

A report from a member for the September meeting.

HL Wealth 50 Funds

I was reading an article by Yodelar recently, which some of you may be interested in. It looked at the investment funds promoted by Hargreaves Lansdown in their Wealth 50 list (though, confusingly, it consists of 68 funds currently). It pointed out that 57.4% of them had underperformed (ie done less well than their sector average), with only 18 of them receiving a 4 or 5 star rating from Morningstar, and 39 getting a 1 or 2 star rating.

The best 5 HL Wealth 50 funds, according to their analysis, were:

- Jupiter India
- Jupiter Asian Income
- FSSA Greater China Growth
- Artemis Global Income
- Fidelity Special Situations

The worst 5 were.

- JPM Emerging Markets
- Trojan Global Income
- Baillie Gifford Managed
- 91 UK Sustainable Equity
- WS Amati UK Smaller Companies

As they summarise:

"Relying heavily on such a list can be a risky move for investors, potentially leading them to select funds that are misaligned with their investment objectives. The Wealth 50 list is not a definitive endorsement but rather a subjective opinion, and it falls short of providing the comprehensive information necessary to make truly informed investment decisions. With thousands of funds available in the UK, reducing choices to a narrow list is more likely to mislead than to guide."

I would also say that, if you purport to be an expert, then you should at least beat the sector average, when promoting your top funds.

A further issue I have with HL is that they are stubbornly loyal to certain funds/fund managers, even when they have consistently underachieved - most egregiously so in the case of Neil Woodford, but I still think they are guilty of this trait.

If anyone would like to read the full article, the link is:

[Passive Vs Actively Managed Funds : A Performance Comparison \(yodelar.com\)](https://yodelar.com/Passive-Vs-Actively-Managed-Funds-A-Performance-Comparison)