

IPE Survey Managers of Emerging & Frontier Market Equities

In summary

Survey overview

Total number of managers in survey	65
Total emerging & frontier market equity assets (€m)	642,148
Total European institutional assets (€m)*	151,819
Total pension fund assets (€m)*	75,880
Total insurance company assets (€m)*	7,838
Total other institutional assets (€m)*	62,007
Total in segregated accounts (€m)*	269,051
Total in investment funds (€m)*	318,807
Total actively managed (€m)*	514,656
Total in specialist mandates (€m)*	103,568

*Where disclosed

Top 10 – European institutional assets

	Company	€m	As at
1	State Street Global Advisors	12,299	30/06/16
2	Aberdeen Asset Management	12,625	30/06/16
3	Robeco	12,232	30/06/16
4	Legal & General Investment Management	11,207	30/06/16
5	Comgest	8,818	30/06/16
6	Northern Trust Asset Management	8,044	30/06/16
7	Baillie Gifford & Co.	7,478	30/06/16
8	Vontobel Asset Management	7,172	30/06/16
9	Franklin Templeton Investments	6,323	30/06/16
10	Lazard Asset Management	4,425	30/06/16

Top 10 – Emerging & frontier market equity assets

	Company	€m	As at
1	Dimensional Fund Advisors	52,632	30/06/16
2	State Street Global Advisors	47,115	30/06/16
3	Aberdeen Asset Management	37,103	30/06/16
4	Lazard Asset Management	36,254	30/06/16
5	Baillie Gifford & Co.	34,536	30/06/16
6	Franklin Templeton Investments	23,640	30/06/16
7	Mirae Asset Global Investments	23,300	31/08/16
8	Northern Trust Asset Management	22,394	30/06/16
9	Vontobel Asset Management	20,204	30/06/16
10	BNP Paribas Investment Partners	20,168	30/06/16

Top 10 – European pension fund assets

	Company	€m	As at
1	Legal & General Investment Management	9,960	30/06/16
2	State Street Global Advisors	7,575	30/06/16
3	Baillie Gifford & Co.	6,705	30/06/16
4	Comgest	6,299	30/06/16
5	Robeco	4,417	30/06/16
6	Aberdeen Asset Management	3,763	30/06/16
7	Russell Investments	3,575	30/06/16
8	Lazard Asset Management	3,076	30/06/16
9	Franklin Templeton Investments	2,681	30/06/16
10	Fisher Investments	2,612	30/06/16

