

Monthly

Gatmore Pensions Summary (GPS) April 2019

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MARKET COMMENTARY

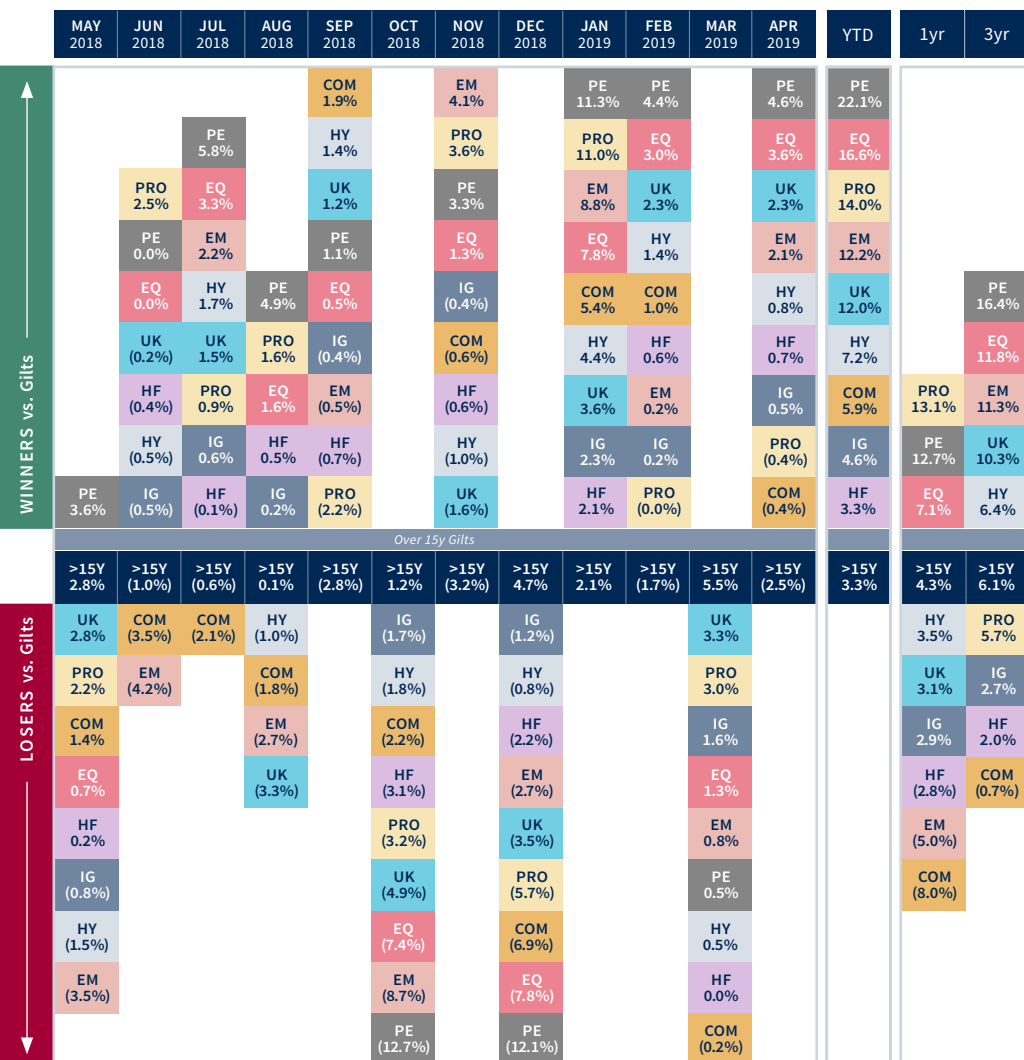
April was another positive month for risk assets, buoyed by economic indicators suggesting the slowdown in global growth had been overestimated. In particular, stronger than expected manufacturing data from both China and the US were followed by robust US jobs data. The risk-on sentiment was furthered by reports that US-China trade talks were progressing, central banks re-emphasising their dovish outlook and a strong start to the US earnings season. As a result the US led the way, with the S&P 500 ending the month at a new record high, whilst Gilt yields rose, reversing some of their March lows.

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

ESG investments increasing, finds BNPP SS study

BNP survey shows 90% of respondents intend to allocate at least 25% of their funds to ESG over the next three years.

[Funds Europe article](#)

Europe Blew Up Financial Research – Hedge Funds and U.S. Firms Won

Analysis of MiFID II finds that firms who pay for research themselves underperformed in the last year.

[Bloomberg article](#)

Factor investing: Is factor investing broken?

Factor investing deemed unrealistic with largely exaggerated returns.

[Funds Europe article](#)

AI and Manager Selection: Will your future consultant be a machine?

Sony CSL research tells the world's largest pension fund (GPIF) that AI will improve manager selection and better management of assets.

[Investment & Pensions Europe article](#)

STAT OF THE MONTH

20

\$trillion

Estimate of ESG AUM

Monthly

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4x

Multi-Asset Award Winner



GPS VIEWPOINT

The Rising Tide of ESG

Only a few years ago ESG was something mentioned in passing but rarely acted on. Although, nobody believed that investing in unethical, poorly-governed, anti-social businesses was the right thing to do, it was hard to find anybody who actively did something about it. However, now the popular misconception that ESG does not improve performance has been debunked and the damage caused by climate change has been put front and centre, there has been a seismic shift in the investment landscape.

This change in mindset has coincided with the DWP's ESG response last year, requiring trustees to add to their Statement of Investment Principles their policy on ESG in the selection of investments, by 1 October 2019. By October 2020, a statement on the implementation of those policies will also need to be made.

The result is every fund manager trumpeting their ESG credentials and jumping on the ESG screening bandwagon. However, it is our view that screening out non-conforming assets has far less of an impact than managers who are working hard to improve ESG standards within businesses, or are finding strategies that have a positive contribution to the world.

The issue is that the latter takes more time and requires a skillset that not all fund managers have.

QUOTE OF THE MONTH

How could I look my grandchildren in the eye and say I knew what was happening to the world and did nothing.

”

David Attenborough

English broadcaster and natural historian



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. 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. Credit spreads chart: BC UA Corporate Avg OAS, BC U.S. Corp HY Avg OAS, Barclays EA Corp Avg OAS, EM USD Aggregate Avg OAS. Source: Bloomberg.