

PERIOD ENDING – 31 AUGUST 2020

Managed Funds

Fund name	Size \$m	1 year		3 years		5 years	
		% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AUSTRALIAN EQUITIES							
Australian Unity Platypus Aust Equities	141	18.4	1	17.3	1	15.2	2
Bennelong Australian Equities Fund	563	18.0	2	16.2	2	15.0	3
Bennelong Concentrated Aust Equities	902	17.1	3	14.9	3	17.4	1
Greencape Broadcap Fund	756	8.8	5	11.7	4	12.5	6
Alphinity Sustainable Share Fund	167	1.2	15	11.6	5	10.9	7
AMP Sustainable Share Fund	14	2.5	13	10.6	6	8.8	24
Greencape High Conviction Fund	424	4.7	9	10.0	7	10.8	9
Aberdeen Standard Australian Equities Fund	46	-0.2	17	9.3	8	9.5	19
Australian Ethical Australian Shares Fund	289	3.4	10	9.3	9	10.9	8
Australian Unity Platypus Systematic Growth	24	-2.8	30	9.1	10	9.8	15
Sector average	415	-4.2		5.3		7.6	
S&P ASX 200 Accum Index		-5.1		6.1		7.5	

INTERNATIONAL EQUITIES

Loftus Peak Global Disruption Fund	107	37.1	1	24.2	1		
BetaShares Global Sustainability Leaders ETF	727	27.9	3	23.5	2		
Zurich Concentrated Global Growth	32	15.0	11	23.1	3		
T. Rowe Price Global Equity Fund	3,696	24.6	4	21.5	4	16.4	1
Franklin Global Growth Fund	295	24.4	5	20.5	5	16.3	2
Nikko AM Global Share Fund	100	13.1	16	18.9	6	13.7	4
Evans and Partners International Fund	52	1.5	62	18.4	7	14.1	3
Capital Group New Perspective Fund	648	19.4	6	18.4	8		
Apostle Dundas Global Equity Fund	994	12.4	17	18.0	9	12.6	6
Intermede Global Equities Fund	142	15.1	9	17.7	10	13.6	5
Sector average	738	4.5		10.7		8.8	
MSCI World ex AU - Index		7.3		13.2		10.2	

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

Source: Rainmaker Information

Fund name	Size \$m	1 year		3 years		5 years	
		% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
COMBINED PROPERTY							
Australian Unity Diversified Property Fund	282	14.5	1	14.6	1	17.1	1
Investa Commercial Property Fund	5,937	6.2	3	12.4	2	13.6	2
Lend Lease Aust Prime Property Industrial	1,089	12.3	2	12.3	3	11.5	4
Lend Lease Aust Prime Property Commercial	5,154	5.2	4	11.4	4	12.7	3
AMP Listed Property Trusts Fund	129	-9.9	10	9.9	5	9.4	7
Pendal Property Securities Fund	429	-11.9	14	8.4	6	8.7	10
DEXUS Property Fund	10,284	-0.9	7	7.9	7	10.7	5
UBS Property Securities Fund	159	-14.0	24	7.8	8	8.9	8
ISPT Core Fund	16,041	1.3	6	6.9	9	9.6	6
Ironbark Paladin Property Securities Fund	288	-12.0	15	6.6	10	7.5	13
Sector average	1,198	-14.1		3.4		5.7	
S&P ASX200 A-REIT Index		-17.7		4.4		5.8	

FIXED INTEREST

Principal Global Credit Opportunities Fund	184	10.1	1	6.6	1	6.4	1
Legg Mason Brandywine Global Inc Optimiser Fund	55	9.9	2	6.2	2		
Schroder Fixed Income Fund	2,366	2.5	21	6.2	3	4.7	14
Macquarie True Index Sovereign Bond Fund	610	0.7	70	6.1	4	4.6	29
Pendal Government Bond Fund	883	1.7	48	5.9	5	4.6	28
Macquarie Australian Fixed Interest Fund	222	2.0	36	5.9	6	4.9	8
QIC Australian Fixed Interest Fund	1,652	2.4	25	5.9	7	4.7	13
AMP Capital Wholesale Australian Bond Fund	994	2.0	40	5.9	8	4.8	11
Nikko AM Australian Bond Fund	188	1.8	47	5.9	9	4.8	12
Perpetual Wholesale Active Fixed Interest Fund	457	1.5	54	5.8	10		
Sector average	945	1.8		4.2		4.0	
Bloomberg Barclays Australia Breakeven		0.4		6.2		4.8	



Dial tones

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Time to push the dial on awards

Those of you working in large corporate offices know the pain that occurs when staff engagement falls below a certain level.

Since this reflects badly on management, senior executives hurriedly organise an offsite somewhere fabulous so they can think the problem through with no distractions.

After some deep soul searching and a couple of rounds of golf they come up with a solution: Staff awards! Movie tickets!

And so it begins. A junior staff member is tasked with organising and ensuring a pipeline of recommendations for the executive committee to decide who has gone above and beyond.

The attentive reader will have the sneaking suspicion by now that I never won one of these awards, but what I observed was that these awards were rather ad hoc. You couldn't aspire to be a winner, because the criteria was opaque. If the criteria is opaque, it's not repeatable. If it's not repeatable, enthusiasm drifts away like revellers at a beach party when the tide comes in.

Which brings me to this month's topic, which is funds management awards. We at Rainmaker Information have just concluded the analysis for the *Money* magazine (sister publication to *Financial Standard*) Best of the Best Awards, which includes funds management.

Some funds management awards are low key and some are an excuse for a legendary (pre-COVID-19) knees up. Some awards in foreign locales invite managers to submit their reasons on why they should win an award. The award is pretty much for the skill of writing a submission.

How much do awards mean to current and potential investors? I really don't know. That's something for the marketers to work out. It is more valuable to me that the awards have the respect of funds managers themselves. They know whether they are doing a good job or not. When a funds manager wins an award and they know it was a matter of luck, those awards are not respected.

But if the rules are clear and repeatable and genuinely have the interests of investors at heart, that's a different story.

Our approach is pretty simple. We all know that any sort of return is accompanied by its silent partner – risk. Therefore, the risk taken to achieve that return is just as important as the return itself.

What are those risks? Well, there's volatility, which is how much the return bobbles around.

Volatility comes in different forms. It can be total volatility, which includes price movements both upwards (positive) and downwards (nega-

tive). It's the size of the difference in returns from one month to the next that determines how volatile the investment turns out to be. Now, you might not care about how volatile price movements are when they are positive – "it's all good" as the youngsters say – and this is why we also use downside volatility. This measures the volatility of returns that are either negative or fall below a threshold, such as the cash rate.

The Sharpe and Sortino ratios capture both volatility and returns. This is an attempt by finance geeks to compare investment products with different returns and volatilities. Sometimes this is referred to as return per unit of risk, where the risk is either straight volatility (Sharpe) or downside volatility (Sortino).

As an example, one of the winners in an equities category didn't have the highest return (although still pretty decent), but absolutely killed it in the downside volatility department, giving it the highest Sortino ratio. Along with strong performance according to other measures, this was sufficient to give it the winning spot – this year. I know others may differ in this opinion, but while much is made of the "winner" in any category, any finalist is just as worthy of consideration. In fact, above anything else, consistency in investment, as it is in life, is the key success factor. **FS**