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Company name	Aberdeen AM	Acadian AM	AGF Investments	Amundi	Ashmore Group	AXA IM	Baillie Gifford & Co.	Baring AM	BNP Paribas IP	Brandes IP	Calamos Investments	CBL AM, IPAS	ClariVest AM	Columbia Threadneedle Inv.	Comgest	Coronation Fund Managers
Total assets invested in emerging & frontier market equities (€m)	37,102.8	19,683	953	10,564	2,784	896	34,536	11,508	20,168	4,347	538	11.2	879	3,858	12,597	4,451
As at 30/06/16	30,794.16	31,087.16	30,06/16	30,06/16	30,06/16	30,06/16	30,06/16	31,08/16	30,06/16	30,09/16	30,09/16	30,06/16	31,07/16	30,06/16	30,06/16	30,06/16
Total AUM worldwide (€m)	362,662.5	66,181	18,604	1,003,826	47,455	679,392	156,912	34,390	561,605	24,121	18,136	655.5	4,128	415,303	20,683	36,823
Assets invested in emerging & frontier market equities (€m):																
Invested for Europe-based institutional clients	12,625.3	4,142	512.7	1,077	1,506	627	7,478	2,318	1,104	92.6	71	3.6	261	276	8,818	2,776
-Pension fund clients	3,763.09	2,485	509.4		337	0	6,705	575	233	71	3.6	0	0	276	6,299	1,512
-Insurance company clients	229.44				18	346	0		350	0	0	0	261		4,786	
-All other institutional clients	8,632.8	1,657	3.3		1,151	281	773	209	521	92.6	0	0	0	0	0	0
In segregated accounts	15,661.7	19,683	412.7	2,132	1,402	211	28,566	6,959	13,270	2,428 ⁽⁹⁾	12	6.5	667	988	3,107	4,990
In investment funds	21,441.1	0	540.3	8,432	1,382	685	5,969	4,549	6,898	1,890 ⁽⁹⁾	526	4.7	526	3,858	12,597	0
Actively managed	37,102.8	19,683	953	10,389	2,784	896	34,536	11,508	19,935	4,347	538	11.2	879	3,858	12,597	0
Managed through specialist equity mandates	0	0	0		2,214	896	0	49	55	4,347	0	1	0	NA	0	
If managed on an active basis:																
Targeted information ratio	1	0.5	0 ⁽⁹⁾	0.5	0 ⁽⁹⁾	0.5	NA	1	NA	NA	NA	0.5-1.0	0.77 ⁽¹⁰⁾	0.33	NA	0.51 ⁽¹⁰⁾
Achieved information ratio	0.75 ⁽¹⁾	0.6	0.3	0.5	0.28-0.71	0.18 ⁽¹⁾	0.06	1.61	0.18	0.33 ⁽¹⁾	0.33 ⁽¹⁾	NA	0.77 ⁽¹⁰⁾	0.33	NA	0.51 ⁽¹⁰⁾
Acceptable tracking error	4-12.5%	0.5%	4.6%	2-6%	0 ⁽⁹⁾	4-6%	2-8%	3-6%	6.49%	NA	NA	3-6%	3-8%	NA	NA	NA
Regions invested in within emerging & frontier market equity funds -																
EMERGING EUROPE:	P	S		P		N	S	S	S	S	T	P	S	S	S	S
The Balkans	S	T		T	T		S	S	S	S	T	T	N	N	S	S
The Baltics	S	T		N	T		S	N	S	S	T	P	N	N	S	S
Czech Republic	S	S	S	P	T	P	S	S	S	S	T	S	S	T	S	S
Hungary	S	S		P	T	P	S	S	S	S	T	S	S	T	S	S
Poland	S	S		P	T	P	S	S	S	S	T	P	S	T	S	S
Russia	S	S		P	S	P	S	N	S	S	T	P	S	T	S	S
Turkey	S	S	S	P	S	P	S	S	S	S	T	P	S	T	S	S
Other emerging Europe (inc. ex-CIS)	S	S/T		T	T	P	S	S	S	S	T	S	S	N	S	S
ASIA:	P	S		P		P	S	S	S	S	S	S	S	S	S	S
China	S	S		P	P	P	S	S	P	P	S	T	S	P	S	S
India	S	S		P	P	P	S	S	P	P	S	T	S	P	S	S
Indonesia	S	S	S	P	S	P	S	S	S	S	T	S	S	S	S	S
Malaysia	S	S		P	S	P	S	S	S	S	T	T	S	T	S	S
South Korea	S	S		P	P	P	S	S	P	S	S	T	S	P	S	S
Taiwan	S	S		P	P	P	S	P	P	S	S	T	S	P	S	S
Thailand	S	S		P	S	P	S	S	S	S	T	T	S	S	S	S
Other Asia	S	S/T	S	P	T	P	S	P	S	S	T	T	S	S	T	S
LATIN AMERICA:	P	S		P		P	S	S	S	S	S	T	S	S	S	S
Argentina	S	S		P	S	N	S	S	S	S	T	T	N	T	S	S
Brazil	S	S	S	P	P	P	S	S	S	S	T	T	S	P	S	S
Chile	S	S		P	S	P	S	S	S	S	T	T	S	S	S	S
Mexico	S	S		P	P	P	S	S	S	S	T	T	S	P	S	S
Other Latin America and Caribbean	S	S/T	S	P	P	P	S	S	S	S	T	T	S	P	S	S
MIDDLE EAST AND AFRICA:	P	T		P		P	S	S	S	S	T	T	S	T	S	S
Egypt	S	T		P	S	P	S	S	S	S	T	N	S	T	S	S
Jordan	S	T		T	T	T	S	N	N	S	T	N	N	N	S	S
Morocco	S	T		T	T	T	S	S	S	S	T	N	N	N	S	S
Nigeria	S	T		T	S	T	S	S	S	S	T	N	N	N	S	S
South Africa	S	T	S	P	T	P	S	S	S	S	T	N	N	N	P	S
Other Middle East and Africa	S	T	S	T	S	P	S	S	S	S	T	N	S	T	S	S
FRONTIER MARKETS:	P	T		T	S	N	S	S	S	S	T	T	N	T	S	S
No. of countries in benchmark(s) invested in T/N	T: 0; N: 0	T: 0; N: 0-7		T: 23; N: 0		0 ⁽⁹⁾	0 ⁽⁹⁾	T: 0; N: 0	N: 1	S: 9	T: 16; N: 0	NA	T: 0; N: 0	T: 8; N: 1	T: 0; N: 0	
No. of countries not in benchmark(s) invested in P/S/T	P: 0; S: 10; T: 0	P: 0; S: 0-3; T: 0-4		T: 10		0 ⁽⁹⁾	0 ⁽⁹⁾	P: 0; S: 10; T: 0			P: 0; S: 1; T: 12	P: 3; S: 3; T: 16	P: 5; S: 2; T: 11	P: 5; S: 3; T: 0	P: 0; S: 3; T: 0	
Approach to managing Emerging & frontier market equities:																
Core	X	X		X	X	X	X			X		X	X	X	X	X
Value	X	X		X	X	X	X			X		X	X	X	X	X
Growth	X	X		X	X	X	X			X		X	X	X	X	X
Large Cap	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X
Mid Cap/Small Cap	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X
Top Down	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X
Bottom Up	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Thematic											X	X	X	X	X	X
Sector		X									X	X	X	X	X	X
Other			0 ⁽⁹⁾			0 ⁽⁹⁾		0 ⁽⁹⁾		0 ⁽⁹⁾		0 ⁽¹⁰⁾	0 ⁽¹⁰⁾			
% of emerging & frontier market equity research done in-house	90	100	80	70		100	100	80	100	70	75	80	95	90	80	
Number of professionals involved in emerging & frontier market equities	48	86	13	56		7	9	31	209	52	16	3	6	22	19	

