100 INVESTMENT INVESTMENT 101

IPE SURVEY MANAGERS OF EUROPEAN EQUITIES

Company	Aberdeen		Achmea Investment	AllianceBernstein	Allianz	Amundi	ASR	Assenagon Asset	AXA Inv.	Baillie	Barings	BayernInvest	BlackRock	BMO Global	BNP Paribas	Brandes	Candriam
Total assets in European equities (€m)	Standard Inv. 69,647	Management 2,136.3	Management 7,200	5,177	Global Inv. 73,506	Group 73,580	Vermogensbeheer 2,500	Management 6,516	Managers 33,249	Gifford & Co 62,110	5,036.5	Kapital. 17,016.6	205,796	Asset Mngt. 6,381 [15]	Asset Mngt. 36,087 (15)	Inv. Partners 830	19,531
As at	30/09/17	31/12/17	01/01/18	31/12/17	30/09/17	31/12/17	31/12/17	29/12/17	30/09/17	31/12/17	31/12/17	31/12/17	31/12/17	30/09/17	30/09/17	31/12/17	29/12/17
Total AUM worldwide (€m)	646.555	81.574.7	119,553	461.768	494.000	1,426,110	51,000	21,743.2	732,229	202,331	253,831	84,320.6	5,315,409	209,629	570,979	25,958	112,555
Total invested for Europe-based institutional clients (€m)	48,991	726	7,200	51	474,000	34,690	2,500	6,493.9	14.743	52,248	720.3	7,513.8	51,873 (13)	604	18,940	23,730	10,020
Pension fund clients	26,271	720	6,000	50		34,070	2,300	336.4	5,923	31,188	572	7,313.0	30,412	584	4.079		4.454
Insurance company clients	8.895		300	1				110.5	6,672	503	372		2.668	20	6,301		1.779
All other institutional clients	13,825		900	ı				6,047	2,148	20,557	148.3		18,793	20	8,560		3,787
	13,023		700					0,047	2,140	20,337	140.3		10,773		0,000		3,707
Amount invested through (€m) Segregated account mandates	34,202		6.000				1.400	257.6	16.885	62.110	572	7.436.3 [11]	32.676	1,558	8.113	382	7,720
Investment funds/pooled vehicles	35,445		1.200				1,100	6.258.4	16.364	02,110	4.464.5	77.5 (11)	173.120	4.823	27.974	1.368	11.811
Amount managed (€m)	30,440		1,200				1,100	0,230.4	10,304	U	4,404.5	77.5***	173,120	4,023	27,774	1,300	11,011
	0		2.000	1 000				2 /05 5		n			1/1 010	F70	5,077		
Passively or indexed basis			2,000	1,833			480	3,485.5		U			161,319	572	5,077		/ [/ /
On an enhanced indexed basis	0						480	/0/	20.040	U 0			0.707	005			4,544
Quant-type strategies			4,200	4.550				486	33,249		F 00 / F		2,707	825	04.040	200	894
Active 2-5% outperformance	62,512		1,000	1,570						60,764	5,036.5			5,556	31,010	830	
Active 5% plus outperformance	0		0	1,774				0.505.0		U							
Absolute return strategies	7,135		U					2,537.2	4= ***	0			005 50	/ 445	07.700		4 / 000
Europe incl. UK	54,353		NA NA					7.3	15,920	875			205,796	4,117	26,408		14,093
Europe ex. UK	15,294		NA				0.000(1)		17,026	471			152,908	2,264	9,679		
Other	0						2,020 (4)										
If managed on an active basis - Information ratio									A = 4 = (1) A = A (2)								
Targeted	0.5			0.75	>0.75		0.5		0.5-1.5 (6); 0.50 (7)		1.4	0.5		NA	0.5	NA	1.5
Achieved	0.1			1.35	2.72 [1]		0.58	0.11	0.89 (6); 1.42 (7)	4.79	0.61	0.6		0.83	0.7	0.48 [17]	1.64
End-date	30/09/17			31/12/17	31/12/17		31/12/17	31/12/17	31/12/17	29/12/17	31/12/17	31/12/17		31/12/17	31/12/17	31/12/17	29/12/17
Acceptable Tracking Error	4-8%			4%	NA		2%		2.5-5% (6); 5% (7)		3-9%	3-4%		3-7%	3-6%	5.07%	3-8%
Approach to running European equities									(() (0)								
Core	X		X				X		X (6) (7)			X			X		
Value				X											X	X	
Growth					X				X (6)	X					X		X
Large Cap	X		X		X		X		X ⁽⁷⁾			X		X	X	X	X
Mid-Cap	X				X							X		X	X		X
Small-Cap					X				X ⁽⁶⁾					X	X		X
Enhanced indexing			X				X										
Quant			X					X	X ⁽⁷⁾						X		
Top down																	X
Bottom up	X			X	X		X		X (6) (7)	X	X	X		X	X	X	X
Thematic															X		X
Concentrated/focused									X (6)		X	X			X	Χ	
Sector															X		
Absolute return																	
Other							(3)	(5)	(8)		(10)	[12]		[14]		(16)	
Number of holdings in European equity portfolio	54			50	55		248	50	50- 60 ⁽⁶⁾ ; 100-150 ⁽	⁷⁾ 40-80	36	80		39	44	35-75	40-70
Targeted contribution to excess return (%)																	
Stock	100		10	75	100		80	70	70 (6); 60 (7)	100	70	70		90	90	100	50
Sector	0			10	0		20	15	30 (6)	0	20	10		0	10	0	50
Country	0			10	0		0	10		0	10	10		10	0	0	0
Currency	0			5	0		0	5		0	0	10		0	0	0	0
Other			90						40 [7] [9]								
Minimum size of segregated European equity mandate (€m)	50		50	50	30		20	35	50 (6)	30	80	30			30	\$10m	
% of European equity research done in-house	90		90	90	85		75	100		80	100	80		80	100	70	100
Number/location of European equity investment professionals	Edinburgh, 31		Zeist, 7	London, 7; New York, 3	341 [2]		Utrecht, 6	Munich, 14	Paris, 20; London, 29	Edinburgh, 14	London, 13	Munich, 28		London, 15	Paris, 22; London, 8	San Diego, 43; Dublin, 3	Brussels, 12

