

IPE Survey High-Yield Bond Managers

In summary

Survey overview

Total number of managers in survey	76
<i>Total invested:</i>	
In high-yield bond strategies (€m)	649,438
Through segregated account mandates (€m)	198,946
Through pooled funds (€m)	385,249
For institutional clients worldwide (€m)	331,428
For Europe-based institutional clients (€m)	146,054
For Europe-based pension fund clients (€m)	32,054
For Europe-based insurance company clients (€m)	23,152
For all other Europe-based institutional clients (€m)	68,507

*Where disclosed

Top 10 – Assets in high-yield bond strategies

	Company	€m	As at
1	J.P. Morgan Asset Management	54,500	31/12/15
2	BlackRock	52,440	31/12/15
3	MacKay Shields	38,549	31/12/15
4	AXA Investment Managers	25,132	30/09/15
5	Neuberger Berman	24,607	31/12/15
6	Wellington Management International	24,576	31/12/15
7	The Vanguard Group	24,263	31/12/15
8	Fidelity International	23,665	31/12/15
9	T. Rowe Price	22,137	30/09/15
10	PGIM Fixed Income	20,283	31/12/15

Top 10 – Assets in high-yield bond strategies for European institutional clients

	Company	€m	As at
1	AXA Investment Managers	14,017	30/09/15
2	Muzinich & Co.	13,963	31/12/15
3	MacKay Shields	10,868	31/12/15
4	Nordea Asset Management	8,284	31/01/16
5	Goldman Sachs Asset Management Int.	7,618	31/12/15
6	Generali Investments Europe	5,915	31/12/15
7	NN Investment Partners	4,671	31/12/15
8	Neuberger Berman	4,663	31/12/15
9	Aegon Asset Management	4,514	30/09/15
10	Putnam Investments	4,206	31/12/15

Top 10 – Assets in high-yield bond strategies for European pension fund clients

	Company	€m	As at
1	MacKay Shields	5,597	31/12/15
2	Achmea Investment Management	2,943	01/01/16
3	Principal Global Investors	2,117	31/12/15
4	BlackRock	2,097	31/12/15
5	Muzinich & Co.	1,847	31/12/15
6	BlueBay Asset Management	1,338	31/12/15
7	Wellington Management International	1,248	31/12/15
8	T. Rowe Price	1,076	30/09/15
9	DDJ Capital Management	1,052	31/12/15
10	AllianceBernstein	895	31/12/15

