

Australian managers enjoy a bumper 2015 with strong results

by **Staff Writer**

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Australian managers tracked strong returns to become the best performing group amongst hedge fund managers from Asia last year, racking up a median gain of 16.58% by December. This compared very well with the 0.82% decline seen by the Australia All Ordinaries index last year.

Cyan C3G Fund has been one of the top performers among Australian long/short managers, with a robust 48.05% gain through the year. The fund is run by portfolio manager Dean Fergie, former director and founder of OC Fund Management.

He noted that the fund's performance "was pleasingly due to a number of core positions" such as AMA Group, Bellamys, Blue Sky, Freelancer, Louisa and Vita Group – all of which rose more than 50%, and some by over 100%, from the fund's initial entry points.

"There were also a number of smaller positions that have made meaningful contributions including Aha Life, Opus Group and Skydive the Beach. Of course, overall performance is impacted by negative contributions with Capital Health being our only real disappointing performer in the year. But our decision to stay out of the poorly performing resources, biotechnology and education sectors was certainly of value."

Other Australia-based funds that made strong returns include the LHC Capital Australia Long Conviction Fund which gained 40.7% last year. The highly concentrated portfolio, which is run by fund managers Stephen Abound and Marcus Hughes, invests in the mid-cap segment of the Australian equity market and has grown from only \$16 million when it was launched in May 2011 to around \$189 million by November.

Another strong performer was the Bennelong Long Short Equity Fund, which returned 37.14% in 2015, while the OC Concentrated Equity Fund run by Robert Frost in Melbourne generated a 31.10% return.