Company	Columbia	Comgest	CPR Asset	Danske Bank		Deka	Deutsche	Dimensional	DNCA	East	Edinburgh	Fidelity	Fisher	Franklin	GAM	GET	Goldman Sachs
	Threadneedle Inv.	/ 050	Management 9,501	Asset Mngt.	Asset Mngt.	Inv. 17,092	Asset Mngt.	Fund Advisors	Investments	Capital 2,644	Partners 4,745	International	Inv.	Templeton Inv.	5,168	Capital	Asset Mngt. Int.
otal assets in European equities (€m)	45,712	6,958		43,765	10,468.7		59,783	61,104	14,921			45,940	7,394	32,994.47		875	3,692.65
s at	31/12/17	31/12/17	30/09/17	09/02/18	31/12/17	30/09/17	30/09/17	31/12/17	29/12/17	31/12/17	31/12/17	31/12/17	31/01/18	31/12/17	30/09/17	31/12/17	31/12/17
otal AUM worldwide (€m)	412,000	28,276	46,134	108,488	33,639	231,100	711,040	480,593	24,648	3,329	8,380	269,300	82,335	628,243.1	129,688	1,450	1,073,779.59
otal invested for Europe-based institutional clients (€m)		5,149	5,175	15,914	10,468.7	14,527	12,351		6,565	835	1,335	5,805	1,632	5,033.48	160 (25)	875	2,083.46
ension fund clients		1,957	1,741		1,161.7 447.4		5,401				687	4,530 1.039	192 0	802.07		155 345	914.5 302.45
nsurance company clients		721 2.471	2,469	15.017			1,981 4.969				0 648		<u> </u>	445.85			
ll other institutional clients		2,4/1	965	15,914	8,859.6		4,969				648	236	1,440	3,785.56		375	866.53
mount invested through (€m)	20.849	1,725	5,009	15,927	2,485.5	3,673	12,004	9.042	n		4.076	6.689 [11]	5.515	2.765.69		856	978.07
egregated account mandates	24,863	5.233	4.492	27.838	7.983.2		47.779	52,062	0		669	1.523 (11)	1.879	30.228.78		19	2,714.58
nvestment funds/pooled vehicles	24,863	5,233	4,492	27,838	7,983.2	13,419	47,779	52,062	14,921		667	1,523 ***	1,879	30,228.78		19	2,/14.58
Amount managed (€m)				E 100	0		24.432		0		0						0
Passively or indexed basis				5,139	U						0						0.007.57
On an enhanced indexed basis			/ 4 / 4	317	U	E 00.7	1,714		0		- 0					075	2,827.57
Quant-type strategies	45.712	6,958	6,141	10.675	U	5,034 17.092	3,441	61.104	0 n		0 4.745		6.304			875	0.37
Active 2-5% outperformance	45,/12	6,758			U	17,092		61,104	•								U.37
Active 5% plus outperformance				1,006	U				10,261		0		1,090				U
Absolute return strategies	45.712	/ OE0		756	2.080.2	0.75/			4,660		1,000			32.994.47			U
Europe incl. UK		6,950				9,756 7,336			9,194		1,003			32,994.47			U
Europe ex. UK	21,578	8	3.360 [18]	2F 072	8,388.52	/,336	20.107		5,727		598 3.144 ^[24]						864.8
Other Control of the			3,360 1101	25,872			30,196				3,144 (24)						864.8
If managed on an active basis - Information ratio	2.5	NIA.	0.75	0.5	0.5		A I A		(23)			٥٦	1				
Targeted	>0.5	NA	0.75	>0.5	0.5		NA		(23)			>0.5					
Achieved	04/40/47	0.28	-0.37	0.6	0.305		0.58 (20); 1.30 (21)					0.2	0.82				
End-date	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17		30/12/17					31/12/17	31/01/18				
Acceptable Tracking Error	3-8%	NA	2%	5%	6%		6% (20); 2.5% (21)					2-4%	4-8%				
Approach to running European equities							X (20) (21)										
Core			X	X	X	X	X (20) (21)	X				X	X			X	
Value					X	X		X	X		X						
Growth	X	X			X	X	N (20) (21)										
Large Cap	X	X	X	X	X	X	X (20) (21)	X	X			X	X				X
Mid-Cap	X	X	X	X	X	X	X (20)	X					X				
Small-Cap	X		X	X		X	N (01)	X					X				X
Enhanced indexing			.,			X	X (21)									.,	X
Quant			X			X	X (21)									Х	X
Top down					X	X	(00) (04)						X				X
Bottom up	X	X	X	X	X	X	X (20) (21)		X		X	X					X
Thematic					X		(0.)										
Concentrated/focused		X					X (21)				X						
Sector																	
Absolute return	X		(40)													X	
Other			[19]					(00)									(00)
Number of holdings in European equity portfolio	45-60	36	130-160	50-70	57		50-70 ^[20] ; 100-200 ^[21]	[22]	60		41	80-100	52			30	(22)
Targeted contribution to excess return (%)							00 (00) 100 (57)										(00)
Stock	70-80	100	80	80	80		80 (20); 100 (20)		80			90	33.33				[22]
Sector	20-30	0	10	10	15		20 (20)		20			10	33.33				
Country	0	0	10	10	5		0		0			0	33.34				
Currency	0	0	0	0	00		0		0			00	0			40.0	
Other																100 (26)	
Minimum size of segregated European equity mandate (€m)	50	80	30	20	50	25	50		100		75	50	8			20	(22)
% of European equity research done in-house	80	80	100	80	80		100	90	100		100	100	85			100	[22]
Number/location of European equity investment professionals	London, 26	Paris, 10	7	Copenhagen, 17	7 Brussels, 23	Frankfurt, 57		US, 62; London, 17;	Paris, 26			London, 66; Frankfurt, 3;			Möi	nchengladba	ch, 4 (22)
							US, 1 (20):	Sydney, 10;			Florida, 2	Milan, 3; Paris, 2;	California, 37; Tokyo	, 1;			

