

PERIOD ENDING – 30 JUNE 2019

Managed Funds

Fund name	Size \$m	1 year		3 years		5 years	
		% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AUSTRALIAN EQUITIES							
Dimensional Australian Value Trust	742	9.3	30	16.6	1	9.6	31
Macquarie WS Australian Equities Fund	179	10.0	22	16.3	2	13.4	3
Pendal Focus Australian Share Fund	622	8.7	35	15.6	3	11.4	11
Allan Gray Australia Equity Fund	1681	7.3	48	14.8	4	11.1	14
Schroder Australian Equity Fund	1054	9.7	24	14.8	5	8.1	60
Solaris High Alpha Australian Equity	1	9.6	25	14.8	6	10.7	19
Solaris Core Australian Equity Fund	800	10.4	20	14.7	7	10.8	17
Franklin Templeton Australian Equity Fund	16	12.3	7	14.5	8	8.3	56
Greencap Broadcap Fund	596	7.4	46	14.3	9	11.0	16
Macquarie Aust Enhanced Plus Equities	31	11.0	17	14.3	10	10.1	24
Sector average	\$684	6.6		11.3		8.8	
S&P ASX 200 Accum Index		11.5		12.9		8.9	
INTERNATIONAL EQUITIES							
T. Rowe Price Global Equity Fund	2948	12.9	20	19.3	1	17.1	2
Nikko AM Global Share Fund	80	15.6	14	18.7	2	16.3	9
Legg Mason Martin Currie Global Long-Term Fund	11	21.9	2	18.4	3		
Zurich Unhedged Global Growth Share Fund	383	17.2	9	18.1	4	15.5	14
Zurich Global Growth Share Fund	170	17.1	11	18.0	5	15.5	15
Magellan High Conviction Fund	583	13.1	19	17.6	6	16.2	10
Magellan Global Fund	11180	20.2	4	17.5	7	16.0	11
Walter Scott Global Equity Fund	3565	20.5	3	17.3	8	16.8	5
Franklin Global Growth Fund	216	7.6	54	17.2	9	16.5	6
Capital Group New Perspective Fund	384	12.4	24	17.0	10		
Sector average	\$968	9.2		13.8		13.1	
MSCI AC World ex AU Index		11.9		14.5		13.4	

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 Retail Property Fund	24	10.9	28	21.7	1	18.7	1
Premium Asia Property Fund	9	14.9	14	16.9	2	18.2	2
Investa Commercial Property Fund	5616	14.2	18	15.6	3	14.7	8
Lend Lease Aust Prime Property Commercial	5107	13.2	23	14.0	4	13.6	15
DEXUS Property Fund	10371	10.4	29	13.2	5	13.1	20
Australian Unity Healthcare Property Trust	1144	9.7	32	13.0	6	13.9	13
Macquarie Property Securities Fund	71	25.5	2	11.6	7	15.7	3
Lend Lease Aust Prime Property Industrial	979	13.4	21	11.6	8	12.2	28
ISPT Core Fund	15203	7.3	41	11.3	9	11.7	29
UBS Property Securities Fund	195	24.8	3	11.2	10	15.2	4
Sector average	\$1,501	12.9		8.8		11.9	
S&P ASX200 A-REIT Index		19.3		8.1		13.6	
FIXED INTEREST							
Ardea Australian Inflation Linked Bond Fund	446	8.5	24	4.9	1	5.0	22
Janus Henderson Diversified Credit Fund	300	4.7	52	4.9	2	3.6	47
Macquarie Core Australian Fixed Int Fund	330	10.0	2	4.8	3	5.6	3
BlackRock Australian Bond Fund	66	9.8	6	4.8	4	5.6	4
Franklin Templeton Multisector Bond Fund	319	4.2	56	4.7	5	2.1	57
Legg Mason Western Asset Australian Bond	878	9.4	10	4.7	6	5.4	7
UBS Global Credit Fund	90	9.0	19	4.7	7	5.4	8
PIMCO Global RealReturn Fund	11	6.5	44	4.6	8	6.4	1
Macquarie Australian Fixed Interest Fund	110	9.4	11	4.6	9	5.5	5
Macquarie Global Income Opportunities	369	5.9	47	4.6	10	3.7	46
Sector average	\$881	6.8		3.5		4.3	
Bloomberg Ausbond Composite		10.2		4.4		5.3	



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The day Australia's regional future changed

Mark 2 August 2019 in your personal memoirs as the day Australia's economic trajectory changed forever.

That day was the start of the 2019 AUSMIN ministerial talks between Australia and the United States. With geopolitical tensions between the US and China heightened, regional tensions surfacing between Japan and South Korea, growing concerns over Hong Kong, and rising animosity in the Middle East over Iran, no one expected this year's talks to be easy.

But few observers would have expected headlines that Australia was "giving serious consideration" to a request from US Secretary of State Mike Pompeo that Australia agree to US intermediate range missiles stationed near Darwin and pointed at China.

The reaction from Australia's defence and foreign ministers took a few days to materialise but when it did they fell over themselves to publicly declare they had dismissed the idea, it was never even mentioned and it would never happen. They had no doubt seen the news reports coming out of China quoting unnamed Beijing officials saying should the US place such missiles into the region, China would ramp up its military options in response.

Then a few days later global stock markets

went into meltdown when news broke in global currency markets that the People's Bank of China had reset the yuan's daily reference rate to be less than seven per USD for the first time in more than a decade. The US Treasury almost immediately designated China a "currency manipulator" although what really happened was likely the opposite: China stopped manipulating its currency and artificially holding up the yuan.

The next day a major agricultural trade deal was announced between China and Russia. This deal, following close on the heels of announcements of enhanced China and Russia military cooperation, has other benefits – it will further damage Trump-voting US farmers who have already been hit hard by the US-China tariff war.

And if all that wasn't enough, Andrew Hastie then published an op-ed warning Australia has been asleep at the wheel amid China's growing military ambitions.

The piece sent shockwaves through Australia's political, defence and foreign policy communities. Not because people disagreed with him, but because he said what many were thinking.

It should be seen as no coincidence that Pompeo then gave a major speech saying almost the same thing: "We were asleep at the switch."

It is now being openly canvassed in secu-

rity circles that the West made a huge strategic mistake "engaging with China" as it enabled China to multiply its economy, handing it the financial clout to directly challenge US hegemony in the region.

US-China geopolitical tensions hitting fever pitch matters to Australia because our economy is considered the most China-integrated and reliant of any developed nation.

Australia has been able to manage this arrangement because, until recently, the US was so dominant in Asia Pacific that there was no contest. This gave Australia's leaders the cover they needed to say we didn't need to choose between the eagle or the dragon.

But this presupposes such a choice and when we make it will be at our discretion, explained Hugh White, professor of Strategic Studies at the Australia National University Strategic and Defence Studies Centre in August.

And his view is backed by experts, think tanks, military, security and political leaders on both sides of the Pacific.

The US has now told Australia in crystal clear terms what it expects – for us to decouple from China just as it is. Straddling the intensifying US-China divide was complex enough for Australia and it's now a whole lot worse. Giddyup. **FS**