

# IPE SURVEY GOVERNMENT BOND MANAGERS

Company	Aberdeen Asset Management	Achmea Investment Management	Aegon Asset Management	AllianceBernstein (AB)	Amundi	ASR Vermögensbeheer	Baillie Gifford & Co.	Bantleon Bank	Barings	BayernInvest	Berenberg	BlackRock
As at	31/12/16	31/03/17	31/12/16	31/12/16	31/03/17	19/04/17	31/03/17	31/03/17	31/12/16	31/12/16	31/03/17	31/03/17
Total assets invested in government bond strategies	10,736	27,326	94,276	15,327	23,760	130	524	5,546	1,940	6,264.67	570	418,899
Total assets invested in government bonds overall	29,940.5			73,891		13,400	2,689	8,176	20,259	10,279.26	981	768,782
Total group assets under management worldwide	354,554.3	117,337	331,390	455,274	1,127,717	51,000	185,579	8,176	257,886	71,502.18	40,660	5,069,863
Total assets in fixed income worldwide	77,097.9	61,609	249,584	238,332	551,096	35,000	6,709	7,749	217,458	48,637.65	6,015	1,525,098
Assets invested in government bond strategies												
Vehicle type (€m)												
Segregated account mandates	9,297.1	25,675		13,618	17,612	95	0	3,391	1,820	5,883.96	515	130,640 <sup>(1)</sup>
Pooled funds	1,438.9	1,651		1,709	6,148	35	524	2,155	120		55	99,547 <sup>(1)</sup>
Client type (€m)												
Europe-based institutional clients	9,026.1	27,326	75,992	1,509	11,154	130	524	4,930	29	6,264.67	515	122,115 <sup>(1)</sup>
Institutional clients worldwide	9,297.1	27,326	94,276	14,116	20,740	130	524	4,950	1,875	6,264.67	515	171,156 <sup>(1)</sup>
Europe-based pension fund clients	103.5	12,141		422			356.2		29	NA		97,387 <sup>(1)</sup>
Europe-based insurance company clients	8,768.9	15,185					0			NA		2,303 <sup>(1)</sup>
All other Europe-based institutional clients	153.7	0		1,087			130			NA		22,425 <sup>(1)</sup>
Location of issuance (€m)												
Europe	8,338.8	27,297			15,060	130	400	5,430	206	5,334	454	142,511
US	1,149.1	27			2,105	0	55	55	1,461	282.55	97	236,956
Other issues	1,248.1	2			6,595		69	61	273	648.12	19	39,432
Currency of issue (€m)												
Euro-denominated bonds	971.8	27,263			11,203	130	-3.5	5,426	186	5,769.95	454	61,872
Dollar-denominated bonds	1,153.1	29			10,101	0	67.5	70	1,523	434.53	97	236,956
Sterling-denominated bonds	7,325.3	34			308	0	422.6	30	64	9.35	11	71,338
Other-denominated bonds	1,285.8				2,148		37.4	20	167	50.84	8	48,733
Amount held within rating (€m)												
AAA-A	10,254.2	25,802				120	450.9	4,437	1,828	3,507.58		391,360
BBB-B	479.5	1,289				10	15.1	1,109	112	2,507.36		26,401
CCC-C	0	0				0	0	0	0	0		94
Unrated	2.3	235					28			249.73		1,044
Active/passive/unconstrained (€m)												
Passive	1,667.4	5,957								2,456.24	0	208,314 <sup>(1)</sup>
ETFs	0	0								0	0	56,949 <sup>(1)</sup>
Benchmarked active	9,068.6	17,937				95	524	500	1,940	3,808.43	570	21,873 <sup>(1)</sup>
Benchmarked against an enhanced/alternatively-weighted index		280				35				0	0	2,481 <sup>(1)</sup>
Managed against a customised benchmark or risk/return target		3,152								0	0	
Unconstrained		0								0	0	
Flagship government bond strategy												
Information ratio	0.4	0.2 <sup>(2)</sup>				0.5	1.93			0.5		
Acceptable tracking error	0.7%	0.5 <sup>(2)</sup>				2%	1-4%		1-5%	5.0%		
Targeted contribution to excess return (%)												
Credit analysis	0						0	30	0	50	100	
Duration management	25						10	40	40	50	0	
Sector rotation	0						0	30	20	0	0	
Credit default swaps	0						0	0	0	0	0	
Currency	40						50	40	40	0	0	
Other	35 <sup>(1)</sup>					100	40					
Proportion of government bond research done in-house (%)	90	100	90			100	100	100	100	80	100	
Number of credit analysts working on government bond portfolios	37	7				10	7	4	25	10		