IN SUMMARY

Survey overview

Total number of managers in survey	82
Total assets in European equities (€m)	1,767,229
Total invested for European institutional clients (€m)*	690,238
Total invested for pension fund clients (€m)*	290,650
Total invested for insurance company clients (€m)*	99,145
Total invested for all other institutional clients (€m)*	205,684
Total invested through segregated account mandates (€m)*	515,619

^{*}Where disclosed

Top managers: European equity assets

	Company	€m	As at
1	BlackRock	205,796	31/12/17
2	Legal & General Investment Management	109,556	30/06/17
3	State Street Global Advisors	79,149	31/12/17
4	Amundi Group	73,580	31/12/17
5	Allianz Global Investors	73,506	30/09/17
6	Aberdeen Standard Investments	69,647	30/09/17
7	Northern Trust Asset Management	64,175	31/12/17
8	Baillie Gifford & Co	62,110	31/12/17
9	Dimensional Fund Advisors	61,104	31/12/17
10	Deutsche Asset Management	59,783	30/09/17
11	Union Investment	53,088	30/11/17
12	Invesco	52,923	31/12/17
13	Fidelity International	45,940	31/12/17
14	Columbia Threadneedle Investments	45,712	31/12/17
15	Danske Bank Asset Management	43,765	09/02/18
16	J.P. Morgan Asset Management	42,616	30/09/17
17	Pictet Asset Management	39,818	31/12/17
18	Janus Henderson Investors	38,411	30/09/17
19	BNP Paribas Asset Management	36,087	30/09/17
20	AXA Investment Managers	33,249	30/09/17
21	Franklin Templeton Investments	32,994	31/12/17
22	Natixis Asset Management	23,913	31/12/17
23	Schroder Investment Management	23,155	30/09/17
	Mondrian Investment Partners	22,486	31/12/17
	MFS Investment Management	20,055	31/12/17
26	Candriam Investors Group	19,531	29/12/17
27	M&G Investments	19,325	31/12/17
	Deka Investments	17,092	30/09/17
29	Zürcher Kantonalbank	17,018	31/12/17
30	BayernInvest Kapital.	17,017	31/12/17
	Investec Asset Management	16,760	31/12/17
	DNCA Investments	14,921	29/12/17
	Oddo BHF Asset Management	13,700	31/12/17
	Metzler Asset Management	11,878	29/12/17
35	Principal Global Investors	11,599	31/12/17

Top managers: European equity assets for European institutional clients

	Company	€m	As at
1	State Street Global Advisors	62,326	31/12/17
2	Legal & General Investment Management	60,956	30/06/17
3	Baillie Gifford & Co	52,248	31/12/17
4	BlackRock	51,873	31/12/17
5	Aberdeen Standard Investments	48,991	30/09/17
6	Amundi Group	34,690	31/12/17
7	Union Investment	22,047	30/11/17
8	BNP Paribas Asset Management	18,940	30/09/17
9	Natixis Asset Management	18,272	31/12/17
10	Danske Bank Asset Management	15,914	09/02/18
11	Zürcher Kantonalbank	15,014	31/12/17
12	AXA Investment Managers	14,743	30/09/17
13	Deka Investments	14,527	30/09/17
14	Oddo BHF Asset Management	13,000	31/12/17
15	Deutsche Asset Management	12,351	30/09/17
16	MFS Investment Management	12,094	31/12/17
17	MEAG	10,706	30/09/17
18	Northern Trust Asset Management	10,542	31/12/17
19	Degroof Petercam Asset Management	10,469	31/12/17
20	Candriam Investors Group	10,020	29/12/17
21	Schroder Investment Management	9,662	30/09/17
22	M&G Investments	9,598	31/12/17
23	Quoniam Asset Management	8,168	31/12/17
24	Metzler Asset Management	7,844	29/12/17
25	BayernInvest Kapital.	7,514	31/12/17
26	Achmea Investment Management	7,200	01/01/18
27	Investec Asset Management	6,894	31/12/17
28	DNCA Investments	6,565	29/12/17
29	Assenagon Asset Management	6,494	29/12/17
30	Pictet Asset Management	6,477	31/12/17
31	Helaba Invest	6,300	31/12/17
32	TKP Investments	6,177	31/12/17
33	Fidelity International	5,805	31/12/17
34	Swiss Life Asset Management	5,792	30/06/17
35	Groupama Asset Management	5,631	31/12/17
	-		

