

Safe haven or trash? Investors clash over cash

By Ashley Lowe / 09 Oct, 2018

Wealth managers debate whether holding cash makes sense right now.



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'Cash is trash' is certainly a catchy line, but why would that be the case? The conventional answer is that it costs to hold euros and Swiss francs, or that stocks and bonds tend to return more than cash.

But maybe there is another angle to consider. When we look back at 2008 and 2011, holding cash in banks clearly comes with its own dangers. As a result, we avoid large cash holdings.

Besides being invested in a few short duration funds (preferably with low exposure to banks), we moved cash from reducing traditional equity funds to market-neutral and long/short funds with little leverage and low net exposure.

We recently added the [Loys Global Long/Short fund](#) to some of our more conservative portfolios. What's more, event-driven strategies, such as the CIAM fund, offer a better risk profile in the complex current environment than traditional equity funds.