Company	BlueBay Asset Management	BMO Global AM (EMEA)	BNP Paribas Investment Partners	Candriam Inv. Group	Columbia Threadneedle Inv.	Degroef Petercam Asset Management	Deka	Deutsche Asset Management	Eurizon Capital	Fidelity International	Franklin Templeton Inv.	Generali Inv. Europe
As at	31/03/17	31/03/17	31/12/16	31/03/17	31/03/17	31/03/17	31/12/16	31/12/16	31/03/17	31/12/16	31/03/17	31/03/17
Total assets invested in government bond strategies	1,787	15,748.2	23,406	7,930	11,683	22,717	17,984	7,509 <sup>(1)</sup>	175,632.8	7,509 <sup>(1)</sup>	175,632.8	11,506
Total assets invested in government bonds overall	6,361	31,809	55,963	25,256	11,683	4,485	20,527	33,068	216,959	216,959	216,959	171,120
Total group assets under management worldwide	48,769	219,967	559,963	107,126	438,000	27,970	213,400	705,866	289,363	264,500	693,701.7	478,200
Total assets in fixed income worldwide	48,769	52,618	309,554	30,727	178,609	13,705	44,170	305,157	232,414	60,980	270,096.7	368,830
Assets invested in government bond strategies												
Vehicle type (€m)												
Segregated account mandates	0		20,469	5,679		210		13,322	4,755	2,460	13,472	4,944
Pooled funds	1,787			2,251		1,688		9,395	13,229	5,049	162,160.8	6,562
Client type (€m)												
Europe-based institutional clients	537	13,101	8,197	6,731	1,898			6,581	5,148	608	3,502.9	11,019
Institutional clients worldwide	537		21,791	6,798	1,898			13,322	5,148	2,460	24,196.1	11,019
Europe-based pension fund clients	373		2,560	274	124 <sup>(1)</sup>				3,953			1,628
Europe-based insurance company clients	163		703	2,916	28 <sup>(1)</sup>				546			7,561
All other Europe-based institutional clients	1		4,934	3,541	1,536 <sup>(1)</sup>				649			1,830
Location of issuance (€m)												
Europe	1,308 <sup>(1)</sup>			7,643		1,788						10,790
US	0			140		56						132
Other issues	105 <sup>(1)</sup>			147		54						584
Currency of issue (€m)												
Euro-denominated bonds	1,368 <sup>(1)</sup>			7,556		1,788						11,274
Dollar-denominated bonds	53 <sup>(1)</sup>			129		56						200
Sterling-denominated bonds	-24 <sup>(1)</sup>			78		6						32
Other-denominated bonds	66 <sup>(1)</sup>			167		48						
Amount held within rating (€m)												
AAA-A	799 <sup>(1)</sup>			5,467		1,154						444
BBB-B	612 <sup>(1)</sup>			1,696		726						11,014
CCC-C	0			0		0						
Unrated	0			767		18						48
Active/passive/unconstrained (€m)												
Passive	0			510		184				17,689		
ETFs	0			0		0	1,590			7,835		
Benchmarked active	1,787			7,420		1,714	18,937			5,028		5,408
Benchmarked against an enhanced/alternatively-weighted index	0			0		0						
Managed against a customised benchmark or risk/return target	0			0		0						
Unconstrained	0			0		0						6,098
Flagship government bond strategy												
Information ratio	1.78			0.5		0.25				>0.5%		1.06
Acceptable tracking error	0.3% <sup>(5)</sup>			1%		1.5%				1.50%		1.3%
Targeted contribution to excess return (%)												
Credit analysis	60					40				0		35
Duration management	30					25				20		40
Sector rotation	0					15				0		
Credit default swaps	0					0				0		
Currency	10					0				15		
Other						20 <sup>(7)</sup>				65		25 <sup>(7)</sup>
Proportion of government bond research done in-house (%)	100			70		60	100			66		100
Number of credit analysts working on government bond portfolios	10			6		11	35			32		14

