

# Todd Hawthorne Highlights Relationship Between Volatility Strategies and Fixed Income for P&I

In the last week of August, Boston Partners' Todd Hawthorne, the lead portfolio manager of the firm's Redwood fund, published a bylined article in *Pensions & Investments* in which he highlighted how volatility-harvesting strategies can complement and enhance traditional fixed income allocations.

The article, "Volatility Harvesting: The Great Diversifier," noted that against a backdrop of rising inflation, correlations between equities and bonds tend to converge. This is giving rise to questions over whether or not fixed income will be able to offer the same kind of diversifying exposure that asset owners traditionally rely on during market downturns.

"As the perception of risk is further factored into the market, volatility should only increase, allowing volatility strategies to benefit in the form of higher call prices," Hawthorne wrote. "From an investor's perspective, this translates into higher expected returns and even more downside protection. The real benefit for investors is the consistency of these strategies during both normal market periods and during stretches marked by turmoil."

The full article can be found online [here](#).

Todd Hawthorne is the lead portfolio manager and creator of Boston Partners' Redwood Strategy. Todd joined the firm from Allianz Global Investors, where he was a senior portfolio manager and director, and previously worked at RS Investments as head of the firm's equity derivative strategy.

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