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Company	Aberdeen AM	Achmea IM	Aegon AM	Alcentra	AllianceBernstein	Allianz GI	AXA IM	Babson CM	Baillie Gifford & Co.	BlackRock	BlueBay AM	BMO Global AM	Candriam Investors Group	Capital Four	Columbia Threadneedle Inv.	Credit Suisse	Danske Capital	DDJ Capital Management	Deutsche AM
As at	31/12/15	01/01/16	30/09/15	31/12/15	31/12/15	30/09/15	30/09/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	30/09/15	26/01/16	31/12/15	31/12/15	30/09/15
Total assets invested in high-yield bond strategies	4,344	2,943	12,318	2,848	5,440	7,945	25,132	8,660	1,076.6	52,440	5,093	2,341	2,040	5,658	15,111	1,133	3,639	6,813.28	7,717
Total assets invested in high-yield bonds overall	11,100	2,943	12,318	3,007	26,485	7,945	25,132	9,284	2,301.4	81,309	7,168	2,629	6,065	5,658	15,111	1,372	9,282	6,813.28	7,717
Total group assets under management worldwide	394,213	105,000	342,072	26,833	430,305	427,092	668,908	205,067	166,924	4,266,176 ⁽⁹⁾	52,728	204,388	94,078	6,543	421,417	361,610	107,836	6,813.28	756,810
Total assets in fixed income worldwide	90,410	76,000	264,329	26,833	212,522	163,396	438,935	186,809	6,300	1,309,370	52,728	60,332	49,111	6,543	176,443	34,032 ⁽⁶⁾	64,457	6,813.28	325,122
Assets invested in high-yield bond strategies:																			
Vehicle type (€m)																			
Segregated account mandates	1,601	1,980		854	2,268	1,486	5,179	3,775	99.5	11,120	2,234	1,254	0	969		103	2,040	6,514.89	1,616
Pooled funds	2,743	963		1,994	3,172	6,459	19,953	4,885	977.1	41,320	2,859	1,087	2,040	4,689		1,030	1,599	298.39	6,101
Client type (€m)																			
Institutional clients worldwide	4,344	2,943	12,318	1,614	3,712		14,928	8,660	738.7	12,384	3,314	2,341	1,471	3,965		1,037	2,040	6,813.28	1,616
Europe-based institutional clients	3,251	2,943	4,514	508	2,067		14,017	4,064	738.7	3,321	1,703	690	1,401	3,172		836	1,937	2,128.77	925
Europe-based pension fund clients	171	2,943			895		0	615	630.6	2,097	1,338	0	195			236	824	1,051.52	153 ⁽⁹⁾
Europe-based insurance company clients	1,458	0			1,159		4,064	251	0	435	10	595	231			105	34	0	708 ⁽⁹⁾
All other Europe-based institutional clients	2,715	0			13		9,953	3,198	108.1	789	355	95	975			495	1,079	1,077.25	755 ⁽⁹⁾
Location of issuance (€m)																			
Europe	1,352	470		650			2,032			7,900	2,609 ⁽⁶⁾		1,455	5,093		339	1,675	190.01	3,506
US	95	2,354		2,052			23,024			40,972	1,025		452	565		611	1,355	6,391.34	2,212
Other issues	2,897			146			76			3,568	389		133			183	609	231.93	1,999
Currency of issue (€m)																			
Euro-denominated bonds	1,352	434		165			4,428		100.3	2,438	1,475 ⁽⁶⁾		1,206	3,508		226	1,864	0	
Dollar-denominated bonds	95	2,354		2,607			19,457		1.5	49,327	1,615		493	170		861	1,540	6,813.28	
Sterling-denominated bonds	0	155		76			1,247		974.4	666	892		8	1,584		34	24	0	
Other-denominated bonds	2,897			9			0		0.4	9	41		233	396		12	211	0	
Amount held within rating (€m)																			
BBB-B	4,344	2,463		2,339					1,009.2	35,786	3,676 ⁽⁶⁾		1,615	4,978		963	3,393	2,968.27	
CCC-C	0	460		446					27.1	16,042	297		96	565		68	121	3,136.88	
Unrated	0	20		63					0	612	50		329	115		102	125	16.76	
Active/passive/unconstrained (€m)																			
Passive	0								0	20,208								0	436
ETFs	0								0	17,513								0	436
Benchmarked active	0	2,573		2,848					1,076.6	27,790	3,813		2,040	5,658	15,111	1,083	3,393	6,698.78	7,281
Benchmarked against an enhanced/alternatively-weighted index	0								0	884								0	
Managed against a customised benchmark or risk/return target	0		12,318						0	3,449								0	114.5
Unconstrained	4,344	370							0	109	1,280					50	0	0	
Flagship high-yield bond strategy																			
Information ratio	NA			2.21			3.15		-0.42 ⁽²⁾	NA	>0.5		1.26 ⁽²⁾	0.9	1.7 ⁽²⁾	0.47	1.36	0.30-0.80	50bps
Acceptable tracking error	NA	3-6%		50-125bps			1.66%		1-5%	NA	0-6%		5%	2-4%	0.7% ⁽²⁾	1.51%	NA	3-6%	2-3%
Targeted contribution to excess return (%)																			
Credit analysis	100	80	60	60			80	90	100	100	60			100		30	60	100	50
Duration management	0	0	0	10			5	0	0	NA	5			0		10	0	0	10
Sector rotation	0	20	30	30			5	0	0	NA	10			0		30	20	0	20
Credit default swaps	0	0	0	0			0	0	0	NA	0			0		10	0	0	0
Currency	0	0	0	0			0	0	0	NA	0			0		0	0	0	0
Other			10				10 ⁽¹⁾		10		25 ⁽³⁾					20 ⁽²⁾	20 ⁽⁸⁾		20 ⁽¹⁰⁾
Proportion of high-yield bond research done in-house	>90	0	90	100	100		90	100	100	100	100		100	100	100	80	80-100	100	100
Number of credit analysts working on high-yield bond portfolios	57	60+	24	29	26	23	9	41	8	27	12		5	10	35	9	7	11	21