## IN SUMMARY

### Survey overview

Total number of managers in survey	49
Total invested (€m):	
In government bond strategies	2,267,623
Through segregated account mandates*	519,830
Through pooled funds*	457,409
For institutional clients worldwide*	1,717,269
For Europe-based institutional clients*	661,982
For Europe-based pension fund clients*	221,396
For Europe-based insurance company clients*	188,976
For all other Europe-based institutional clients*	108,292

\*Where disclosed

### Top 10: Assets in government bond strategies

Company	€m	As at
1 Vanguard	782,087	31/03/17
2 BlackRock	418,899	31/03/17
3 Franklin Templeton Investments	175,633	31/03/17
4 State Street Global Advisors	144,071	31/03/17
5 MEAG	115,778	31/12/16
6 Aegon Asset Management	94,276	31/12/16
7 Legal & General Investment Management	84,195	31/12/16
8 Standish Mellon Asset Mngt. Co.	45,151	31/03/17
9 Pioneer Investments	38,360	31/03/17
10 Standard Life Investments	33,765	31/12/16

### Top 10: Assets in government bond strategies for European institutional clients

Company	€m	As at
1 BlackRock	122,115	31/03/17
2 MEAG	99,987	31/12/16
3 Aegon Asset Management	75,992	31/12/16
4 Legal & General Investment Management	74,676	31/12/16
5 State Street Global Advisors	31,717	31/03/17
6 Standard Life Investments	31,365	31/12/16
7 Pioneer Investments	30,346	31/03/17

