# Zurich WM CIO warns against big name funds

By **Ashley Lowe** / 29 Jan, 2019 at 08:59

When it comes to navigating volatility and reaping returns in a tough equity market, Limmat Wealth CIO Jan Mueller says that wealth managers should not go with big name funds.

Mueller (pictured) told *Citywire Switzerland* that he believes the best returns can be achieved from funds that fly under the radar.

He said: 'We try to find thematic investments that not everybody has. For example, we invest in a fund that focuses on the fishing sector. Such funds often don't behave like the regular equity market.'

Regarding hedge funds specifically, Mueller noted that going with household names will not bring much value, especially considering that investors could find and buy those names direct.

'We try to find unknown funds that are small and nimble,' he said. 'They can move in the market when necessary.'

## Risk and return

Mueller is a firm believer that small funds are misunderstood, often being thought of as more risky.

'It's a misconception. People think because they are small, they are dangerous and untransparent. But they're not as untransparent as people think, and you can get the information if you want to,' he said, noting that managing risk requires extensive research.

According to Mueller, about 75% of his time is dedicated to looking for funds, which includes visiting managers in person.

'I can see what they do and ask questions. I want to make sure I minimise the risk of fraud,' he said.

'In the end, you either trust the manager or you don't. There's evidence that smaller managers perform better, and with smaller positions you won't be moving markets. Returns are still the most important thing.'