MARCH 2018 INVESTMENT & PENSIONS EUROPE

IPE SURVEY MANAGERS OF EUROPEAN EQUITIES

Company	Groupama	Heitman	Helaba	Hermes	Invesco	Investec	IPM Informed	Janus	J.P. Morgan	Kempen	La	Lazard Asset	Legal & General Invest. Mngt.	Lupus alpha	M&G	Mandarine	Marathon Asset	Martin Currie
Total assets in European equities (€m)	Asset Mngt. 6,582	709	6,300	Inv. Managers 2,672	52.923	Asset Mngt. 16,760	Portfolio Mngt. 936	Henderson Inv. 38.411	Asset Mngt. 42.616 (15)	Capital Mngt. 4,945	Française 2.560	Management 5,057	109,556	Asset Mngt. 3,700	Inv. 19.324.83	Gestion 3,177	Management 1.381.3	Invest. Mngt. 455
As at	31/12/17	31/12/17	31/12/17	30/09/17	31/12/17	31/12/17	31/12/17	30/09/17	30/09/17	30/09/17	31/12/17	30/09/17	30/06/17	29/12/17	31/12/17	30/12/17	31/12/17	31/12/17
Total AUM worldwide (€m)	99.838	32.512	58.540	34.945	780.714	117.053	7,220	304.963	1.389.614	51.181	66,150	179,240	1.083.235	10.800	320.588	3.246.6	52.474.8	16.532
Total invested for Europe-based institutional clients (€m)	5,631	335	6,300	1,310	2,838	6,894	936	5,433	3,273	1,927	1,595	4,738	60,956	2,700	9,598.4	1,469	153.67	427
Pension fund clients	1,267		2,205	730	1,374	2,458	796	706	1,680	1,264	703	1,918	50,583	450	376.72 (15)	658	153.67	0
	3,778	0	945	730 N	389	22		929	337	165	797	576	8,572	150	6,538.61 [15]	268	133.67 N	n
Insurance company clients All other institutional clients	586	335	3,150	580	1.075	4.414	140	3.798	1.256	498	95	2.244	1.801	2.100	2.727.19 [15]	543	0	427
Amount invested through (€m)	300	333	3,130	300	1,073	4,414	140	3,770	1,230	470	/3	2,244	1,001	2,100	2,727.17	343	U	421
Segregated account mandates	4,082	612	5,745	2,026	2,876	6,921	890	2,390	4,814	1,260	571	2,622	25,634	2,700	6,538.61	619	153.67	222 [11]
Investment funds/pooled vehicles	2,500	97	555	646	50.047	9.839	46	36,021	37,802	3,685	1.989	2,435	83.922	1.000	8.632.84	2,558	133.07 N	205 (11)
Amount managed (€m)	2,300	- //	333	040	30,047	7,037	40	30,021	37,002	3,003	1,707	2,433	03,722	1,000	0,032.04	2,330	U	203 · ·
Passively or indexed basis		523			3.111	0	796	383	0	n			105,514	n				
On an enhanced indexed basis		123 N			306	0	/70	1,531	3,150	349			100,014	0				
Quant-type strategies		0			7,906	19		1,001	0	0 0		109		0		187		
Active 2-5% outperformance	4.037	186	6,300		49.811	13,538	140	27,313	31,625	3,966		4.493		3,700		3.067	153.67	
Active 5% plus outperformance	4,037	100	0,300		47,011	13,336	140	27,313	6.748	3,700 N	2,560	4,473		3,700		3,067	100.07	
Absolute return strategies		0			n n	0		9.184	1.093	630	2,300	563		n				
Europe incl. UK		0		2,644	52.923	2,801		23,904	36,953	3,512	2,560	5,057		0	5.487.27	3.177		
Europe ex. UK		0		2,044	26.198	2,801		14.507	5.663	3,312	2,300	3,460		0	3,145.57	3,177		
Other	2,491 [27]	0		20	20,170	402		14,507	3,003	0		3,400	4,042	0	3,143.37			
If managed on an active basis - Information ratio	2,471					402							4,042					
Targeted	0.5-1			(23)	[23]	[23]	0.6	NA	0.5		0.5	>0.5						
Achieved	-2.42			3.30 [17]	0.82 (28): 0.47 (29)	0.85	1.11	-0.09	1.11 (32): 0.92 (33)		-1.13	0.57			0.72	0.94		
End-date	29/12/17			30/09/17	31/12/17	31/12/17	1.11	31/12/17	31/12/17	30/09/17	31/12/17	30/09/17			31/12/17			
Acceptable Tracking Error	NA NA			4-8% [17]	[23]	Max. 10%	5%	3-8%	3-5%	5.5%	2-5%	[23]			31/12/17	31/12/17		
Approach to running European equities	11/5			4-070		141d X. 1070	370	3-070	3-370	3.370	2-370							
Core	X			Y	X (28)			X	Х		X							
Value	X		X	^	^		Y	^	X	X	^	Y			X	X		
Growth	X		Λ				Λ		X	Λ		Λ				Y		
Large Cap	X			Y	X (28) (29)			Y	X	Х	X				X	X		
Mid-Cap	X				Λ			Y	X	Λ	X			Y		X		
Small-Cap	X							Λ	X		Λ			X		X		
Enhanced indexing									X					Λ		Λ		
Quant					X (28)		Υ									Y		
Top down		X	Χ		X (29)		Λ									Λ		
Bottom up	X	Y	Λ	Y	X (28) (29)	X	Υ	X	Χ	X	Υ	Y		X	X	Y		X
Thematic		Λ		Λ	Λ		Λ.	Y	X	Λ	Y	Λ		Λ		Λ		
Concentrated/focused									Χ	Х	X							
Sector									X X	Λ	Λ							
Absolute return									Y Y						X			Χ
Other						(30)	[31]		^		[3]				^		(34)	^
Number of holdings in European equity portfolio	96	31	50	40	80-110 (28): 65-70 (29)	56	300-400	76	100-250 (32); 75-125 (33)	34	55	67		60-80	89	60	174	60
Targeted contribution to excess return (%)	70	- 31	30	40	00-110 ,03-70	30	300-400	70	100-230 , 73-123		- 33	07		00-00	- 07	- 00	174	- 00
Stock	70	70	100	100	100 (28)	100	100	60	100	70	80	100		100	100	100		
Sector	15	15	0	n	100	0	n n	30	n	20	20	n n		n n	n	n		
Country	15	15	0	n			n	10	<u> </u>	3		n		n	n	n		
Currency	n n	n n	n	n		n	n	n n	n n	2	n	n n		n	n	n		
Other		0	U	U			U	U	U	5		0		U		U		100 (35)
Minimum size of segregated European equity mandate (€m)	25	8.4	25	50	25 [28]; 100 [29]	30	50	50	50	<u>5</u>	15	30	50	20	1	30		30
% of European equity research done in-house	70	100	80	100	100 (28)	100	100	100	100	100	80	>90	JU	100	90	50		100
Number/location of European equity investment professionals	Paris, 9	London, 3	Frankfurt, 6		Frankfurt, 31 ^[28] ; Henley-on Thames, 16 ^[29]	London, 28;	Stockholm, 11	London, 15	London, 62	Amsterdam, 20		London, 28;	London, 18	Frankfurt, 9		Paris, 10		Edinburgh, 2; London, 3
					Hentey-on Thames, 16 (27)	Hong Kong, 3; South Africa, 1				Edinburgh, 6		New York, 3; Frankfurt, 1						London, 3