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Company	Groupama Asset Management	Helaba Invest	Insight Investment	J.P. Morgan Asset Management	Kempen Capital Management	La Française	Legal & General Investment Management	Lombard Odier Investment Managers	Macquarie Asset Management	MEAG	Mondrian Inv. Partners	Payden & Rygel
As at	31/03/17	31/03/17	31/12/16	31/12/16	31/12/16	28/02/17	31/12/16	31/03/17	31/03/17	31/12/16	28/02/17	31/03/17
Total assets invested in government bond strategies	1,895	18,763	14,791	10,776	2,800	1,158	84,195	3,525.48	3,444	115,778	4,431	10,143
Total assets invested in government bonds overall	43,918		44,863	76,451	16,621	5,520	199,298	6,890.33	18,200	115,778		38,446
Total group assets under management worldwide	99,029	43,240	612,719	1,678,782	46,854	62,833	1,047,470	42,622.32	343,792	263,500	56,974	105,677
Total assets in fixed income worldwide	87,958	27,325	247,135	420,257	22,043	23,428	388,448	18,741.12	141,848	202,200	4,823	103,329
Assets invested in government bond strategies												
Vehicle type (€m)												
Segregated account mandates		18,663	5,741	8,464	2,536	681	25,803	2,924.45		98,909	4,032	9,931
Pooled funds		100	9,050	2,312	264	477	58,392	601.03		16,869	399	212
Client type (€m)												
Europe-based institutional clients	1,895	18,763	10,011	242	2,752	1,034	74,676	3,289.85		99,987	251	988
Institutional clients worldwide		18,763	606,985	8,464	2,752	1,034	81,129	3,290.41		115,778	4,431	10,143
Europe-based pension fund clients		5,630	3,792	0	2,425.06	95	62,212	2,586		2,586	211	293 <sup>(14)</sup>
Europe-based insurance company clients		4,690	1,209	97	300.86	230	6,833			113,192	0	187 <sup>(14)</sup>
All other Europe-based institutional clients		8,443		145	74.08	709	5,631				40	9,663 <sup>(14)</sup>
Location of issuance (€m)												
Europe			NA	5,278	2,765.2	820		2,760.84		99,987	1,222	1,097
US			NA	2,492	13.87	1		269.37		7,868	1,394	8,882
Other issues			NA	3,006	20.93	337		495.27		7,923	1,815	164
Currency of issue (€m)												
Euro-denominated bonds			3,368	3,088	2,758.92	1,158		2,514.33		72,275	862	498
Dollar-denominated bonds			6,539	5,542	13.94	0		151.28		21,886	1,576	8,887
Sterling-denominated bonds			3,905	673		0		62.34		4,117	106	619
Other-denominated bonds			979	1,473	27.14			797.53		17,450	1,887	139
Amount held within rating (€m)												
AAA-A			13,190	9,631	2,737.6	650		3,097.27		101,769	4,168	10,044
BBB-B			1,570	1,108	5.73	261		169.43		14,009	263	47
CCC-C			1	0		0		0		0	0	0
Unrated			30	37	0.02	247		258.78		0	0	52
Active/passive/unconstrained (€m)												
Passive						0	73,198	98.95		0	0	6,099
ETFs								39.23		0	0	0
Benchmarked active		11,257		10,776		1,157.5	2,711	3,426.53		40,000	4,431	663
Benchmarked against an enhanced/alternatively-weighted index						61.9	3,562	1,450.72		0	0	0
Managed against a customised benchmark or risk/return target		7,506				2,737.6	4,724	0		75,000	0	3,381
Unconstrained						0.5		0		0	0	0
Flagship government bond strategy												
Information ratio			1.01 <sup>(9)</sup>	0.5	-0.02	0.5	NA	0.3		NA	0.5	0.26
Acceptable tracking error			0.73% <sup>(9)</sup>	100bps	1.09%	2.2-5%	0-1.5%	3-4%		NA	1-3%	100-150bps
Targeted contribution to excess return (%)												
Credit analysis			15	0	25	25	3			15	20	20
Duration management			60	30	50	55	23			30		30
Sector rotation			0	10		5				40		20
Credit default swaps			0	0		0				0		0
Currency			10	0		0				15	40	20
Other			15	60	25	15 <sup>(10)</sup>	74 <sup>(11)</sup>	100 <sup>(12)</sup>			40 <sup>(13)</sup>	10 <sup>(15)</sup>
Proportion of government bond research done in-house (%)		70	100	100	100	100	100	100		50	90-95	80
Number of credit analysts working on government bond portfolios		7	4	56	3	9	16	10		23	8	

Key:

NA= Not available; ND= Not disclosed

Footnotes:

- (1) Curve, country
- (2) 5-year
- (3) Relates to government bond mandates only
- (4) Does not include cash or derivatives
- (5) Relative
- (6) Relates to pooled funds
- (7) Yield curve
- (8) Excludes government bonds held in aggregate strategies. Includes inflation links strategies, with the exception of emerging markets
- (9) 3-year
- (10) Inflation
- (11) Curve, 10%; country, 25%; peripheral, 23%; stock selection, 6%; inflation/breakevens, 10%
- (12) Country allocation
- (13) Market
- (14) Relates to government bond strategies
- (15) Credit beta management
- (16) Inflation, 6.7%; event driven, 10%
- (17) Country allocation, 50%; yield curve positioning, 15%
- (18) Country selection, 30%; curve, 30%
- (19) This and subsequent breakdowns relate to all government bond assets
- (20) Curve strategies
- (21) Yield curve positioning, 30%; country selection, 10%

