

Multi-Asset World Cup 2018: The finals

With only four teams remaining out of 32 group-stage contenders, we've now got to the crunch.

It's been an amazing two weeks of Multi-Asset World Cup football. There's been plenty of drama both on and off the pitch. For those who have missed out we have recaps of the matches for the [Group stage](#) and [Knock-out rounds](#).

The semi-finals will see Russia taking on Germany and England against Portugal. England fans were keen to point out this was the exactly the same semi-final match-ups as the 1966 World Cup, though of course with West Germany versus the USSR as it then was. Could football finally come home again after 52 years of hurt?

UPPING THE STAKES

For the semi-final and final matches we up the stakes and have four criteria that lead to goals:

- [Misery Index](#)

This is the sum of the inflation rate and the unemployment rate. We aggregate the two measures as a summary measure of economic health. Ideally you want an economy with a low rate for both, and therefore, less misery.

- [Equity returns](#)

We use the last four years' returns of each country's equity market (in US dollars). Conversely to what you

might expect, we actually want to see a low number here as a low equity return over the last few years is a proxy for equities with cheap valuations today. All else equal, markets with cheaper valuations tend to have better performance going forward.

World Economic Forum (WEF) Global Competitiveness Scores – competitiveness and productivity are key aspects to a lot of our analysis, and the WEF compiles a ranking of countries based on twelve "pillars". A more competitive economy is likely to have better earnings prospects, and a better trade-off between higher growth and higher inflation.

We consider two variables based on the World Economic Forum's competitiveness ranking:

- [The Technological Readiness index](#)

- [The Infrastructure index](#), which covers the state of physical infrastructure like roads and rail.

SEMI-FINALS

Russian coach [Emiel van den Heiligenberg](#) has kept a low profile so far in this competition. His appointment as manager of Russia was not without controversy, a long-standing loyalty to Chelsea



FC earning him the trust of Russian football's powerbrokers.

Despite defending doggedly, the Russians eventually gave up ground to the German attack. The Germans scored a Misery Index goal just prior to half-time. After play resumed the stadium erupted as the hosts scored, based on their weaker equity returns over the last four years. However, the Germans re-grouped in traditional fashion, scoring twice on both competitiveness criteria to ease to a 3-1 win.

Next up, the three lions of England take on the mercurial Portuguese. Pressure was mounting on England manager [Onuekwusi](#) who ranted in a pre-match press conference at sections of the media to give more support to the team. He referred to how he felt his team could exploit the weak Portuguese defensive line on competitiveness. Portuguese manager [Hetal Mehta](#) was rather more relaxed, but extraordinarily claimed that despite being European champions they only had one player who could be considered "world class".

Onuekwusi's comments appeared justified as England took an early lead from the kick-off as sloppy Portuguese defence opened up an opportunity for a Misery Index goal. As England searched for the second, the Portuguese showed their pace on the counter, sneaking in a headed goal based on weaker equity market returns from their star forward, who then exposed a t-shirt saying "a nod's as good as a wink" in reference to a previous encounter between these two teams in the 2006 World Cup. England, clearly agitated by these mind games, struggled for the rest of the first half before coming to life in the second half with two goals in quick succession on both technological and infrastructure competitiveness to win the game 3-1.

Who would believe it, England are through to their first World Cup final since 1966!

THE FINAL

The match referee for the final is, [Willem Klijnstra](#), who is well-renowned for his impartiality. The Germans are well aware of the English tactics from the semi-final so will be keen to keep a tight control of things from the start. The whistle blows.

Germany edge up the field early on, drawing in players for the tackle, whilst passing incisively and dominating possession. Early on their forwards enter England penalty area... danger for England...they shoot! It hits the underside of the bar! Wunder-bar!

But wait, did it cross the line? Klijnstra says no and waves away the German player protests. The replay on VAR is inconclusive! Controversy, just like Wembley in 1966 and Bloemfontein in 2010... what drama!

