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PERIOD ENDING – 31 AUGUST 2020

Managed Funds

Fund name	Size $m	1 year % p.a.	1 year Rank	3 years % p.a.	3 years Rank	5 years % p.a.	5 years Rank
GROWTH							
IOOF MultiMix Growth Trust	613	2.6	2	8.4	1	8.0	3
Vanguard High Growth Index Fund	3056	2.4	5	8.3	2	8.0	4
Fiducian Growth Fund	142	2.5	4	8.0	3	8.1	2
Vanguard Growth Index Fund	5388	2.5	3	7.6	4	7.3	5
Fiducian Ultra Growth Fund	191	3.3	1	7.4	5	8.2	1
BT Multi-Manager High Growth Fund	11	-0.2	8	7.0	6	7.2	6
BT Multi-Manager Growth Fund	40	-0.2	7	6.3	7	6.6	7
UBS Tactical Beta Fund - Growth	143	1.2	6	5.2	8	6.1	8
U Ethical Growth Portfolio	187	-2.7	11	5.1	9	4.4	11
Pendal Active High Growth Fund	20	-2.1	10	4.9	10		
Sector average	**821**	**0.1**		**6.2**		**6.7**	
BALANCED							
Macquarie Balanced Growth Fund	725	5.6	1	7.9	1	8.1	1
IOOF MultiMix Balanced Growth Trust	1751	2.9	3	7.7	2	7.2	4
Ausbil Balanced Fund	112	-0.7	12	7.6	3	6.6	6
Fiducian Balanced Fund	358	2.7	4	7.5	4	7.5	2
BlackRock Tactical Growth Fund	462	0.8	9	7.2	5	6.2	8
SSGA Passive Balanced Trust	80	-1.1	15	7.0	6	6.7	5
Vanguard Balanced Index Fund	5304	2.5	5	6.8	7	6.5	7
Responsible Investment Leaders Bal	606	1.6	7	6.5	8	5.9	11
BT Multi-Manager Balanced Fund	84	-0.3	11	5.8	9	6.0	9
Zurich Managed Growth Fund	75	-0.7	13	5.7	10		10
Sector average	**572**	**0.2**		**5.3**		**5.9**	

Fund name	Size $m	1 year % p.a.	1 year Rank	3 years % p.a.	3 years Rank	5 years % p.a.	5 years Rank
CAPITAL STABLE							
Macquarie Capital Stable Fund	29	7.3	1	6.7	1	5.8	3
IOOF MultiMix Moderate Trust	573	1.7	6	6.1	2	6.0	1
Vanguard Conservative Index Fund	2584	2.4	2	5.7	3	5.4	4
Fiducian Capital Stable Fund	318	2.2	4	5.1	4	4.8	7
IOOF MultiMix Conservative Trust	647	2.4	3	4.9	5	5.0	5
UBS Tactical Beta Fund - Conservative	84	1.5	7	4.5	6	4.5	8
Perpetual Diversified Growth Fund	103	-1.0	13	4.3	7	4.5	9
Perpetual Conservative Growth Fund	337	-0.3	9	4.1	8	4.0	11
BT Multi-Manager Conservative Fund	33	-0.3	10	4.0	9	4.0	12
AMS Moderately Conservative Fund	220	2.1	5	3.8	10	4.9	6
Sector average	**380**	**0.5**		**4.1**		**4.5**	
CREDIT							
Principal Global Credit Opportunities Fund	184	10.1	1	6.6	1	6.4	1
VanEck Vectors Aust. Corp. Bond Plus ETF	234	2.3	12	5.7	2		
Metrics Credit Div. Aust. Sen. Loan Fund	2172	4.9	2	5.1	3	5.0	3
Vanguard Australian Corp Fixed Interest Index	169	2.3	13	5.1	4	4.6	5
Pendal Enhanced Credit Fund	397	2.5	7	5.1	5	4.5	6
Vanguard Aust Corp. Fixed Interest Index ETF	347	2.3	11	5.0	6		
Janus Henderson Diversified Credit Fund	645	4.6	3	4.0	7	4.5	7
Yarra Enhanced Income Fund	79	-0.2	25	4.0	8	5.4	2
PIMCO Global Credit Fund	543	3.4	5	4.0	9	4.7	4
Franklin Australian Absolute Return Bond	544	2.5	8	3.9	10	3.8	11
Sector average	**732**	**2.3**		**3.5**		**3.7**	

Note: The performance figures for diversified funds are net of fees, performance figures for sector specific funds are adjusted for fees.

Source: Rainmaker Information

Super versus housing?

Brumbie

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Australia is about to have a serious policy debate about whether young people should be allowed to divert their compulsory superannuation contributions towards a home deposit.

For this we have two backbench parliamentarians to thank: Tim Wilson MP and Senator Andrew Bragg.

Firstly, they believe young people have been squeezed out of buying their own home because they have to put so much of their money into superannuation. Secondly, owning your own home should be a de facto forth pillar of the retirement policy matrix.

Their critics have accused them of promoting this idea simply because they are chasing votes. Research released as part of the Australian Electoral Survey has revealed that 46% of home owners vote Liberal, 33% vote Labor and just 6% vote Greens.

But their belief in the idea of home ownership is a much deeper tenet of faith. Wilson recently said he believes the family (whatever you define it to be) is the bedrock of Australian society and the central focus of any family is their home.

His argument is not so much against super, but that he believes policymakers need to actively minimise any obstacle that gets in the way of home ownership.

It's hard to imagine any serious person refusing the right of anyone to save for and purchase their own home, let alone disputing that it should be part of their retirement plan.

Nevertheless, before policymakers get to work devising ways to implement such a major policy shift, we should look at the evidence, lest we end up fixing the wrong problem. Trouble is, when we do we find the story isn't as cut and dry as some might think.

People advocating that young people should be able to divert their super contributions towards a home deposit often cite the fact that home ownership rates are not only falling, for young people they're plummeting.

By comparing 2006 and 2016 Australian Bureau of Statistics (ABS) home ownership data for people aged 25-34 years they found it had fallen from 58% to 47%, for people aged 35-44 years it had fallen from 70% to 62% and for people aged 45-54 years it had fallen from 78% to 72%. Grattan projected that home ownership among retirees could drop one-quarter from its 2016 high watermark of 76% to just 58% by mid-century.

Unchecked, this could see the super system implode. Remember that policy settings were designed to boost retirement incomes on the assumption most people would have paid off their home by retirement.

Other ABS data showing that already one-third of retirees use their super to pay off or pay down their mortgages should be seen as a canary in the coal mine.

Reinforcing this, advocates for the super for home deposit idea say home prices have risen so high because of compulsory super's resultant economic distortions. Never mind that this confuses correlation with cause.

The Committee for Economic Development of Australia (CEDA) meanwhile reported that it was only after about 2003 that the index of real housing prices surged ahead of the real wage index. Up until then the two indexes pretty much tracked each other.

Finally, in 2015 the RBA said house prices surged due to the combined impacts of financial market deregulation that led to fierce competition between lenders, low inflation and low interest rates flooding the market with liquidity and high demand fueled by population growth.

So sure, let's modify the Home Super Saving Scheme to help young people buy their first home. But don't for a minute think it will address any of the factors squeezing young people out of the housing market. Giddyup. **FS**