

# Monthly

## Gatmore Pensions Summary (GPS) September 2018

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### MARKET COMMENTARY

Continued strong data from the US economy allowed the Federal Reserve to increase interest rates for the third time this year. The Federal Reserve believes the US economy will continue to perform well going forward, facilitating further rate rises.

In the UK the pound continued to be swayed by the latest Brexit news, dropping after the EU raised serious concerns about the viability of the 'Chequers' deal. Gilt yields rose, meaning the asset class was the worst performing over the month and is now negative for the year to date.

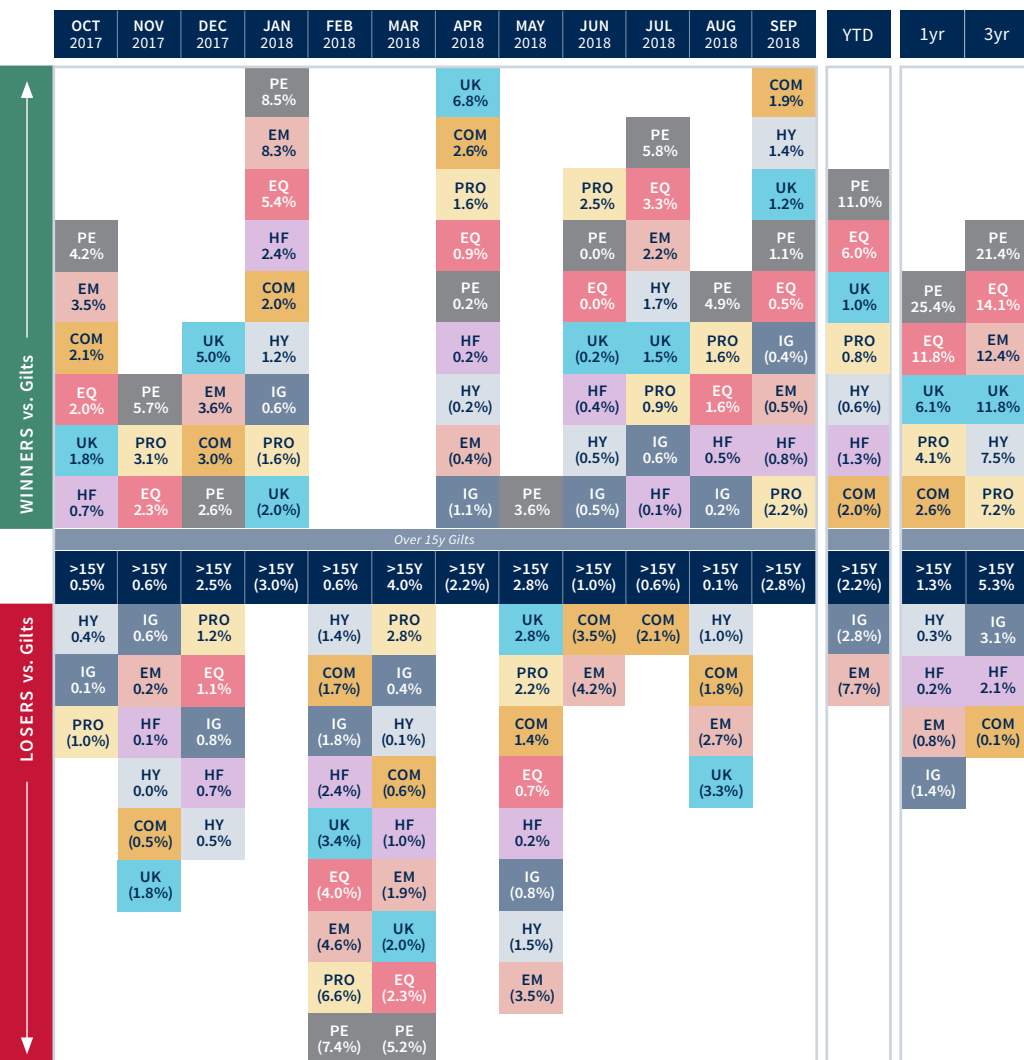
Some negative macroeconomic data within the Eurozone and ongoing concerns over Italy gives the ECB something to think about as it tries to tighten monetary policy.

