



# Monthly

## Gatmore Pensions Summary (GPS) May 2018

 3x Multi-Asset Award Winner



### GPS VIEWPOINT

## Turns out small really is beautiful!

Barrons have recently released their data on the top 100 best performing hedge funds in 2017, titled “*Smaller Funds Hit the Mark*”, and the CIO of Australia’s sovereign wealth fund has stated that investors need to start looking beyond hedge fund brand names for alpha generation. The truth is now starting to emerge that the well-known funds that have been the home of so many pension schemes have now just got too big to deliver any form of return.

The larger a fund becomes the smaller their investment universe is. Performance then suffers but, to make matters worse, the fund manager is netting a vast income as an ‘asset gatherer’ and performance becomes secondary. This position is further supported by a [report](#) that Gatmore commissioned from *CASS Business School* which proved not only that smaller funds outperformed their larger peers, but also protected capital better in times of market distress.

The pension industry has repeatedly given more money to the ‘brands’ of the fund management world and have got away with it recently due to the strength of the equity markets. However, it looks like statistics are finally pointing to the important realisation that big is not better.

### QUOTE OF THE MONTH

*The bigger they come,  
the harder they fall.*



**Joe Walcott**

THE BARBADOS DEMON, WELTERWEIGHT  
CHAMPION 1901–1904

*We are pleased to announce that this month saw our flagship Multi-Asset Fund win two prestigious awards with the judges recognising our differentiated approach and strong performance.*



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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.