



Global Long/short funds outperformed Index says Zenith

Monday September 9, 2013. Global Long / Short Funds rated approved or above by Zenith Investment Partners returned an average of 36.6% compared to the MSCI World index return of 32.8% for 12 months to 30 June 2013, while volatility levels were similar.

James Tsinidis, Research Manager – Alternatives at Zenith said “It is actually somewhat of a surprise that our global long/short funds have beaten the market over the past 12 months given the strong rally. While most of the funds on the approved list are typically long biased, many of them will hold higher levels of cash and have some shorts on. This will generally hold back returns in an upswing.”

Tsinidis noted that part of the reason some of the funds exceeded the index was because they were using their greater mandate flexibility to execute their investment ideas to full affect. For example, some of the Funds have moved into parts of the market that were out of favour (i.e. down the market capitalisation spectrum, unloved sectors, etc.) and were able to do this comfortably knowing that they have higher cash levels or some shorts in place to offset these positions. Other managers have utilised their ability to increase gross leverage in the portfolios so as to maximise some of their high conviction trade ideas.

Tsinidis went on to say, “over the longer term the Approved Listed funds have tended to do well in their portfolio positioning. We have gone back and looked at how the individual fund net exposures have changed over time and they generally seem to be very capable when it comes to removing or taking on more market risk.”

Of the 27 funds rated in Zenith’s Global Long/Short Sector Review released this week, only three funds achieved Zenith's top rating; and all three were Platinum Asset Management funds (Platinum International Fund, Platinum International Brands Fund and Platinum Asia Fund). In terms of ratings moves, the PM Capital Absolute Performance Fund was upgraded to Recommended after some positive changes at the firm over the last year.

Zenith's complete Approved Product List for the Global Long/Short Sector is shown in full below:

Global Funds

- Platinum International Brands Fund - **Highly Recommended**
- Platinum International Fund - **Highly Recommended**
- PM Capital Absolute Performance Fund - **Recommended**
- K2 Select International Fund - **Recommended**
- Five Oceans Wholesale World Fund - **Approved**

Regional Funds - Asia

- Platinum Asia Fund - **Highly Recommended**
- K2 Asian Absolute Return Fund - **Recommended**
- Premium Asia Fund - **Recommended**

Regional Funds - Other

- Platinum European Fund - **Recommended**
- Platinum Japan Fund - **Recommended**
- Premium China Fund - **Recommended**

Sector Funds

- Pengana Asia Special Events Fund - **Recommended**
- Pengana Global Resources Fund - **Recommended**
- Platinum International Health Care Fund - **Recommended**
- Platinum International Technology Fund - **Recommended**
- Premium Asia Property Fund - **Recommended**

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Media Enquiries:

Mr. Joe Perri
Joe Perri & Associates Pty Ltd
Telephone/Fax: +61 3 9324 0362
Mobile: +61 412 112 545
Email: jperri@joeperri.com.au