

Monthly

Gatmore Pensions Summary (GPS) December 2019

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MARKET COMMENTARY

In December, we saw China and the US get into the festive spirit by attempting to sign a new trade deal, as China's economic growth picked up for the first time in 8 months. The US market hit a record high in the month, helped by the possibility of improved US-China trade relations.

Amazon shares climbed 1.8% after the e-commerce company said the holiday shopping season had broken all prior records, rising to 19% over the period.

Gold continued its annual Christmas rally rising for the sixth December in a row, closing at over \$1,500 an ounce.

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.

	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	YTD	1yr	3yr	
WINNERS vs. Gilts	PE 11.3%	PE 4.4%		PE 4.6%		PE 12.8%				EM 4.2%		EM 7.5%				
	PRO 11.0%	EQ 3.0%		EQ 3.6%		EQ 6.7%				EQ 2.5%	PE 5.5%	COM 5.0%				
	EM 8.8%	UK 2.3%		UK 2.3%		EM 6.2%				PRO 2.3%	EQ 2.8%	PE 4.3%			PE 16.8%	
	EQ 7.8%	HY 1.4%		EM 2.1%		UK 4.0%			PE 4.0%	COM 2.0%	UK 1.8%	EQ 2.9%	PE 37.4%	PE 37.4%	EQ 12.9%	
	COM 5.4%	COM 1.0%		HY 0.8%		HY 3.2%			UK 3.0%	IG 1.2%	HF 1.0%	UK 2.8%	EQ 28.1%	EQ 28.1%	EM 11.6%	
	HY 4.4%	HF 0.6%		HF 0.7%		IG 2.8%			PRO 2.7%	HY 0.8%	HY 0.1%	HY 2.6%	PRO 24.5%	PRO 24.5%	PRO 8.8%	
	UK 3.6%	EM 0.2%		IG 0.5%		COM 2.7%			EQ 2.0%	HF 0.3%	EM (0.1%)	HF 1.3%	EM 18.4%	EM 18.4%	UK 6.2%	
	IG 2.3%	IG 0.2%		PRO (0.4%)		PRO 2.1%			EM 1.9%	PE (0.6%)	IG (0.2%)	IG 0.9%	UK 17.3%	UK 17.3%	HY 6.0%	
	HF 2.1%	PRO (0.0%)		COM (0.4%)		HF 1.6%			COM 1.2%	UK (1.9%)	PRO (1.1%)	PRO (0.1%)	HY 12.6%	HY 12.6%	IG 5.5%	
	Over 15y Gilts															
	>15Y 2.1%	>15Y (1.7%)	>15Y 5.5%	>15Y (2.5%)	>15Y 4.5%	>15Y 0.2%	>15Y 3.2%	>15Y 6.6%	>15Y 0.9%	>15Y (3.1%)	>15Y (1.3%)	>15Y (2.4%)	>15Y 12.0%	>15Y 12.0%	>15Y 5.1%	
			UK 3.3%		IG 0.7%		UK 2.2%	PRO 2.5%	HY 0.5%		COM (2.6%)		IG 11.5%	IG 11.5%	HF 2.4%	
		PRO 3.0%		PRO (0.2%)		PE 1.5%	IG 1.9%	HF 0.4%				HF 8.7%	HF 8.7%	COM (0.9%)		
		IG 1.6%		HF (0.7%)		HF 0.8%	HF 0.4%	IG (0.8%)				COM 7.7%	COM 7.7%			
		EQ 1.3%		HY (1.0%)		PRO 0.7%	HY (1.6%)									
		EM 0.8%		UK (2.9%)		EQ 0.6%	EQ (1.9%)									
		PE 0.5%		COM (3.4%)		HY 0.4%	COM (2.3%)									
		HY 0.5%		EQ (5.8%)		IG 0.1%	PE (2.6%)									
		HF 0.0%		EM (7.3%)		COM (0.7%)	UK (4.1%)									
		COM (0.2%)		PE (11.3%)		EM (1.2%)	EM (4.9%)									

In case you missed it

Investors pull £2.8bn out of UK property funds amid high street gloom

Asset managers could introduce queuing systems for customers to redeem and avoid gating funds.

[The Guardian article](#)

Traders buy hedges 'like world is about to end'

Although volatility in markets remains low, investor are buying protection as though 'the world is about to end'.

[Bloomberg article](#) *

Mobius Life launches specialist alternative fund range

Gatmore Multi-Asset Fund now available on the Mobius Life platform.

[Professional Pensions article](#)

UK asset managers agree responsible investment 'common language'

The Investment Association reveals guidelines to provide clarity to consumers.

[Investment & Pensions Europe article](#)

2020 Investment Horizons: Emerging markets face contagion

A large amount of flows to the developing world could be result in a misallocation of capital.

[Investment & Pensions Europe article](#)

STAT OF THE MONTH

353m

Trees planted in Ethiopia in July, in 12 hours (a world record for tree planting).



GPS VIEWPOINT

World Cups, Politics and Proroguing

2019 was a year of politics and sport, at least in the UK. We saw Theresa May succumb to the Brexit juggernaut, stepping aside in July as Boris Johnson took over and vowed to finish what he had started three years earlier. Parliamentary stalemate followed and we learnt a new word, prorogue, as he suspended it. With no way forward a December election was called and, as Labour underestimated the national feeling of frustration, the Tories won a landslide victory with a mandate to “Get Brexit Done”.

Globally, the news flows on US-China trade wars have been a major driver of markets. As we go into 2020, there are some positive signs, including an initial deal to reduce US tariffs in exchange for better protection of US intellectual property. However, in the background, Donald Trump’s impeachment and the looming 2020 US elections may weaken his ability to negotiate.

In sport, England won an extraordinary cricket world cup with a Super Over victory against New Zealand at Lords, Ben Stokes being the hero of the hour. However, in rugby, the England team fell short in their world cup final, losing to a powerful South Africa side in Yokohama: South African captain Siya Kolisi becoming the smiling face of a nation. Lewis Hamilton won his sixth Formula 1 championship, putting in some unbelievable drives over the course of the season. Record crowds at the women’s football world cup in France saw England knocked out in the semi-final by eventual winners, the USA. And a special congratulations go to Fallon Sherrock who became the first woman to win a match at the PDC World Darts championships.

Away from politics and sport, Greta Thunberg was the voice of the world’s environmental campaigners. The Swedish teenager has taken on politicians and big business with her honest and frank assessment of the state of the earth and the ticking time-bomb that is global warming. With bush fires burning in Australia, rivers drying up in Asia, ice melting in Antarctica and hottest day records being broken around the world, her voice is being heard loud and clear. 2020 will be the year that climate change, and wider ESG issues, rise to the top of political, business and pension agendas. We hope it is not too late.

In 2020 we look forward to moving beyond Brexit, US elections and Euro 2020 — well at least one of them!

QUOTE OF THE MONTH

Since our leaders are behaving like children, we will have to take the responsibility they should have taken long ago.



Greta Thunberg

Swedish environmental activist (16-years old)

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.