For a multi asset investor, we would suggest focusing on the following four key points.

First: be realistic about your returns expectations and how you can achieve them.

Lowering returns expectations as part of a desire to better align asset allocation with investment objectives might make sense for some investors (such as those already approaching retirement). Depending on your personal circumstances, the lower expected returns from most financial assets may tempt you instead to some consumption opportunities. Keep in mind, after all, that part of the whole point of QE is to make you spend more in the here and now. But note also the ECB and other central banks' increasing focus on getting QE to work through revitalising the credit channel in economies: increased lending will support economies and help create investment opportunities too. For most investors, the main issue will remain on how to generate acceptable levels of returns with acceptable levels of risk.

Second: remember that risk comes in many forms.

As we have outlined above, current central bank policy will have a tendency to increase risk in part because lower yields on lower-risk assets can alter investor behavior. In search of higher yielding investment they are forced to buy riskier assets, both in the fixed income space and equities or alternatives. In this way, loose monetary policy can increase the risk of misallocation of capital and bubble formation in financial assets. This is true for fixed income as well as equities. The valuations side of the equation can come into particular focus as investors are willing to take more risk, even if earnings are not able to keep pace with valuations. As always, bear in mind, assuming greater risk is no assurance of greater returns.

At the same time as investors are looking for higher returns, multi asset investors are also trying to establish what might be percieved current investment "safe-havens". Effective safe-havens vary over time and between crises and no investment is without risk. Gold, for example, may have proved a good safe haven in some periods in the past, but has been a less effective one in recent years. In other words, the correlations between safe havens and risk assets are not stable and history does not always repeat itself. So, as noted above, some risks accompany holding Treasuries (or Bunds) in an interest rate up-cycle, they do not always lose their appeal. It is also worth remembering that "safe havens" may not be confined to those traditionally perceived as such (e.g. Treasuries, cash and, perhaps, gold). In the current environment, currencies might be seen as a key part of any safe-haven strategy. And, linked to the currency issues, some regions' equities may also offer temporary safe haven status. When considering risk and safe-havens, it is also worth distinguishing between overall market risks and those which are country-specific – emerging markets provide a good example of this.

Investors, of course, also need to look beyond seeking higher risk and safe havens and take an overall approach to their own risk profile. As noted above, accepting only as much risk as one has historically budgeted for is likely to result in returns below historical averages. For some people, a better solution might be to increase their risk budgets, especially if they want to take a longer-term perspective, but any increase in risk must be in line with your personal risk composure. Further, you may want to endeavor to limit the downside risk in your portfolio with an appropriate