

Performance

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The Fund Select team is responsible for establishing Standard Chartered fund offering. Our team is one of the largest dedicated to fund due diligence in Asia. Our analysts cover a wide range of asset classes, including equities, fixed income and alternatives, across the globe.

We seek to identify fund managers with a proven but more importantly sustainable investment edge that in our opinion should allow them to achieve superior returns over a market cycle. Our approach to fund selection combines both quantitative and qualitative analysis. And through regular meetings with fund managers, we assess their capabilities through what we call the 3 P's: Performance, People, and Process.

We analyse a fund's past performance both on an absolute and relative basis against benchmark and peers. Anyone who has invested in mutual funds should be familiar with the phrase "Past performance is not the guarantor of future results". Quantitative analysis is a significant part of our selection process but by itself is insufficient. It helps identify managers with a potential investment edge by filtering out those who have just been lucky.

It helps understand some of the key traits of the fund manager's investment style but at the end it says very little about the likelihood of future success.

This limited predictive power of quantitative analysis is the reason why we are also strong believers in using qualitative analysis as part of our fund selection process.