


Investment companies vs. OEICs/unit trusts

The AIC has been training advisers who are less familiar with the sector about issues which affect the performance of investment companies, such as discounts and the closed-ended structure. Advisers have been asking us how this translates into actual performance and in particular how this compares with the performance of funds they are more familiar with, such as open-ended funds (OEICs/unit trusts). We thought it would therefore be helpful if we showed the performance of investment companies relative to comparable open-ended funds and we have provided the latest table of this information (to the end of September 2020) produced by Investec. We are publishing this table quarterly and, over time, we hope this table will help advisers understand better how different market conditions can affect the performance of investment companies compared to open-ended funds.

Shareholder total returns to 30 September 2020 (unweighted, £ adjusted, base = 100)

Sectors	1 year		5 years		10 years	
	Investment Companies	OEIC/Unit trusts	Investment Companies	OEIC/Unit trusts	Investment Companies	OEIC/Unit trusts
Global	141.3	106.8	243.0	169.0	391.1	239.0
Global Equity Income	97.0	94.7	165.2	142.6	252.5	214.8
Flexible	88.0	100.7	130.8	133.8	185.8	174.8
UK Equity Income	82.2	79.6	104.0	97.7	189.4	157.4
UK All Companies	87.2	84.7	110.2	109.1	172.5	165.6
North America	102.4	110.3	196.2	192.0	298.3	348.7
Europe vs. Europe ex UK	106.6	98.0	161.2	141.0	288.2	197.2
Global Emerging	87.2	104.6	126.1	165.8	116.6	148.7
AsiaPacific vs Asia Pacific ex Japan	118.2	111.2	153.0	180.6	206.3	201.1
Japan	109.0	104.3	186.2	160.9	355.6	238.0
Property - UK Commercial vs. UK Direct	81.3	95.9	114.7	104.8	188.4	144.0
UK SmallCap	91.5	99.2	127.0	137.6	296.7	255.1
Japanese SmallCap	111.8	107.9	227.1	197.8	418.0	361.9
TMT	129.6	136.2	330.4	270.2	593.0	464.1
European SmallCap	118.4	105.7	195.0	154.2	353.2	244.7
North American Smaller	90.7	109.3	164.6	191.9	334.9	343.8

Source: IA/Morningstar

 Indicates investment company outperformance vs. OEIC/unit trust performance over given time period

 Indicates OEIC/unit trust outperformance vs. investment company performance over given time period

The investment company data is unweighted share price total return performance figures on a mid-price to mid-price basis. OEIC/unit trust data is unweighted total return performance figures on a bid price to bid price basis. Source: IA/Morningstar. All data to the end of September 2020. Table produced for the AIC by Investec. The AIC, and Investec, accept no responsibility for any errors or omissions in this table or for any loss occasioned to any person or organisation acting or refraining from action as a result of any material contained or any omissions.