

IPE Survey Small & Mid-Cap Equities

Company name	T. Rowe Price	Principal GI	Putnam Investments	Quantitative Mngt. Associates	Quoniam AM	RBC Global AM	Robeco Group	Schroder IM	Sparinvest
Amount invested in small & mid cap equity (€m)	96,329	31,801.25	7,576.16	8,983	6,563	25,612	3,095	3,962	807.32
As at	30/09/15	30/09/15	30/09/15	30/09/15	30/10/15	30/09/15	30/09/15	30/09/15	30/09/15
Total AUM worldwide (€m)	649,946	305,511.3	130,446	94,140	25,739	253,891	255,426	400,036	9,254.1
Market value up to which a stock is regarded as small cap (€bn)	3		2	2	2		⁽¹⁶⁾ 2.7	2.7	1.3
Market value up to which a stock is regarded as mid cap (€bn)	15		8	9	10		⁽¹⁶⁾ NA	NA	4.5
Amount (€m) of small/mid cap equities invested:									
For Europe-based institutional clients	668	114.75	0	480	4,361		54	NA	140.92
Pension fund clients	74	5.86	0	0	662			NA	40.51
Insurance company clients		108.12	0	0	697			NA	28.94
All other institutional clients	594	0.77	0	480	3,002		54	NA	71.47
Through segregated account mandates	18,838	6,200.58	874.73	3,278	5,090		1,152	3,302	11.31
Through investment/mutual fund vehicles	77,491	25,600.67	6,701.43	5,705	1,473		1,943	660	796.01
Amount (€m) of small/mid cap equities managed:									
Passively or on an indexed basis	955	7,551.95		2,380					
On an enhanced indexed basis		886.09		0					
Quant-type strategies	204	0		6,603	6,563				
Actively with 2-5% outperformance	25,706	23,363.21	7,576.16	0			3,095	3,962	807.32
Actively with 5% plus outperformance		0		0					
Other	69,464								
Description of approach to managing small/mid cap equities:									
Core	X	X	X	X	X			X	
Value	X	X	X	X	X		X		X
Growth	X	X	X	X	X		X	X	
Enhanced indexing	X	X							
Quant		X	X	X	X		X		
Top down							X		
Bottom up	X	X	X	X	X		X	X	X
Thematic							X		
Concentrated/focused									
Sector							X		
Absolute return									
Other							⁽²⁵⁾		
Definition your flagship small/mid cap product	SMID	MC		MC	SC		SMID	SC	SMID
Amount (€m) of flagship small/mid cap portfolio invested in:									
US	750	1,553.1	NA	1,880			3,028	118.4	77.39
Europe		141.97	NA		281			54.2	101.49
Japan		0	NA					18.1	66.02
Emerging markets		0	NA				56	9.6	0
Frontier markets		0	NA					0	0
If managed on an active basis:									
Targeted information ratio	⁽¹⁰⁾	⁽¹⁶⁾		0.50	1		⁽¹⁶⁾	⁽¹⁰⁾	NA
Achieved information ratio	1.04	0.54		0.66	1.9		⁽¹⁶⁾	0.31 ⁽¹⁾	NA
Acceptable tracking error	⁽¹⁰⁾	<6%		3%	5%		⁽¹⁶⁾	4-6%	NA
No. of holdings in flagship small/mid cap equities portfolio	207	92	NA	201	150		⁽¹⁶⁾	300	95
Of total small cap equities holdings (€m)									
Average market cap	3,768	2,475.44	758.18	1,522	1,068		⁽¹⁶⁾	2,720	611
Median market cap	2,831	1,293.07	711.43	869	645		⁽¹⁶⁾	1,398	578
Of total mid cap equities holdings (€m)									
Average market cap	9,861	14,029.12		4,420	5,182		⁽¹⁶⁾		2,785
Median market cap	7,852	8,383.22		3,240	4,225		⁽¹⁶⁾		2,557
% of total small/mid cap portfolio made up of:									
Top 10 positions	13.8	25.36	9.08	12.6	18		⁽¹⁶⁾	8.7	NA
Top 20 positions	23.5	41.94	16.63	23	33		⁽¹⁶⁾	15.1	NA
% of small/mid cap equities research done in-house	75	100	90	90	100		90	70	100
No. of investment professionals on small/mid cap equities team	165	13	9	42	18		66	29	9
No. of small/mid cap portfolio managers in team	10	3	5	14	10		17	7	6