Company	DNB AM	Eaton Vance	Eurizon Capital	Fidelity International	Fisch AM	La Francaise	Generali Inv. Europe	Goldman Sachs AM International	Helaba Invest	Henderson GI	Hermes IM	Invesco	J.P. Morgan AM	Kames Capital	Kohlberg Kravis Roberts & Co.	Legal & General IM	Loomis, Sayles & Co.	Lord, Abbett & Co.	M&G Inv.
As at	29/01/16	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	30/09/15	30/09/15	31/12/15	31/12/15	30/09/15	30/09/15	31/12/15	31/12/15	31/12/15	30/09/15
Total assets invested in high-yield bond strategies	850	8,703	3,275.4	23,665	120	1,272	6,085	15,550.4	350	243	1,088	2,309.49	54,500	2,459	1,972.52	2,452	13,742	6,484	16,767
Total assets invested in high-yield bonds overall	850	8,703	3,275.4	23,665	120	2,373	6,748	23,575.8	341.4	3,414	1,088	2,819.23	NA	2,344.06	NA	36,888	14,898	NA	NA
Total group assets under management worldwide	58,000	283,393	263,323.5	251,400	8,300	52,642	398,120	996,654.5	46,280	110,636	40,047	708,770.07	1,586,281	75,528	88,312.37	972,924	210,922	115,562	335,824
Total assets in fixed income worldwide	38,000	84,482	43,261.5	66,352	2,714	18,592	327,269	449,672	26,845	30,696	13,221	194,151.87	375,725	49,930	24,757.18	348,866	177,559	83,871	213,000
Assets invested in high-yield bond strategies:																			
Vehicle type (€m)																			
Segregated account mandates	70	1,311	251.4	384	0	873	5,571	4,856.2	195	0	126	154.19	20,700	134	1,972.52	197	9,115		
Pooled funds	780	7,392	3,024	23,281	120	399	514	10,694.2	155	243	962	2,155.3	33,800	2,325	0	2,255	4,627		
Client type (€m)																			
Institutional clients worldwide		1,513	2,946	4,464	120	1,169	5,915	12,042.3	350	226	572	527.7	8,000	191	1,972.52	856	12,726	2,007	
Europe-based institutional clients	780	209	2,701	953	120	1,169	5,915	7,618.4	350	243	572	520.31	1,532	191	0	746	259	247	
Europe-based pension fund clients	70	209	100.1 ⁽⁹⁾	372	50	146	34	761		17 ⁽⁶⁾	444	0	736	58	0	660		123	
Europe-based insurance company clients	280	0	884 ⁽⁹⁾	0	10	646	5,666	293			0	87.66	133	0	86			124	
All other Europe-based institutional clients	430	0	1,962 ⁽⁹⁾	581	60	377	215	6,564	350	226 ⁽¹⁴⁾	128	432.65		0	0	259	0		
Location of issuance (€m)																			
Europe	690	870	3,275.4		45	1,037	5,704	4,717.4	350	161	320	258.66		2,121	176.71		570	757	
US	150	7,224	0		65	144	3	8,063	0	72	556	1,734.43		305	1,754.19		11,410	5,019	
Other issues	10	609			10	91	378	2,770		10	212	316.4		33	41.62		1,762	551 ⁽¹⁷⁾	
Currency of issue (€m)																			
Euro-denominated bonds	85	0			27	1,035	6,085		350	106	234	32.56		100	11.67		84	32	
Dollar-denominated bonds	255	8,616			83	229	0		0	75	796	2,199.8		401	1,936.1		11,927	6,400	
Sterling-denominated bonds	35	87			8	8	0		0	50	58	76.44		1,991	24.75		0	49	
Other-denominated bonds	475				2					12		0.69					1,731	3	
Amount held within rating (€m)																			
BBB-B	810	7,223	8.8		100	933	5,991		315	200	1,061	1,979.24		2,275	1,636.07		NA	394 ⁽¹⁴⁾	
CCC-C	5	1,306	0		4	18	94		17.5	42	27	256.53		99	302.99		NA	681	
Unrated	0	174	0		1	321			17.5	1		23.1		85	33.46		NA	461	
Active/passive/unconstrained (€m)																			
Passive	0	0	0		0				0			0		0	0			0	
ETFs	0	0	0		0				0			0		0					

