

## Money Manager Cliches

I've spent a good chunk of my career looking at various funds, strategies, presentations, pitch books and sales pitches from money managers. While this experience has come from all sorts of different fund structures, asset classes and styles, there are many similarities between the narratives when you listen to enough of these pitches.

Every firm, portfolio manager or marketing person would like to believe that they're a special snowflake but there are cliches in the money management industry that get used over and over again. And don't get me wrong -- I understand why cliches are used. People wouldn't use cliches if they weren't true of some good money managers. Certain firms or individuals can back up their selling points but I've noticed far too many fund firms are better at selling themselves and crafting good stories than following through with actual substance behind a handful of platitudes that have been vetted and shaped by a good marketing department.

Intelligent allocators of capital must be able to dig deeper and understand that cliches don't tell you anything besides what you want to hear.

Here's my list of money manager cliches I've heard the most over the years along with a few simple translations:

**"We're bottoms-up stockpickers"**

Translation: We're closet indexers.

**"We look at the markets from a macro, top-down perspective."**

Translation: We got crushed in 2008 and needed to pivot to show we understand economic cycles better.

**"We have a repeatable process."**

Translation: Our process changes when we underperform.

**"We have a go-anywhere, unconstrained investment style."**

Translation: We can lose money in any environment.

**"We're long-term investors."**

Translation: One month holding period, tops.

**"We look to take advantage of market dislocations and volatility."**

Translation: We will lose more money than the market during the next downturn.

**"We provide stock-like returns with bond-like volatility."**

Translation: We provide cash-like returns with stock-like volatility.

**"We have boots on the ground."**

Translation: We have a huge travel budget and far too many analysts on staff.

**"This is our best ideas portfolio."**

Translation: We honestly have no clue what our best ideas are.

**"We meet with company management and talk to all suppliers and competitors to truly understand our holdings."**

Translation: We read a lot of sell side analyst reports.

**"We're not benchmarked focused."**

Translation: If and when we outperform we will definitely be comparing ourselves to the S&P 500 but not when we underperform

**"We have an excellent risk-adjusted return history."**

Translation: We've severely underperformed.

**"We only invest in companies where there are catalysts for upside value."**

Translation: We invest in momentum companies and pray they keep going up.

**"We have a separate risk management department."**

Translation: We almost blew up our fund in the past.

**"Our returns our top quartile."**

Translation: Everyone says they're top quartile because we all just make up our own peer rankings.

**"Here's what differentiates us from our competitors..."**

Translation: Here's why we're exactly like our competitors but with a different narrative attached.

**"Our strategy is opportunistic."**

Translation: We give you multiple ways to lose money.

**"We wait for the fat pitch."**

Translation: We swing at everything.

**"We look to protect capital in down markets."**

Translation: You will definitely be firing us during a bull market.

**"We're looking to generate significant alpha over 3-5 year periods."**

Translation: No one really bothers to understand what "alpha" really is but this makes us sound intelligent.

**"We're concentrated, deep value investors."**

Translation: We own 350 stocks and Apple is our largest holding.

**"We look for growth at a reasonable price."**

Translation: We underperform when value is doing well and when growth is doing well.

**"We have 150 years of combined experience."**

Translation: Everyone else puts this in their presentations so we followed suit.

**"We use a qualitative and quantitative process in our research."**

Translation: We're no good at either.

Further Reading:

[Some Things You Will Never \(Rarely\) Hear From Portfolio Managers](#)