				Henley	-on Ihames, 16 (27)	Hong Kong, 3; South Africa, 1				Edinburgh, 6	New Yor Frankfu						Londo
Company	MEAG	Metzler Asset Management	MFS Invest Management	Mondrian Inv. Partners	Natixis Asset Management	Newton Invest Management	Northern Trust Asset Mnat.	Oddo BHF Asset Mngt.	Pictet Asset Management	Principal Global Inv.	Putnam Investments	Quoniam Asset Management	RBC Global Asset Mngt.	Robeco	RobecoSAM	Schroder Inv. Management	
Total assets in European equities (€m)	10,706	11,878.33	20,055	22,486	23,913	402.2	64,175	13,700	39,818	11,599	184	9,128	4,800	2,885	685.1	23,155	3,043
As at	30/09/17	29/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17	30/09/17	31/12/17
otal AUM worldwide (€m)	251,735	47,843.19	408,947	52,258	346,669	60,657.1	966,964	44,700	164,408	377,691	142,656	29,176	279,768	151,876	3,456	476,214	9,268
Total invested for Europe-based institutional clients (€m)	10,706	7,844.01	12,094	157	18,272	0	10,542	13,000	6,477		0	8,168	1.05	1,434	343.32	9,662	2,124
Pension fund clients		51.56	3,355	69	923	0	5,537	3,300	3,563		0	2,138		1,089		3,978	26
nsurance company clients	10,706	655.18	488	0	15,305	0	254	1,300	324		0	1,633		225		746	1,924
ll other institutional clients		7,137.27	8,251	88	2,044	0	4,751	8,400	2,590		0	4,847		120	343.32	4,938	174
Amount invested through (€m)																	
Segregated account mandates	9,394	9,414.87	11,656	16,892	14,763	228.7	30,544	4,950	9,954		0	8,029		316		7,866	11
Investment funds/pooled vehicles	1,312	2,463.46	8,399	5,594	9,150	173.5	33,631	8,750	29,864		184	1,099		2,569	685.1	15,289	3,032
Amount managed (€m)																	
Passively or indexed basis	535	654		0			58,215		678					0			
On an enhanced indexed basis	3,747			0					0					3			
Quant-type strategies	3,747	323.53		0					16,262			9,128		1,945			
Active 2-5% outperformance	2,142			22,486			5,122		23,565		184	9,128		685	685.1		3,043
Active 5% plus outperformance	535		20,055	0					0					252			
Absolute return strategies	535	344.68		0					3,959					0			
Europe incl. UK	10,706	11,878.33		22,486	4,103	99.9	5,749	7,500	39,818	373	184	6,893		0			
Europe ex. UK	7,494	10,894.08	18,955	0	19,800	302.3	6,089	6,200	39,776			165		0			
Other	•		1,100				838 (37)					160					
If managed on an active basis - Information ratio																	
Targeted		(22)	0.5					NA	>0.5	>0.5	NA	1		(23)	0.3		
Achieved		(22)	0.86	0.60 [17]		0.34		0.39 (38)	1.44	0.7	0.04 (38)	1.4		0.5	0.74 (38)	0.92	1.29
End-date	31/12/17		31/12/17	31/12/17				31/12/17	31/12/17	31/12/17	31/12/17	31/12/17		31/12/17	31/12/17	31/12/17	31/12/17
Acceptable Tracking Error			2-5%		Max. 4%			6%	3-7%	6%	2-6%	4-5%		[23]	2.23% (38)	2-5%	2.92% [38]
Approach to running European equities																	
Core	X	Х	Х		Х	Х	Х		Х	X	Х	Х			Х	Х	
Value	Х		X	Х													X
Growth	X	Х	X														
Large Cap	X		X	X	Χ		Χ	X	Χ		Х	X			Χ	X	Х
Mid-Cap	Х	Х	X	Х				X	Х		Х	Х					Х
Small-Cap	•	Х	X					X	Х		X	X					Х
Enhanced indexing																	
Quant	Х											Х		Χ			
Top down				X	Х												
Bottom up	X	Х	Х	Х	Х	Х		X	Х	X	Х	Х		Х	Х	Х	X
Thematic					Χ												
Concentrated/focused			X						X						Х		Х
Sector					Х												
Absolute return																	
Other		(36)										(39)		(40)			
Number of holdings in European equity portfolio	100	70-100	60-90	37	80	46	1,664	50-60	40	134	63	200		143	52	53	28
Targeted contribution to excess return (%)																	
Stock	40	80 (22)	90	60	60			100	100	>90	80	80		100		80	100
Sector	32	20 (22)	5	0	25			0	0	<5	10	10		0		20	0
Country	10		5	30	15			0	0	<5	10	10		0		0	0
Currency	0		0	10	0			0	0	0	0	0		0		0	0
Other	18				-												-
Minimum size of segregated European equity mandate (€m)	20	30	35	80	10	50	50	30	50	20	20	50		50	50	50	20
% of European equity research done in-house	50	70	100	100	30		100	100	70	90	90	100		95	90-100	90	100
Number/location of European equity investment professionals	Munich, 18			London, 5	Paris, 23	London, 10	London, 10; Chicago, 9; Hong Kong, 3	Paris, 15; Düsseldorf, 10	London, 12	9	Boston, 28; London, 5; Singapore, 4	Frankfurt, 19; London, 1		Rotterdam, 15	Zurich, 17	London, 45	Dublin, 2