Key:
 NA= Not available; P= Permanently;
 T= Tactically; S= Strategically; N= Never

- Footnotes:**
- 5-year
 - No target
 - GARP (Growth at a Reasonable Price)
 - The firm invests in all 23 countries that belong to its benchmark, with the exception of Russia
 - Systematic
 - As bottom-up stock pickers, country allocation is a direct result of the firm's conviction in individual stocks
 - Quality GARP
 - Does not include SMA AUM of €29m in Emerging Markets Opportunities
 - Long-term, Graham & Dodd
 - As at 30/06/16
 - Quantitative, fundamental
 - 3-year
 - As at August 2015
 - Increased emphasis on higher expected return securities. Lower relative price, higher profitability and lower market cap
 - 7-year
 - The firm may strategically or tactically consider investing in all 23 countries in the MSCI Emerging Markets Index and all 23 countries in the MSCI Frontier Markets Index when they complement higher-level portfolio themes
 - Varies
 - Systematic rules based approach using dividend metrics to identify winning companies; core with value tilt
 - The firm invests in the countries represented in the MSCI Emerging Markets Index, as well as other emerging market countries
 - Majority
 - Fundamental
 - Includes insurance company clients
 - The firm does not have any specific restrictions outside the benchmark, so all other countries would be tactical
 - The fund can hold up to 20% in non-MSCI Emerging Markets countries as per IA guidelines
 - Active: the firm does not make tactical short-term decisions on asset allocation; it strategically looks at all the countries in the Emerging Markets benchmark, even if it doesn't currently have holdings in a particular country, and also strategically looks at some countries outside the benchmark. True Index: aims to deliver the exact pre-tax index returns of the benchmark
 - Quant
 - The firm is benchmark aware and not benchmark-orientated
 - Quality at a Reasonable Price
 - Approach is a systematic, rules-based process. Alpha generation is driven by a disciplined, contrarian investment approach
 - Country weights are diversified and tend to be managed within band of index (maximum +/-10%, most are +/-5%)
 - As at 31/03/16
 - Quantitative
 - Momentum
 - The firm is not constrained to a particular investment universe
 - The firm manages a wide range of passive, active and enhanced emerging markets equity strategies
 - Relates to Europe-based institutional clients
 - High Quality Growth
 - Fundamental, all cap
 - As at 31/08/16

