



## Cliff's Perspective

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### Sin a Little

November 11, 2015

Value (or contrarian) investing and momentum (or trend) investing have long been core to what we do and, we believe, are the strongest empirical regularities in finance. In the latest issue of *Institutional Investor*, Antti IImanen, Thom Maloney and I apply these ideas to the age old task of market timing.

Market timing has long been regarded by many as an investing sin. We find that, consistent with the gigantic amount of evidence across a diverse set of markets and asset classes, value and momentum have something to add in timing, too. But, consistent with the intuition of many, we still find that market timing of one or two asset classes is very hard.

Thus, our advice is to “sin a little” (perhaps very little) but not to be completely chaste. We also lay out some basic tenets that we think are often ignored but that we think any market-timing system — or any test of such a system — should follow.

*A list of articles related to this cover story appears on the Institutional Investor website.*

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