Key:

— NA= Not available

Footnotes:

(1) 1-year
(2) France, 18; Germany, 114; Hong Kong, 42; Italy, 1; Japan, 9; Singapore, 5; Switzerland, 1; Taiwan, 22; UK, 31; US, 101
(3) Quality
(4) Core-satellite approach
(5) Dividend, profitability
(6) Qualitative equities
(7) Quantitative equities
(8) Fundamental
(9) Industry, 20%; risk factor, 20%
(10) GARP
(11) Relates to Europe-based institutional clients
(12) Dividend
(13) This and subsequent data relates to dedicated European equity mandates only, including UK equities. In addition, the firm also manages European equities in global strategies, alternatives and multi-asset products. As at 31/12/17, the firm held €606,052m in European equities globally

products. As at 31/12/17, the firm held €606,052m in Europe globally

(14) High quality
(15) Dedicated European equity mandates/strategies only
(16) Long-term, Graham & Dodd
(17) 5-year
(18) Thematic equities
(19) Multi factor investing according to market regimes
(20) Traditional Active European Equity strategy
(21) Quant European Equity strategy
(22) Depends on product/strategy
(23) No target
(24) Global, €556m; EAFE, €2,588m
(25) As at 30/06/17
(26) Stock selection and cash allocation

| (25) As at 30/06/17 | (26) Stock selection and cash allocation | (27) Total return strategies | (28) European Low Volatility (Equity) strategy | (29) Pan European Equities strategy | (30) Style agnostic, multi-factor approach | (31) Risk factor approach | (32) Behavioural Finance | (33) Property Privan Process

(33) Research Driven Process

(34) Capital cycle (35) Absolute return profile

(36) ESG

(37) Manager of manager

(39) Multi-factor, low volatility (40) Low volatility, high dividend

[41] Total invested in European equities (across all mandates), €52 254 7m

(42) T. Rowe Price Emerging Europe Equity strategy

INVESTMENT & PENSIONS EUROPE MARCH 2018 MARCH 2018 INVESTMENT & PENSIONS EUROPE

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IPE SURVEY MANAGERS OF EUROPEAN EQUITIES

