THE AUSTRALIAN + THE WALL STREET JOURNAL.
BUSINESS REVIEV

S&P/ASX200 6052.9	▲	+111.8
GOLD $US1807.53	▼	-US42c
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Holding their nerve in crisis pays off for active fund man

DAVID ROGERS
MARKETS EDITOR

Mercer's latest Australian Shares Investment Manager Performance survey shows encouraging results for active fund managers, with the median fund outperforming benchmark share indexes over the past year thanks to a huge rebound in share prices during the second quarter.

After a particularly tough first quarter, when the global spread of coronavirus from China and the unprecedented measures taken to contain the virus triggered the fastest-ever bear market, funds that held their nerve and bought the dip were rewarded with strong gains after unprecedented fiscal and monetary stimulus and a faster-than-expected reopening of the global economy.

Consistent with a surge in healthcare and information technology stocks over the past year, funds that focus on quality and growth tended to outperform in the year to June, while steep falls in the energy and financials sectors made it another challenging year for value managers.

The results came after a near 30 per cent bounce in the benchmark S&P/ASX200 index from its March 23 low to the end of the financial year, which included an 85 per cent lift in the information technology sector.

Top 10 funds of all categories

Fund	Annual return (%)
QVG Long Short	29.3
Hyperion Australian Growth	19
Collins St Value Fund	13.5
Platypus Australian Equities Fund	11.9
Katana Australian Equity Fund	11.2
Panther Trust Australian Shares	11.1
Australian Eagle Long Short	9.4
Bennelong Concentrated Equities	9
ECP AM All Cap	8.4
Bennelong Core Equities	7.1

Source: Mercer

Mercer's top 10 funds for the year to June are OVG Long Short, Hyperion Australian Growth, Collins St Value, Platypus Australian Equities, Katana Australian Equity, Panther Trust, Australian Eagle Long Short, Bennelong Concentrated Equities, ECP All Cap and Bennelong Core Equities.

But there were quite a few value funds among the top 10 long-only funds in the June quarter, helped no doubt by a strong bounce in the energy, consumer discretionary, materials and real estate sectors, even though the IT sector came back with a vengeance, led by Afterpay.

Steve Johnson's Forager Australian Value fund scored a 39.6 per cent return, making it the best-performing long-only fund in the quarter. Katana Australian Equity Fund was second, with 31.8 per cent, followed by Panther Trust, – which was also fifth over one year and first over three years.

Rounding out the top 10 last quarter were DNR Capital High Conviction, Smallco Broadcap, Merlon Concentrated Value, Collins St Value, ECP All Cap, First Sentier Large Cap, and Perennial Value.

Phil King's Regal Funds Management beat long-short funds with a 30.8 per cent return last quarter, while Australian Eagle returned 25.4 per cent and Tribeca Alpha Plus made 21.7 per cent.

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