IPE Survey Managers of Emerging & Frontier Market Equities

Company name	LGM Investments	Lombard Odier AM	M&G Investments	Macquarie AM	Man Group	MFS IM	Mirage Asset Global Investments	Mondrian	Morgan Stanley IM	Neuberger Berman	Nordea AM	Northern Trust AM	Parametric Portfolio Associates	PIMCO	PineBridge Investments	Pioneer Investments	Principal IP
Total assets invested in emerging & frontier market equities (€m)	3,415	562.93	2,753	4,580.5	2,693	2,657	23,800.22	12,143	11,568	7,143	3,800	22,394	13,768	7,136	9,128	3,526	7,081.36
As at	30/06/16	30/06/16	30/06/16	30/06/16	30/06/16	31/07/16	31/08/16	31/08/16	30/06/16	30/06/16	31/08/16	30/06/16	30/06/16	30/06/16	30/06/16	31/08/16	30/06/16
Total AUM worldwide (€m)	3,415	41,069.86	307,328	334,045.3	68,791	392,658	87,762.97	54,511	365,128	221,627	212,140	816,176	149,187	995,614	72,861	225,669	362,491.03 ⁽²⁵⁾
Assets invested in emerging & frontier market equities (€m):																	
Invested for Europe-based institutional clients	1,737	218.69	27	497.7	910	121	311.94	1,555	1,748	2,645	1,400	8,044	1,028	53	435	561	942.64
-Pension fund clients	1,032	93.38 ⁽²⁶⁾				121	84.77	751	1,165	1,455		1,844			57	85	857.67
-Insurance company clients	75					0	NA	0	72			0			211	31	0
-All other institutional clients	630	125.31	27	497.7	910	0	227.17	804	510	1,190	6,200	510	1,028	53	167	445	84.97
In segregated accounts	1,520	0	990	1,509.7	1,401	1,474	13,327.77	8,492	5,417	4,248	11,024	3,942	298	2,000	208	208	1,423.8
In investment funds	1,895	562.93	1,763	3,070.8	1,292	1,183	9,972.45	3,651	6,151	2,895	11,370	9,826	6,838	7,128	3,318	3,318	5,657.56
Actively managed	3,415	562.93	2,753	4,290.3	2,693	2,657	18,630.35	12,143	11,568	7,143		751	11,955	7,136	9,128	3,422	7,081.36
Managed through specialist equity mandates	772	0	0	0	0	0	NA	0					1,813	0	0	0	223.83
If managed on an active basis:																	
Targeted information ratio	NA	⁽²⁷⁾	NA	⁽²⁸⁾	0.8	⁽²⁹⁾	NA	⁽³⁰⁾	⁽³¹⁾	NA	⁽³²⁾	NA	⁽³³⁾	0.625	⁽³⁴⁾	0.7	0.50-0.75
Achieved information ratio	0.6-1.5	0.35 ⁽³⁵⁾	-0.14 ⁽³⁶⁾	0.29 ⁽³⁷⁾	1.18	NA	NA	0.27 ⁽³⁸⁾	0.37 ⁽³⁹⁾	NA	0.63	0.57	0.23	0.71	0.23	0.71	0.71
Acceptable tracking error	4-8%	≤10%	NA	5%	5%	3-8%	5-10%	5-7%	5-6%	5-6%	NA	3.5-5.5%	3-5%	8%	8%	8%	<6%
Regions invested in within emerging & frontier market equity funds -																	
EMERGING EUROPE:																	
The Balkans	T	P	P	T/N	N	T	P	S	P	S	P	P	P	P	P	N	S
The Baltics	T	P	P	N	T	T	P	S	S	P	P	P	P	N	T	N	S
Czech Republic	T	P	P	P/T	S	T	P	S	P	P	P	P	P	S	T	T	T
Hungary	T	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	T	S
Poland	T	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	T	P
Russia	T	P	P	P/S	S	S	P	S	P	P	P	P	P	P	P	P	P
Turkey	T	P	P	P/S	S	S	P	S	P	P	P	P	P	P	P	P	P
Other emerging Europe (inc. ex-CIS)	T	P	P	P/T	N	T	P	S	P	P	P	P	P	P	T	T	S
ASIA:																	
China	P	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	P	P
India	P	P	P	P/S	S	P	P	S	P	P	P	P	P	P	P	P	P
Indonesia	P	P	P	P/S	S	P	P	S	P	P	P	P	P	P	P	P	P
Malaysia	P	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	P	P
South Korea	P	P	P	P/S	S	P	P	S	P	P	P	P	P	P	P	P	P
Taiwan	T	P	P	P/S	S	S	P	S	P	P	P	P	P	P	P	P	P
Thailand	T	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	P	P
Other Asia	T	P	P	P/T	S	T	P	S	P	P	P	P	P	P	N	P	P
LATIN AMERICA:																	
Argentina	T	P	P	S/N	S	T	P	S	P	P	P	P	P	P	N	P	P
Brazil	T	P	P	P/S	S	P	P	S	P	P	P	P	P	P	P	P	P
Chile	T	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	P	P
Mexico	T	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	P	P
Other Latin America and Caribbean	T	P	P	P/S	S	T	P	S	P	P	P	P	P	N	P	T	S
MIDDLE EAST AND AFRICA:																	
Egypt	T	P	P	P/T	S	T	T	S	P	P	P	P	P	N	P	T	S
Jordan	T	P	P	P/N	N	T	T	S	P	P	P	P	P	N	P	N	S
Morocco	T	P	P	P/N	N	T	T	S	P	P	P	P	P	N	P	N	S
Nigeria	T	P	P	P	N	T	T	S	P	P	P	P	P	N	P	N	S
South Africa	T	P	P	P/S	S	T	P	S	P	P	P	P	P	P	P	T	P
Other Middle East and Africa	T	P	P	P/T	N	T	T	S	P	P	P	P	P	N	P	N	S
FRONTIER MARKETS:																	
No. of countries in benchmark(s) invested in T/N	T: 25; N: 0	NA	⁽⁴⁰⁾	T: 25; N: 0	T: 20; N: 0 ⁽⁴¹⁾	T: 25; N: 0 ⁽⁴²⁾	T: 25; N: 0 ⁽⁴³⁾	T: 0; N: 0	NA	⁽⁴⁴⁾	NA	T & N: 0	T: 0; N: 0	T: 16; N: 1	⁽⁴⁵⁾	⁽⁴⁶⁾	⁽⁴⁷⁾
No. of countries not in benchmark(s) invested in P/S/T	⁽⁴⁸⁾	⁽⁴⁹⁾	⁽⁵⁰⁾	P, S & T: 0	P, S & T: 0	P, S & T: 0	P, S & T: 0	S: 4	⁽⁵¹⁾	⁽⁵²⁾	⁽⁵³⁾	P: 27; S: 0; T: 0	P, S & T: 0	⁽⁵⁴⁾	⁽⁵⁵⁾	⁽⁵⁶⁾	
Approach to managing Emerging & frontier market equities:																	
Core	X			X	X	X	X	X	X	X				X			X
Value			X	X				X									
Growth	X							X									
Large Cap	X		X	X	X	X	X	X	X	X	X	X		X	X	X	X
Mid Cap/Small Cap	X							X	X	X		X					
Top Down								X	X	X			X				
Bottom Up	X	X	X		X	X	X	X	X	X			X	X	X	X	X
Thematic	X							X									
Sector								X									
Other	⁽⁵⁷⁾	⁽⁵⁸⁾	⁽⁵⁹⁾	⁽⁶⁰⁾	⁽⁶¹⁾	⁽⁶²⁾	⁽⁶³⁾	⁽⁶⁴⁾	⁽⁶⁵⁾	⁽⁶⁶⁾	⁽⁶⁷⁾	⁽⁶⁸⁾	⁽⁶⁹⁾	⁽⁷⁰⁾	⁽⁷¹⁾	⁽⁷²⁾	⁽⁷³⁾
% of emerging & frontier market equity research done in-house	80-100	100	90	100	95	100	70	100	85	100	100	95	100	100	80-90	90	>90
Number of professionals involved in emerging & frontier market equities	20	13	12	31	20	65	54	7	25	30	18	23	19	17	29	10	10