Company	Southeastern Asset Mngt.	State Street Global Advisors	Swiss Life Asset Mnat.	Sycomore Asset Management	Syz Asset Management	TKP Inv.	T. Rowe Price
Total assets in European equities (€m)	2.503	79.148.87	6,393	6.969	2.067.7	6.177	2.923.1 [41]
As at	31/12/17	31/12/17	30/06/17	31/12/17	31/12/17	31/12/17	31/12/17
Total AUM worldwide (€m)	15,333	2,316,533.31	191,649	7,743	15,581	26,948	825,368
Total invested for Europe-based institutional clients (€m)	54	62,326.35	5.792	5,227	595.3	6.177	116.3
Pension fund clients	0-1	47,937.96	818	1,673	242.6	6,143	3.1
Insurance company clients		908.65	4.487	1,359	280.5	0	12.6
All other institutional clients	54	13,479.74	487	2,195	72.2	34	100.6
Amount invested through (€m)	34	10,477.74	407	2,173	12.2	54	100.0
Segregated account mandates	1.590	6,320.06	4,008	1.394	210.8	0	1,043.4
Investment funds/pooled vehicles	913	72,828.81	2,385	5.575	1.856.9	6,177	1,879.7
Amount managed (€m)	715	72,020.01	2,000	3,373	1,000.7	0,177	1,077.7
Passively or indexed basis		59,165.11	0		0	4,371	0
On an enhanced indexed basis		5,171.59	805		0	4,371	7.9
Quant-type strategies		14,812.17	1,590		0	0 1 (10	0
Active 2-5% outperformance			0		881	1,612	2,915.2
Active 5% plus outperformance			0		978	194	0
Absolute return strategies			0		0	0	0
Europe incl. UK			0		1,693	2,529	2,668.1
Europe ex. UK			0		166.1	84	90.4
Other	2,503		3,998	6,969			164.6 [42]
If managed on an active basis - Information ratio							
Targeted		1	(23)				>0.50
Achieved		1.40 (38)	1.37	0.62	0.8		0.21
End-date		30/09/17	30/06/17		31/12/17		31/12/17
Acceptable Tracking Error		0.25-1.25%	5%		4-5%		3-6%
Approach to running European equities							
Core		Х		Χ	Х		X
Value	Х			Х			
Growth				X			
Large Cap		Х		X			X
Mid-Cap		X		X			X
Small-Cap		X		X			
Enhanced indexing		X					
Quant		X	Х				
Top down							
Bottom up	X	X		X	X		X
Thematic							
Concentrated/focused				X	X		
Sector		Х		Λ	Λ		
Absolute return		^					
Other							
Number of holdings in European equity portfolio	7	[22]	123	54	30-40		55
Targeted contribution to excess return [%]	/	()	123	04	30-40		ວວ
Stock		100	100	100	100		90-100
Sector		0	0	0	0		0-10
Country		0	0	0	0		0-10
Currency		0	0	0	0		0
Other							
Minimum size of segregated European equity mandate (€m)			30	50	25		40
% of European equity research done in-house	100	90	100	100	100		75
Number/location of European equity investment professionals	London, 4; Memphis, 7; Singapore, 3	London, 21	Zurich, 4; Paris, 3	Paris, 21	London, 4; Edinburgh, 3		London, 31; Baltimore, 3

Company	Unigestion	Union Bancaire Privée	Union Investment	Vontobel Asset Management	Woodman Asset Management	Zürcher Kantonalbank
Total assets in European equities (€m)	3,592	2,934	53,088	4,430	250	17,018
As at	31/12/17	31/12/17	30/11/17	30/06/17	31/12/17	31/12/17
Total AUM worldwide (€m)	22,034	107,075	323,454	97,470	3,500	136,315
Total invested for Europe-based institutional clients (€m)	3,556	2,158	22,047	4,364	250	15,014
Pension fund clients	2,232	305			35	12,498
Insurance company clients		70				0
All other institutional clients		1,783			215	2,516
Amount invested through (€m)						
Segregated account mandates	1,599	529	30,690			2,634
Investment funds/pooled vehicles	1,993	2,405	22,398			14,384
Amount managed (€m)						
Passively or indexed basis	0		0			10,944
On an enhanced indexed basis	0		2,882		35	
Quant-type strategies	0		0			564
Active 2-5% outperformance	3,592		50,206		95	5,510
Active 5% plus outperformance	0		0			
Absolute return strategies	0		0		120	
Europe incl. UK	3,314	723	0		250	17,018
Europe ex. UK	278	2,211	0			15,543
Other						
If managed on an active basis - Information ratio						
Targeted		NA	0.5			
Achieved		0.25 (17)	1.34 (1)			
End-date		31/12/17	31/12/17			
Acceptable Tracking Error		3-6%	6%			8%
Approach to running European equities						
Core		Х	Х			X
Value			Х			X
Growth			Х			X
Large Cap		X	Х			X
Mid-Cap		Х	Х		Χ	X
Small-Cap			Х		X	X
Enhanced indexing						
Quant						
Top down						X
Bottom up	Х	Х	Х		Х	X
Thematic		X	Х			
Concentrated/focused			Х		Х	
Sector						
Absolute return					Х	
Other	(43)					
Number of holdings in European equity portfolio	110	67	40-60		45	90
Targeted contribution to excess return (%)						
Stock	100	95	80			60
Sector	0	0	10			
Country	0	5	10			
Currency	0	0	0			
Other						40 (44)
Minimum size of segregated European equity mandate (€m)	50	30	50		15	40
% of European equity research done in-house	100	100	100		75	75
Number/location of European equity investment professionals	Geneva, 19; London, 7	London, 7	Frankfurt, 15		Zug, 3	Zurich, 23