IPE Survey High-Yield Bond Managers

Company	Mackay Shields	Macquarie AM	Morgan Stanley IM	Muzinich & Co.	Neuberger Berman	Newton IM	NN Investment Partners	Nordea AM	Nuveen AM	Oddo Meritis AM	Petercam Institutional AM	PGIM Fixed Income	PineBridge Investments	Pioneer Inv.	T. Rowe Price	Principal GI	Putnam Investments	Robeco Group	Rogge GP
As at	31/12/15	30/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	31/01/16	31/12/15	31/12/15	31/12/15	30/09/15	31/12/15	31/12/15	30/09/15	31/12/15	31/12/15	30/09/15	31/12/15
Total assets invested in high-yield bond strategies	38,549.28	2,860	2,637	14,699	24,607	151	8,328	11,030	1,272	2,649	974.6	20,283.43	2,118	11,167	22,137	18,741.75	7,408.6	4,858	840
Total assets invested in high-yield bonds overall	39,163.97	6,695	3,940	15,595	25,252	780	8,682	13,353	2,022	2,649	1,051.25	33,384.83	2,243	NA	28,668	NA	23,437.2	5,093	1,363
Total group assets under management worldwide	81,110.03	327,008	374,180	22,409	221,263	63,747	179,916	186,773	130,894	41,832	16,879	529,109.6	69,485.5	223,614	649,946	311,608.12	135,775.7	255,426	32,711
Total assets in fixed income worldwide	82,110.03	148,685	59,314	22,409	97,138	4,556	122,436	100,626	111,891	19,387	4,638.8	526,263.89	38,874.3	121,612	150,160	137,737.63	48,320.17	42,773	32,711
Assets invested in high-yield bond strategies:																			
Vehicle type (€m)																			
Segregated account mandates	18,211.67	965	983	2,794	11,889	0	3,033	3,372	0	485	212.8	6,939.58	1,503.3	1,311	5,566	11,599.09	4,205.7	425	474
Pooled funds	20,337.61	1,895	1,654	11,905	12,718	151	5,295	7,658	1,272	2,164	761.8	13,343.85	614.7	9,856	16,571	7,142.65	3,202.9	4,433	366
Client type (€m)																			
Institutional clients worldwide	18,756.8	1,424	1,976	14,699	15,823		5,347	8,284	0	2,649	974.6	7,899.12		2,413	18,150	15,293.02		3,236	840
Europe-based institutional clients	10,867.9	125	927	13,963	4,663	126	4,671	8,284	0	2,649	974.6	1,630.99		1,221	1,435	3,846.52	4,205.7	1,762	506
Europe-based pension fund clients	5,597.4		67	1,847	895	126 ⁽¹⁴⁾	653	309	0	895	274.25	130.99			1,076	2,117.08	182.7	851	127 ⁽⁶⁾
Europe-based insurance company clients			31	1,176			1,108		0	566	212.8	756.25 ⁽²⁰⁾		210		91.53		205	0
All other Europe-based institutional clients	5,270.5		829	11,676		25 ⁽¹⁴⁾	2,910		0	1,188	487.55	874.74		1,011	359	1,637.91		706	713 ⁽⁹⁾
Location of issuance (€m)																			
