Barnet Dingwall's Study Shows High Segment Active Share Property Managers Outperform Their Peers

Funds tend to have the strongest outperformance where segment weights deviate most from the index

SINGAPORE, October 31, 2019 /EINPresswire.com/ -- Barnet Dingwall, an Asian investment management company, managing assets for both institutional and retail clients from offices around the Asia Pacific Region, today announced that its new research has found that higher Segment Active Share managers of property funds in the Asia tend to outperform lower Segment Active Share managers and deliver fewer volatile returns.

The research found that funds with the highest Segment Active Share on average had an alpha of 1.9% per year. These funds do not appear to take increased risk and their outperformance cannot be explained by fund size alone, though on average they are smaller funds.

The research also concluded that the highest floating Segment Active Share group produced:
- The highest return of all groups;
- The highest tracking error of all groups;
- The lowest standard deviation amongst all groups; and
- A beta below one.

Arthur F. Chengzong, Chairman and CEO of Barnet Dingwall, said: "We know that any reasonable sized property portfolios cannot track an index. Managers need to take a bottom up approach to stock selection if they are going to deliver long-term value. This research is a vindication of that approach and extends principles which have a firm basis in the equity markets to the property sector. Our study confirms that active management in property has benefitted investors. Property funds where the holdings looked least like the index on average outperformed the market by 1.9% per year. This outperformance was not accompanied by increased risk or less diversification."

The research assesses whether active managers across equity markets were in fact active and applies them to the Asian property sector for the first time.

About Barnet Dingwall
Barnet Dingwall is an Asian investment management company, managing assets for both institutional and retail clients from offices around the Asia Pacific Region. The company's mission is to deliver strong fund performance across diverse asset classes in which it has a sustainable competitive edge. The firm invests globally using a broad array of strategies in both public and private markets. Widely recognized as a pioneer in quantitative investing, particularly in equities, futures, and options, the firm also has formidable expertise in areas that involve fundamental analysis or portfolio manager discretion, such as credit, energy, and macro investing.

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