Key:

NA= Not available

(2) France, 18; Germany, 114; Hong Kong, 42; Italy, 1; Japan, 9; Singapore, 5; Switzerland, 1; Taiwan, 22; UK, 31; US, 101

(4) Core-satellite approach

(5) Dividend, profitability(6) Qualitative equities

(7) Quantitative equities

(9) Industry, 20%; risk fac-

(8) Fundamental

tor, 20%

Footnotes:

(3) Quality

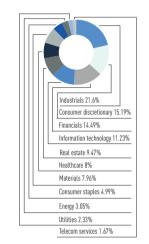
(11) Relates to Europebased institutional clients (12) Dividend [13] This and subsequent data relates to dedicated European equity mandates only, including UK equities. In addition, the firm also manages European equities in global strategies, alternatives and multi-asset products. As €606,052m in European equities globally (14) High quality (15) Dedicated European equity mandates/strate-(16) Long-term, Graham (17) 5-year (18) Thematic equities (19) Multi factor invest ing according to market (20) Traditional Active European Equity strategy (21) Quant European Equity strategy
(22) Depends on product/ (23) No target (24) Global, €556m; EAFE, €2.588m (25) As at 30/06/17 (26) Stock selection and cash allocation (27) Total return strategies (28) European Low Volatility (Equity) strategy (29) Pan European Equities (30) Style agnostic, multifactor approach (31) Risk factor approach (32) Behavioural Finance (33) Research Driven Process (34) Capital cycle (35) Absolute return profile (36) ESG (37) Manager of manager (38) 3-year (39) Multi-factor, low (40) Low volatility, high (41) Total invested in European equities (across all mandates), €52,254.7m 1421 T. Rowe Price Emerging Europe Equity strategy (43) Risk based equity ap-(44) Style

small-cap managers, who also see little incentive to take a chance with the UK market. The problem, according to Cristina Matti, portfolio manager at Amundi, is that Brexit has not yet been defined: "The issue is not that domestic names are bad companies but that it is difficult to make assumptions and to do our job to create the right valuations of a company as we don't know how to play the different scenarios of a soft Brexit, hard Brexit, no deal, and so on."

However, there is willingness to invest once there is clarity on the path the UK will follow. But Montanaro, points out that despite the risks associated with a highly uncertain Brexit outcome, valuations of UK small caps are still attractive relative to those elsewhere in Europe. As such, the firm believes that some of the best opportunities in the sector will no longer be available once the market has full clarity on Brexit.

1. European small caps vs global small caps and global equities 53% 43% 33% 7% 17% 17% 17% MSCI Europe Small Cap Index - index value — MSCI ACWI Small Cap Index - index value — MSCI Europe Index (MXEU) - index value

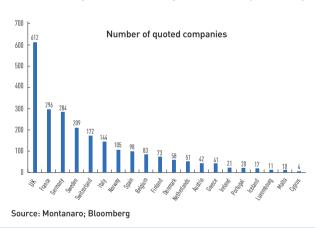
2. MSCI European small caps current sector breakdown



Source: MSCI

3. Small-cap universe relative to others

4. The European small-cap universe by country



Regional diversity by market cap

Germany is the next largest small-cap market by market cap – but it is less than half the size of the UK at 14%. The country's Mittelstand provides the backbone for its economy but has historically been driven by bank financing. Companies tend to be extremely conservative and remain private, according to Marcus Ratz, a partner at Lupus Alpha Asset Management in Frankfurt. Opportunities, though, do exist in sectors such as industrials or autos.

Sweden represents the thirdlargest European market by capitalisation, although France has more companies. The Nordic countries, like Switzerland, are always seen as a safe haven for the markets according to Matti. As a result, the high-quality companies that exist there are fully priced and have rich valuations: "We have some exposure to the Nordics, but valuations have restrained us from investing more."

Italy is a prominent market with a very pronounced regional variation. Lupus Alpha's exposure to the country is 95% driven by northern Italian companies. Ratz sees them as conceptually part of central Europe, alongside Austria, Germany and Switzerland: "They even speak German, their mind-set is very much middle European, with an industrial focus [that is] very well developed

and strong niche companies in each and every sector."

While France may have more companies listed than Germany, it represents only a third of Germany by market capitalisation. For Ratz, France has always been difficult. Historically, France has been missing a lot of mid-sized companies analogous to the German Mittelstand: "The major reason for that is the dominance of the Grandes Ecoles in their education system. Their graduates move either into politics or into the large companies." Small companies are very often familyowned and founders usually created their businesses without support from the state.

Spain has been suffering for the last few years and domestic companies focused on the Spanish market in areas like construction were often highly leveraged and suffered in the aftermath of the financial crisis. But successful companies generally have more exposure to Latin America.

European small caps may be ideal territory for bottom-up active stock managers, but the macro-economic and political backdrop does give an overlay to fund managers' portfolios. For institutional investors seeking European small-cap exposure, understanding those biases may be worthwhile, particularly given the Brexit-induced uncertainties in Europe's largest small-cap market.

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