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 T= Tactically; S= Strategically; N= Never

Footnotes:
 (1) 5-year
 (2) No target
 (3) GARP (Growth at a Reasonable Price)
 (4) The firm invests in all 23 countries that belong to its benchmark, with the exception of Russia
 (5) Systematic
 (6) As bottom-up stock pickers, country allocation is a direct result of the firm's conviction in individual stocks
 (7) Quality GARP
 (8) Does not include SMA AUM of €29m in Emerging Markets Opportunities
 (9) Long-term, Graham & Dodd
 (10) As at 30/06/16
 (11) Quantitative, fundamental
 (12) 3-year
 (13) As at August 2015
 (14) Increased emphasis on higher expected return securities. Lower relative price, higher profitability and lower market cap
 (15) 7-year
 (16) The firm may strategically or tactically consider investing in all 23 countries in the MSCI Emerging Markets Index and all 23 countries in the MSCI Frontier Markets Index
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 (21) Majority
 (22) Fundamental
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 (25) The fund can hold up to 20% in non-MSCI Emerging Markets countries as per IA guidelines
 (26) Active: the firm does not make tactical short-term decisions on asset allocation; it strategically looks at all the countries in the Emerging Markets benchmark, even if it doesn't currently have holdings in a particular country, and also strategically looks at some countries outside the benchmark. True Index: aims to deliver the exact pre-tax index returns of the benchmark
 (27) Quant
 (28) The firm is benchmark aware and not benchmark-orientated
 (29) Quality at a Reasonable Price
 (30) Approach is a systematic, rules-based process. Alpha generation is driven by a disciplined, contrarian investment approach
 (31) Country weights are diversified and tend to be managed within band of index (maximum +/-10%, most are +/-5%)
 (32) As at 31/03/16
 (33) Quantitative
 (34) Momentum
 (35) The firm is not constrained to a particular investment universe
 (36) The firm manages a wide range of passive, active and enhanced emerging markets equity strategies
 (37) Relates to Europe-based institutional clients
 (38) High Quality Growth
 (39) Fundamental, all cap
 (40) As at 31/08/16