

# Managers doing well out of industry funds

## Brendan Swift

Funds management firm Barclays Global Investors was among the biggest beneficiaries of fund inflows during the March quarter from the booming \$145 billion industry fund sector, according to new data.

BGI, which specialises in Australian equities and alternative investment asset classes, received net fund inflows of \$187 million in the March quarter, according to research house Plan For Life, which recently started tracking industry funds.

Mark Delaney, the deputy

chief executive and chief investment officer at the \$20 billion AustralianSuper — which counts BGI among its manager line-up — said picking fund managers was becoming more difficult.

“Manager choice is much harder in the next 12 months because it’s hard to get a good read as to what is underlying stock-picking skill as opposed to market conditions,” he said.

Industry funds have largely outperformed their commercial counterparts in recent years, with seven of the top 10 performing funds over the 12 months ended June 30, 2006,

from the sector, according to researcher SuperRatings.

Macquarie Investment Management received \$143 million, while AMP Capital Investors and the industry fund-backed Industry Fund Services each received \$142 million during the March quarter.

Only three boutique fund managers were among the top 15 fund managers used by industry funds, and all have been established for several years.

Maple-Brown Abbott, which has ranked amongst the worst performed Australian equity managers over the past three

years, continued to receive healthy support, with net fund inflows of \$79 million.

Meanwhile, small-cap specialist Paradise Investment Management, which is currently launching a mid-cap fund, received \$60 million, while the NAB-backed Australian equities specialist Concord Capital received net inflows of \$59 million.

The top 15 industry funds, which account for more than 71 per cent of the sector, received net fund inflows of \$2 billion from members and generated \$5.6 billion in investment returns over the quarter.