#### PERIODIC TABLE INDEX KEY

UK	UK Equities
EQ	World Equities
EM	Emerging Equities
>15Y	UK 15+ Gilts
IG	Global IG Credit
HY	Global HY Credit
COM	Commodities
PRO	Global Property
HF	Hedge Funds
PE	Private Equity

### PERIODIC TABLE OF ASSET CLASSES

The chart below shows stacked performance figures for selected asset classes from best to worst. From left to right it shows a monthly performance for the last 12 months, then the YTD, 1yr and 3yr numbers. Gilt returns run across the middle, with anything above it outperforming and anything below underperforming.



### In case you missed it

#### Avoiding another Lehman

Keeping public spending high and interest rates low to offset sluggish economic activity could lead to another Lehman style crisis.

[Investment & Pensions Europe article](#)

#### Britain's unemployment is ultra-low, but its wages are ultra-measly

Data shows wages to be the worst in Britain than any other country in the rich world.

[The Economist article](#)

#### PLSA pitch for light-touch tender rules raises eyebrows

Debate sparked over good governance vs. time wasting for trustees in reaction to PLSA's concerns over fiduciary management tenders.

[Pensions Expert article](#)

#### PPF could share expected pension surplus with members

The PPF is developing a strategy to reach its funding target of self-sufficiency by 2030.

[Pensions Age article](#)

#### The world this week: Business

Argentinian president announces new taxes on exports in reaction to the plummeting peso.

[The Economist article](#)

### STAT OF THE MONTH

# 3,496

days

And still counting: the length of the current S&P bull run — the longest in history.

Source: Bloomberg.

Please see disclosures overleaf for indices used.

# Monthly

## Gatmore Pensions Summary (GPS) September 2018

 3x Multi-Asset Award Winner



### GPS VIEWPOINT

## Gatmore Multi-Asset Fund hits three-year mark

On 1 September this year, the Gatmore Multi-Asset Fund had its three-year birthday and we are proud of the fund's achievements in terms of absolute and risk-adjusted returns.

Managing risk has become the main focus of pension funds over the last ten years. The growth of liability driven investment, liability management exercises, insurance and diversified growth funds are all about managing risk. However, it is important when it comes to growth portfolio risk that the baby is not thrown out with the bathwater. Taking risk is necessary, but spending that risk wisely is equally important.

In asset management there is a commonly used statistic that captures the amount of return for each unit of risk taken: the Sharpe Ratio. The higher the Sharpe, the better the return relative to volatility.

Since its inception three years ago, the Gatmore Multi-Asset Fund has achieved 7.4% annualised return with approximately 40% the volatility of equities — giving it one of the highest Sharpe Ratios in the industry. This is why we won “multi-asset manager of the year” at the three most prestigious pensions industry awards over the past twelve months.

MSCI World index volatility of 10.4% for the same period. Multi-asset awards: UK Pensions Awards 2018, FT Pension and Investment Provider Awards 2018, Pensions Age Awards 2017.

# Results speak for themselves.

**7.4%**  
Annualised Return

**4.3%**  
Volatility

**1.73**  
Sharpe Ratio

### 3x Multi-Asset Award Winner



## Gatmore Multi-Asset Fund

3-YEAR TRACK RECORD

*7.4% annualised return with approximately  
40% the volatility of equities*

### Important Information

Investors should read and carefully consider the Fund's offering documentation in full prior to making any investment decision in relation to the Fund.

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**Indices in the periodic table** – (UK) FTSE 100 Total Return Index GBP; (EQ) MSCI Daily TR Net World Ex UK USD; (EM) MSCI Emerging Net Total Return USD Index; (>15Y) FTSE Actuaries Govt Securities UK Gilts TR over 15 Yr; (IG) Bloomberg Barclays Global Agg Corporate Total Return Index Value Unhedged USD; (HY) Bloomberg Barclays Global High Yield Total Return Index Value Unhedged; (HF) Hedge Fund Research HFRX Global Hedge Fund Index; (PRO) S&P Global REIT USD Total Return Index; (COM) Bloomberg Commodity Index Total Return; (PE) Thomson Reuters Private Equity Buyout Index.