Company name	Standard Life Investments	Sycamore AM	Thompson, Siegel & Walmisley	Union Investment	The Vanguard Group	Wells CM	William Blair	Zürcher Kantonbank
Amount invested in small & mid cap equity (€m)	3,594	1,004	4,440.5	962	236,350	16,019.5	4,566	4,691
As at	30/09/15	07/12/15	31/12/15	30/10/15	30/09/15	30/09/15	30/09/15	30/09/15
Total AUM worldwide (€m)	340,029	3,345	13,364.2	259,700	2,851,588	310,387.9	56,119	109,764
Market value up to which a stock is regarded as small cap (€bn)	5	1		<2	0-3.85	2.4		3.58
Market value up to which a stock is regarded as mid cap (€bn)	10	3		2-6	3.85-26.02	11.8		13.44
Amount (€m) of small/mid cap equities invested:								
For Europe-based institutional clients	1,244	993		658	745	70.2		1,141
Pension fund clients	395	318			130	0		268
Insurance company clients	3	179			73	0		0
All other institutional clients	846	496		658	542	70.2		873
Through segregated account mandates	632	480		60	0	6,326.8		2,706
Through investment/mutual fund vehicles	2,962	524		902	236,350	9,692.7		1,860
Amount (€m) of small/mid cap equities managed:								
Passively or on an indexed basis		0			192,498	0		
On an enhanced indexed basis		0			0	0		
Quant-type strategies		0			43,852	0		
Actively with 2-5% outperformance	3,594	0		962	0	16,019.5	4,566	
Actively with 5% plus outperformance		1,004			0	0		
Other								
Description of approach to managing small/mid cap equities:								
Core	X	X		X		X		
Value	X	X		X		X		
Growth	X	X		X		X	X	
Enhanced indexing								
Quant								
Top down	X							
Bottom up	X	X		X		X	X	
Thematic								
Concentrated/focused		X		X				
Sector								
Absolute return								
Other					⁽²⁶⁾			
Definition your flagship small/mid cap product	SC	SMID		SMID	SC	SC	SMID	SMID
Amount (€m) of flagship small/mid cap portfolio invested in:								
US		0			264	1,692.6	4,566	
Europe	226.89	261		604	101	20.3		
Japan		0			51	0		
Emerging markets		0			0	0		
Frontier markets		0			0	0		
If managed on an active basis:								
Targeted information ratio	0.5	NA		0.5	NA	NA	NA	
Achieved information ratio	1.35	-0.04		0.98 ⁽¹⁾	NA	0.7	2.75	
Acceptable tracking error	4-8%	NA		12%	NA	NA	NA	
No. of holdings in flagship small/mid cap equities portfolio	42	96		29	4,131	65	71	
Of total small cap equities holdings (€m)								
Average market cap	1,476				2,430	1,712	1,956	
Median market cap	900				2,070	1,587.3	1,483	
Of total mid cap equities holdings (€m)								
Average market cap					NA	4,111.9	6,472	
Median market cap					NA	3,902.1	6,200	
% of total small/mid cap portfolio made up of:								
Top 10 positions	22	23		54.32	1.8	22.12	22.11	
Top 20 positions	39	40		89.8	3.1	41.01	39.32	
% of small/mid cap equities research done in-house	70	100		100		80	⁽²⁵⁾	
No. of investment professionals on small/mid cap equities team	5	14		6	47	8	20	
No. of small/mid cap portfolio managers in team	5	14		6	24	1	3	

Key:

NA= Not available; SC= Small-cap; MC= Mid-cap; SMID= Small and Mid cap

Footnotes:

- 5-year
- Includes pension fund clients
- No style constraint
- Core with value bias
- Framlington Equities
- Rosenberg Equities
- 3-year
- Plus Canada, €149m
- Relates to total small and mid cap equity assets. The firm has €726m in small and mid cap equity products on a mandate-only basis
- No target
- Quality, momentum
- Fundamental
- Actively with 2-6% outperformance
- Combined top down and bottom up approach
- All other institutional clients, €259.57m
- Varies by product
- Opportunistic
- Includes insurance company clients
- Actively without an outperformance target
- GARP (Growth at a Reasonable Price)
- Quality
- Quality bias
- Sustainability
- The majority of the firm's funds employ passive management or indexing investment strategies designed to track the performance of the index
- Majority