

Wholesale Managed Funds Performance – March 2019

The Australian Unity Retail Property Fund and Fidelity China Fund were the highest performing wholesale managed funds in the three years to March 2019, with after-fee returns of 25.1% p.a. and 20.1% p.a. respectively.

Rainmaker Information has just released its latest managed funds investment report for the three year period to 31 March 2019.

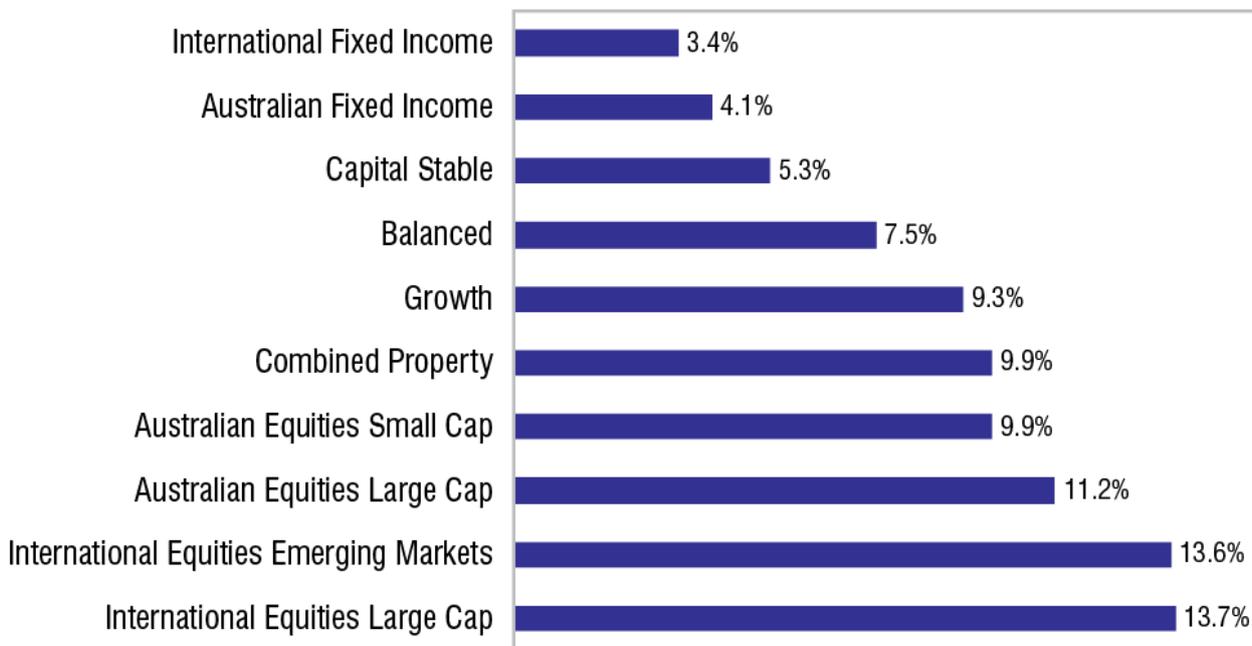
International equities was the top performing asset sector, achieving median returns after fees of more than 13% p.a. Large cap diversified global equities slightly edged emerging markets international equities by a small margin however.

The Australian equities asset sector was close behind with median returns for the sector of 11.2% p.a. for large cap Australian equities and 9.9% p.a. for small cap managed funds.

In last place was the international fixed interest bond sector with median returns of 3.4% pa. In second last place was the Australian fixed interest sector with median returns of 4.1% pa.

The sector median was outperformed by the relevant index in each of the below strategies except for international fixed income (Bloomberg Barclays Global Agg Hedged with 3.2%) and combined property (the S&P ASX200 A-REIT Index matched the sector median with 9.9%).

WHICH ASSET SECTOR PERFORMED BEST?



Sector median, 3 yrs pa after fees

SOURCE: RAINMAKER INFORMATION

Rainmaker's head of investment research, John Dyall, said "the last three years has been a fascinating period for equities markets, both internationally and in Australia. The headline numbers can hide a lot of important information from investors."

"Where you are invested and your managed fund's currency position has had a large effect on your returns. Currency has added a lot to the international equities returns if you are unhedged, while Australian resource stocks have eclipsed returns from industrials," explained Dyall.

As a result, Dyall cautioned investors to look behind the headline investment return figures because consistency of investment returns is just as important. Plus investors should be careful to invest into managed funds with clear investment objectives that they are committed to.

"While headline returns are a key measurement of success for managed funds, consistency of returns and the ability of a fund to match its performance to its stated investment objective are also crucial factors when comparing funds."

Sector	Top performing product	Three year performance	Sector median
Growth ¹	MLC Horizon 7 Accelerated Growth Portfolio	14.1%	9.3%
Balanced ¹	BlackRock Scientific Diversified Growth Fund	10.2%	7.5%
Capital Stable ¹	IOOF MultiMix Moderate Trust	7.7%	5.3%
Australian Equities Large Cap	Dimensional Australia Value Trust	11.9%	11.2%
Australian Equities Small Cap	Pendal MicroCap Opportunities Fund	17.2%	9.9%
International Equities Large Cap	T. Rowe Price Global Equity Fund	19.1%	13.7%
International Equities Emerging Markets	Fidelity China Fund	20.1%	13.6%
Combined Property	Australian Unity Retail Property Fund	25.1%	9.9%
Australian Fixed Income	Yarra Income Plus Fund	5.1%	4.1%
International Fixed Income	Andrea Real Outcome Fund	5.7%	3.4%
High Yield Credit	Bentham High Yield Fund	8.6%	4.8%

Source: Rainmaker Information Wholesale Managed Funds Report Vol. 21 No. 03

¹ Growth funds have more than 75% of their assets in growth assets such as equities and property, balanced funds have between 55% and 75% and capital stable funds have less than 55%.

For enquiries, please contact:

Julian Clarkstone

P. 02 8234 7514

E. julian.clarkstone@rainmaker.com.au

About Rainmaker Information

Rainmaker Information is a privately held Australian company founded in 1992. The company has established a reputation as a leading financial services information publishing house in Australia providing marketing intelligence, research and consulting services on the wealth management industry and forms part of the Rainmaker Group of companies.

www.rainmaker.com.au