Europe		52	1,342	4,475	2,498	55 ⁽²²⁾	4,966			2,287	873.9	4,262.26			3,276		5,739	1,983	163
US		2,802	1,168	9,088	20,759	33	2,394			154	19.6	15,119.17			16,826		745.1	2,701	564
Other issues		6	127	1,136		50	968			208	81.1	902			2,035		924.5	174	113
Currency of issue (€m)																			
Euro-denominated bonds		29	1,146	2,664	1,377	52 ⁽²²⁾	3,719			NA	922.4	5,006.6			881		128.4	1,389	37
Dollar-denominated bonds		2,821	1,231	10,980	22,049	43	2,890			NA	42.5	13,411.93			20,722		355.1	3,009	739
Sterling-denominated bonds		6	260	1,001	74	30	411			NA	9.7	13			462		6,807.5	448	23
Other-denominated bonds		4		54	1,107	13	1,308			NA		1,851.9			72		117.6	12	41
Amount held within rating (€m)																			
BBB-B		2,023		14,421	22,744	109	5,983		763	NA	876.7	16,865.87			19,057		5,301.5	4,061	775
CCC-C		464		263	1,834	6	1,179		305	NA	29.5	2,613.46			2,704		1,399	235	25
Unrated		37		15	4	1,166		204	NA	NA	68.4	9.08			376		708.1	35	3
Active/passive/unconstrained (€m)																			
Passive					0		0		0			0					0		0
ETFs					0		0		0			0					0		0
Benchmarked active		2,860	2,637		19,877	151			1,272	2,649	42.35	20,283.43		11,167	17,715	18,741.75	7,408.6	4,858	499
Benchmarked against an enhanced/alternatively-weighted index					0		0		0			0			0		0		0
Managed against a customised benchmark or risk/return target					4,730		8,328		0		932.25	0			4,422	0	884.7		341
Unconstrained					0		0		0		0	0			0		6,523.9		0
Flagship high-yield bond strategy																			
Information ratio		0.23	1.18		50bps	0.20 ⁽²³⁾	0.5-1.0		-0.36 ⁽²³⁾	-0.83	NA	0.66 ⁽²³⁾		0.06	⁽¹⁹⁾	3.63	-0.01 ⁽²³⁾	2.26 ⁽²⁾	1.49 ⁽²⁾
Acceptable tracking error		150bps	2.22%		200-350bps	1.95% ⁽²³⁾	2%		150-350bps	1.05%	NA	200bps		5%	100-300bps	100-300bps	0.89% ⁽²³⁾	5%	1.05% ⁽²³⁾
Targeted contribution to excess return (%)																			
Credit analysis		75	80		60-70	50	80		75	90	80	66	80	45	80	70	55	100	50
Duration management		5	0		0	0	5		0	5	20	0	0	5	0	10	5	0	5
Sector rotation		10	20		30-40	25	15		15	5	0	34	20	40	20	20	20	0	15
Credit default swaps		0	0		0	0	0		0	0	0	0	0	5	0	0	0	0	0
Currency		0	0		0	5	0		0	0	0	0	0	3	0	0	0	0	0
Other		10			20 ⁽²³⁾				10		2 ⁽²³⁾						20		30 ⁽²⁷⁾
Proportion of high-yield bond research done in-house	90	90	80	100	100	100	100		100	100	100	100	90	90	90	100	90	100	100
Number of credit analysts working on high-yield bond portfolios	28	16	22	16	27	7	13		13	9	6	42	20	29	16	8	17	15	13

