

Financial Standard

JANA and InTech lead IC scoreboard

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The latest joint implemented consulting (IC) research by Rainmaker Group and Counterpoint Group has found JANA and InTech topped the league tables in the three months to September.

The quarterly survey is designed to monitor how the country's top implemented consultants performed against their benchmarks and single managers, in six categories namely growth portfolios, Australian shares, international shares (unhedged), Australian listed property, Australian fixed interest and international fixed interest (unhedged).

On the whole, the average implemented consultant either lagged or performed on par with their benchmark or a single manager. This meant that on face value, the sector has to justify what institutional investors are paying them fees for.

However, a closer inspection of the data suggested that when an IC gets it right, they can provide a significant amount of 'alpha' to clients. For example, in the growth portfolios, Australian shares and international shares categories, JANA stood out as the top ranked consultant, particular in international shares, with a return of 7.5 per cent over the year against its benchmark's 1.4 per cent.

During the recent sub-prime led market derating, all consultants bar JANA finished in the red with a 1.4 per cent loss against the benchmark's 2.1 per cent loss.

Meanwhile, InTech was the star performer in Australian fixed interest and international fixed interest categories with Mercer earning the top spot in Australian listed property.

Counterpoint's founding consultant John Parrish said that the key takeaway of the latest survey is that in the context of the sub-prime led market fallout, there wasn't a glaring dispersion between how the different implemented consultants performed. This means that they all have good risk management in place, in contrast to the major blowouts suffered by single managers here and overseas.

However, he believes that investors shouldn't read too much on the substantial outperformance of implemented consultants in the international shares category. "That was mainly due to the strong Australian dollar more than anything else," he said.

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