What we’ve seen is so many different types of strategies raise tremendous amounts of capital that are competing for performance. And many of those strategies have absolutely no connection to the underlying asset.

They are clueless about what a business is on the ticker that they’re buying or selling. So there are so many more investors that are insensitive to price. And what I mean by that is they might be extracting the dividend yield from an asset, or the beta or momentum. But the intrinsic asset in and of itself is something that they really care very, very little about. And that has had the tendency to inflate the valuations of many different types of securities.

One great example is what we’ve just gone through in the high-dividend-yield space, in that part of the market that has invested in equities as substitutes for bonds as interest rates went lower, and a lot of money went into high-dividend yield. And the valuations became unbelievably rich, which is at odds with how people have always thought about dividend yield as a value strategy. And so what we saw were excesses really peak in the second quarter of 2016. And as interest rates have stabilized and more recently started to increase, those stocks have come under severe pressure and have dramatically underperformed the rest of the market. So there are many, many pockets of that ilk that investors need to be very, very aware of. And again I see that as a great reason to refocus on active strategies for those investors that have really relied on passive and indexation to satisfy their return objectives over the last 10 years.

With all of the excesses by way of money creation that we have experienced over the last couple of years, and all of the changing structure of markets with regards to price-insensitive buyers dominating volumes on a day-to-day basis, it’s really difficult to know what’s real and just a residual of money chasing money. I think that doing your homework on the companies is critically important. It’s a focus on fundamental research, knowing the businesses that you invest in, being patient investors as the managers of great businesses create value for shareholders over long periods of time.