

Fund manager QVG beats 137 funds to take out Mercer survey



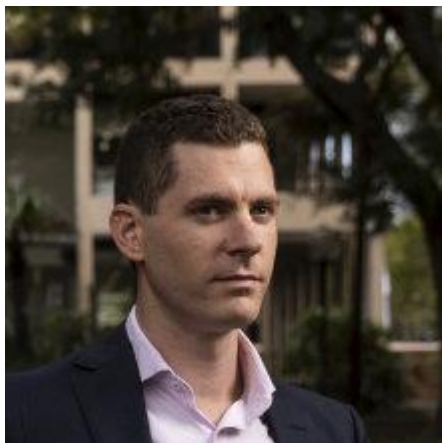
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QVG long short has been crowned the top returning Australian equities manager out of 138 funds in Mercer's survey of the market's best stockpickers of 2019-20.

In a year defined by record prices for technology stocks, the outbreak of COVID-19 which has killed 580,000 people to date, massive volatility, and the collapse of the crude oil price, what fund managers didn't own was just as important as what they did own.

QVG long short delivered 29.3 per cent over the 12 months ended June 30, before fees, according to Mercer versus the negative 7.7 per cent for the S&P/ASX 200 Index. Hyperion Australian growth ranked second with 19 per cent and Collins St Value Fund took third spot with 13.5 per cent.



Josh Clark of QVG Capital. **Dominic Lorrimer**

QVG long short, which is overseen by QVG Capital's Josh Clark, and co-managed by Tony Waters and Chris Prunty, is a "best ideas" strategy seeded in May 2019. It was the winner despite placing sixth in the June quarter within the hedge funds category with a 17.5 per cent result.

In that final quarter, Regal Australian long short equity fund returned 30.8 per cent for the best long-short numbers, but it lost 12.5 per cent over the financial year.

Forager Australian Value was the best long-only fund in the quarter, up 39.6 per cent but down 17.5 per cent for 2019-20.

The Martin Currie Australia real income fund [took out the top spot in 2018-19 among all Australian strategies tracked by Mercer](#), delivering 18.8 per cent before fees, to the S&P/ASX 200 Index's one-year return of 11.5 per cent.

"Investment styles often explain a large part of the relative performance of investment managers, and this was the case in this recent period," said Ronan McCabe, head of portfolio management for Mercer in the Pacific region.

"We have seen time and time again that the benefits of active management are most evident in more challenging markets and this continues to be the case."

This time, the median fund manager beat the index with negative 7.1 per cent over 2019-20 against negative 7.7 per cent for the ASX 200, and negative 7.6 per cent for the S&P/ASX 300 Index.

However, the performance gap between the upper and lower quartile managers widened compared to the previous year because of the blow-out in the performance of growth stocks versus value opportunities.

For 2017-18, the top manager was the Sydney-based Selector High Conviction Equity Fund, [which returned 33.8 per cent](#).

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