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Templeton and TAAM top EM review

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The Templeton Emerging Markets fund and the Treasury Asia Asset Management New Asia fund were the only two out of 15 funds in the sector to be rated 'highly recommended' by Lonsec.

The Lonsec annual review of the sector found the AMP Capital Asian Equity Growth fund, Arrowstreet Global Emerging Markets fund, Invesco Wholesale Asian Share fund and the Schroders Global Emerging Markets fund were also rated 'recommended' by the firm.

While the emerging markets sector has suffered during events like the Asian financial crisis, the tech bubble and the sub-prime liquidity crisis it has delivered solid returns in the long-term.

The recent developed market rally has also helped the emerging markets deliver strong returns in the short-term and investors are taking notice with record net inflows into the sector's funds totalling \$30 billion in the second quarter of this year.

Steven Sweeney, senior investment analyst at Lonsec, said a focus on top-down factors allowed fund managers to contain losses in the past 18 months.

"A common reflection from managers when pondering the fallout from the past year was that making a correct top-down call such as switching the portfolio to defensive sectors, was more important than the company call in terms of avoiding extensive portfolio damage," he said.

Company release

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