5%	Emerging 3.6%
Emerging Small -0.8%	Global HY Bond 2.7%	Emerging Small 1.5%	Hedge Funds 20.1%	Global Short Bond 0.8%	Emerging -9.3%	Global HY Bond 11.1%	UK Small -4.9%	UK 3m T-Bill 0.1%	Emerging -10.0%	Emerging Value 3.6%
Commodities -3.1%	UK 1.2%	Gold -7.0%	UK 16.8%	Global Property 0.8%	Emerging Value -9.3%	Emerging Small 7.2%	Global Value -6.9%	Global Short Bond -1.1%	Emerging Value -10.0%	Global Property 3.5%
Global Bond -4.4%	UK 3m T-Bill 0.6%	UK Value -9.5%	Global HY Bond 15.0%	UK 3m T-Bill 0.4%	UK -9.5%	Global Short Bond 3.7%	UK -9.8%	Emerging -1.6%	Global HY Bond -12.4%	Hedge Funds 2.0%
Emerging -4.4%	UK Small 0.2%	Emerging -10.0%	UK Small 6.8%	Hedge Funds -0.7%	UK Value -9.7%	Hedge Funds 2.8%	Global Property -11.8%	Emerging Value -1.6%	Global Quality -12.4%	Global Min Vol 1.4%
Emerging Value -4.3%	UK Value -0.4%	Emerging Value -10.0%	Global Short Bond 2.1%	Global Bond -1.9%	Emerging Small -13.5%	Global Bond 2.7%	UK Value -19.8%	Gold -3.4%	Global Property -15.7%	Global Bond -0.3%
Gold -28.7%	Commodities -28.9%	Commodities -29.0%	UK 3m T-Bill 0.5%	Commodities -3.4%	UK Small -15.0%	UK 3m T-Bill 0.8%	Commodities -26.1%	Global Bond -3.8%	UK Small -22.4%	Commodities -9.7%

Fool's Gold?



For example, gold returns over the past 15 years have been highly unpredictable, influenced by economic shifts, inflation fears, and geopolitical events.

While gold is often seen as a "safe haven," its performance can swing dramatically.



Key Takeaway



Understanding the unpredictability of returns across asset classes, sectors and markets, highlights the value of diversification in managing risk and supporting client investment goals.

If you are a retail investor in the UK, this document has been provided to you by your financial adviser, who can help explain its contents. The value of investments can go down as well as up and it is possible to get back less than the amount invested. Past performance is not a reliable indicator of future performance.