

## 2014 Predictions: Maria Boyazny, MB Global Partners

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*The May scare is 'very fresh in the minds' of investors, says Boyazny.*

The US and global economies benefitted from multiple liquidity injections on the part of central banks over the course of the financial crisis and subsequent recovery. With the Federal Reserve's decision to start tapering in full effect, market participants will have to take continued technical market strength into account, MB Global Partners founder Maria Boyazny told *Private Debt Investor*.

"With the recovery still fragile and QE driven, unforeseen negative news, let alone shocks, could produce significant volatility. Think about the unease Ben Bernanke's May 2013 sort-of a-warning about future tapering that everyone knew has to happen had produced," she said.

"Against that back drop, mutual fund outflows also emphasize the nervousness of both retail and institutional investors. The May scare is still very fresh in the minds of investors and we anticipate that we may see more knee jerk reactions (i.e. volatility) as investors try to decipher the Fed play," she added. "Bond mutual funds have experienced consistent withdrawals since the summer in the tens of billions. Plain-vanilla fixed income is tough – being flexible and opportunistic is key."

As institutional investor appetite has whetted for more liquid investments, the price of liquidity has ticked upwards, Boyazny said.

"Financing to smaller companies has virtually dried up (where is it is widely available and cheap to mid-size and larger companies) so we are finding a lot of interesting situations there, with downside protection and often self-liquidating assets which do not require us to rely on the public markets to generate return," she wrote.

Boyazny founded MB Global Partners in 2010. The New York-based private equity firm specialises in credit dislocation and special situations strategies.

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