Company	Pioneer Investments	Putnam Investments	Robeco	Schroders Inv. Management	Sparinvest	Standard Life Investments	Standish Mellon Asset Mngt. Co.	State Street Global Advisors	TKP Investments	Union Investment	Vanguard	Vontobel Asset Management	Zürcher Kantonbank
As at	31/03/17	31/03/17	31/12/16	31/12/16	30/09/16	31/12/16	31/03/17	31/03/17	31/03/17	28/02/17	31/03/17	31/12/16	28/02/17
Total assets invested in government bond strategies	38,360	1,661	14,408	4,494	517.28	33,765.38	45,151	144,071	4,945	8,623	782,087	10,109	4,632
Total assets invested in government bonds overall	53,924	26,292	18,120	NA	677.52		76,102	144,071	5,007	39,159	ND	10,109	10,162
Total group assets under management worldwide	228,640	149,545	136,607	452,217	10,428.5	325,596.79	144,802	2,394,754	22,239	299,410	3,963,992	95,542	142,932
Total assets in fixed income worldwide	120,449	53,170	37,301	95,991	3,048.45	122,678.05	144,802	356,377	7,298	155,764	928,611	23,693	52,026
Assets invested in government bond strategies													
Vehicle type (€m)													
Segregated account mandates	30,175	1,661	5,710	3,056	403.65	15,835.96			2,663	699		8,073	11
Pooled funds	8,185	0	8,700	1,438	113.63	17,929.42			2,282	7,924		2,035	4,621
Client type (€m)													
Europe-based institutional clients	30,346		8,851	774	135.17	31,365.29	582	31,717	4,945	5,178	2,655	10,086	4,621
Institutional clients worldwide	30,359	1,661	9,022	3,534	135.17	31,471.04			4,945	5,178	335,211	23	4,621
Europe-based pension fund clients	1,619		8,066	25		6,768.35			4,945	35	968	2,375	
Europe-based insurance company clients	7,335		145	0		15,560.12			0	247	93	683	
All other Europe-based institutional clients	21,392	1,661	640	749	135.17	9,036.82			0	4,896	1,594	7,028	
Location of issuance (€m)													
Europe	36,828	669	10,902		381.38	29,139.22			4,103 <sup>(16)</sup>	7,673			1,853
US	1,047	799	1,499		29.37				904				1,621
Other issues	485	193	2,007		106.53	4,626.16				950			1,158
Currency of issue (€m)													
Euro-denominated bonds	NA	461	14,245		9.38	2,902.18			4,103	7,212			1,436
Dollar-denominated bonds	NA	879	118		72.21				904				1,621
Sterling-denominated bonds	NA	106	6		18.34	26,237.04			0				264
Other-denominated bonds		215	39		417.35	4,626.16				1,411			1,311
Amount held within rating (€m)													
AAA-A	NA	1,360	13,014		406.88				3,973	5,498			4,076
BBB-B	NA	287	1,134		44.42				768	3,125			556
CCC-C	NA		0		1.78				57				0
Unrated	NA		260		64.2				209				0
Active/passive/unconstrained (€m)													
Passive									3,947		496,924		2,439
ETFs									0		2,393		0
Benchmarked active	38,360	1,661	14,408			33,313.88			1,060	8,623	285,164	10,086	2,193
Benchmarked against an enhanced/alternatively-weighted index									0				0
Managed against a customised benchmark or risk/return target									0				0
Unconstrained					517.28				0			23	0
Flagship government bond strategy													
Information ratio	0.37	-0.82 <sup>(2)</sup>	0.34 <sup>(6)</sup>	0.28 <sup>(6)</sup>	0.05	0.25 <sup>(2)</sup>				1.42 <sup>(2)</sup>			-0.06
Acceptable tracking error	2.0%	0.61 <sup>(2)</sup>	3.5%	1.33% <sup>(6)</sup>	NA	1-2%				3%			2%
Targeted contribution to excess return (%)													
Credit analysis	6.7	40	0	20	100					10			10
Duration management	46.6	20	35	10	0	30				40			50
Sector rotation	16.7	20	0	10	0					10			
Credit default swaps	0	0	0	10	0					5			
Currency	13.3	20	0	30	0	10				25			
Other	16.7 <sup>(16)</sup>		65 <sup>(17)</sup>	20		60 <sup>(18)</sup>				10 <sup>(20)</sup>			40 <sup>(21)</sup>
Proportion of government bond research done in-house (%)	90	90	100	100	75	70			75	90-100	100		100
Number of credit analysts working on government bond portfolios	29	53	11	39	3	43			2	25	47	42	10