Company	Royal London AM	Schroders	SCOR Inv. Partners	Seix Inv. Advisors	Sparinvest	Standard Life Investments	State Street GA	Stone Harbor IP	Sycomore AM	TKP Investments	UBS Global AM	Union Bancaire Privée	The Vanguard Group	Vontobel AM	Voya IM	Wellington Management Int.	Wells CM	Western AM	Zürcher Kantonalbank
As at	30/09/15	30/09/15	31/12/15	31/12/15	30/09/15	30/09/15	31/12/15	31/12/15	31/12/15	31/12/15	31/12/15	30/11/15	31/12/15	30/06/15	30/09/15	31/12/15	31/12/15	31/12/15	31/12/15
Total assets invested in high-yield bond strategies	720	4,675	379	3,754	1,314.08	1,692.75	15,350	1,984	166	355.8	10,089	4,769	24,263	683	1,097	24,576	4,470.9	18,462	747.45
Total assets invested in high-yield bonds overall	720		579.8	3,761	659.24	4,027.84	15,350	3,540	250	356.1		NA	24,263	1,239	3,276	24,576	17,666.2	24,682	
Total group assets under management worldwide	113,478	400,036	13,645.5	23,520	9,254.08	340,028.75	2,066,479	36,217	3,380	21,180	597,234	103,468	3,091,979	87,701	187,618	853,274	321,484.6	399,292	113,027
Total assets in fixed income worldwide	55,768	102,876	10,733.3	23,520	5,158.2	120,978.1	302,037	36,217	250		137,615	35,525	730,252	17,590	114,055	353,902	133,521.5	399,292	41,996
Assets invested in high-yield bond strategies:																			
Vehicle type (€m)																			
Segregated account mandates	0		119.5 ⁽¹⁴⁾	2,419	179.52	511.15	1,698	1,847	0	0		103	0	248	37	23,460	1,769.1	3,582	0
Pooled funds	720		460.3 ⁽¹⁴⁾	1,335	1,134.56	1,181.6	13,652	137	166	355.8		4,666	24,263	435	1,060	1,116	2,701.8	14,880	747.45
Client type (€m)																			
Institutional clients worldwide			196.8	3,754	310.32	1,126.46	13,788	1,984	153	355.8		3,453	1,786	435	274	22,687	4,470.9	18,462	590.67
Europe-based institutional clients			196.8	1,036	309.48	1,033.37	1,562	45	153	355.8		2,813	0	423		1,889	508.6	1,181	590.67
Europe-based pension fund clients			68.2	550	158.24	0		34	49	355.8		121 ⁽⁹⁾	0	345 ⁽¹⁴⁾		1,248	98	216	
Europe-based insurance company clients			50.2		40.35	418.06		11	26	0		353 ⁽⁹⁾	0	10 ⁽¹⁴⁾		46	0		
All other Europe-based institutional clients			78.4	486	110.89	615.31	1,562	0	78	0		2,979 ⁽⁹⁾	0	328 ⁽¹⁴⁾		595	410.6	965	
Location of issuance (€m)																			
Europe			339.7	282	862.35	703.53		356	166	66.9				1,949	83		211.6	90	356.37
US			21.1	3,217	337.1	783.37		1,584	0	261.1				20,634	985		4,073.6	16,737	198.03
Other issues			18.2	255	109.1	205.85		44		27				1,680	29		185.7	1,635	193.05
Currency of issue (€m)																			
Euro-denominated bonds			379	0	497.47	625.03		36	166	56.7				175			0	90	50.9
Dollar-denominated bonds			0	3,754	558.53	857.18		1,940	0	286.9				24,051	1,097		4,470.9	18,372	24.03
Sterling-denominated bonds			0	0	106.41	205.18		3	0	0				37			0	0	0
Other-denominated bonds					121.68	5.36		5		12.2					0		0	0	0
Amount held within rating (€m)																			
BBB-B			323.8	3,342	947.75	1,467.3		1,888	138	284.8				0	872		4,027.9	14,585	661.68
CCC-C			32.2	361	49.22	141.53		82	0	46				0	224		342.7	3,692	58.74
Unrated			17.8	51	195.28	65.59		14	28	25				0	0.3		73.3	185	0.97
Active/passive/unconstrained (€m)																			