Tackles are now flying in from the Germans who appear to be losing their heads following what they see as a disallowed goal. Klijnstra unbelievably is refusing to take his cards out of his pocket. England are caught in possession mid-way through the first half, by yet another dubious tackle which Klijnstra again sees as legitimate. Germany shoot, and benefitting from the Misery Index, take the lead very narrowly with a score of 5.6 versus the English 6.6. The goal sees Lueth "dad" dancing on the touchline and Onuekwusi seething at Klijnstra.

England kick off and are cautious in moving forward, but in a moment of brilliance from England's enigmatic talisman, [James Carrick](#) shoots from thirty yards on the basis of lower equity market returns. GOOOOOAAAAAL! 1-1!

After a rather aggressive start the Germans are starting to concede ground to an England team who now have all of the impetus. Again, it's Carrick finding the space, he's unmarked and the Germans are scrambling back. His defence splitting pass to [Magdalena Polan](#) gives her the chance to elegantly loop the ball over the advancing goalkeeper... this time against competitiveness on technological readiness. She's done it! England

(UK) out-performs Germany by 6.33 versus 6.17. The Germans can't believe it! The English fans find their voice, this time chanting "Vorsprung durch technik", not catchy but clearly galling for the German players.

It's England ahead by 2-1 as we come into the final few minutes of the match. England's players are looking tired and Germany are making a number of late substitutions.

Germany are starting to get a bit desperate, resorting to long balls, lumping it up the field to their striker, [Martin Dietz](#). Dietz chests the ball down and is one-on-one with the goalkeeper, and with all of the calmness expected from the world-class finisher he curls the ball mesmerisingly into the bottom right corner of the infrastructure competitiveness goal. It nestles in the back of the net but the English players have their hands up. Was it handball?

Klijnstra runs the length of the field to discuss the decision with his assistant. The referee is taking a long-time to get an answer, must be by the narrowest margin. Finally he blows his whistle... by a margin of 5.964 to 5.959, it is a German goal on infrastructure! You can't beat those autobahns!

Now it's the German fans singing... can't quite make out the tune.. is it.. is it.. "Football's coming home"? Oh, the irony! So at the end of ordinary time it is 2-2. This will have to go to penalty shoot-out!¹

1. Extra time is banned in the Multi-Asset World Cup.

THE PENALTY SHOOT-OUT

England would have been dreading this moment from the start of the competition. The referee is informing both teams of the rules. The penalty shootout is decided on the six goal criteria from the Group and Knock-out stages of the Multi-Asset World Cup. If tied after six goals, more criteria are used.

First up is government debt as percentage of GDP, the change on four years. Germany's debt has contracted by more than the UK's over the last four years. It's 1-0 to Germany.

Second is the Real Effective Exchange Rate (REER). England's Polan shoots, it bounces off the German goalie's hand into the net. It's 1 all!

Third, is the Gini coefficient. Germany's Dietz steps up, shoots left, the goalkeeper dives left... but it's right in the corner. Another one to Germany. What a penalty under such pressure!

Fourth, is the dividend yield. England's Carrick shoots! It nestles in the top corner, giving the keeper no chance. It's 2-2 and England are still in with a chance.

Fifth is the EIU political risk. That's easy for Germany, thanks Mutti. They go 3-2 up. One more and the World Cup is theirs.

Can the UK make it 3-3 with the last factor; the age dependency ratio? But what's this? Puzzlingly, and I can't believe it, the English manager

Onuekwusi has taken the field. He's kitted up, what's the story? This is unprecedented... but not against the rules of the Multi-Asset World Cup, which are somewhat loose. He did try out once as a semi-professional (fund manager), but more recently has had Achilles issues. Onuekwusi, to equalise for England on the basis of the age dependency ratio goal.

He takes three steps back, wiggles, steps forward and shoots...

Lueth is ecstatic, Germany have won the 2018 Multi-Asset World Cup!

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