

IPE SURVEY MANAGERS OF EUROPEAN EQUITIES

Company	Aberdeen Standard Inv.	Acadian Asset Management	Achmea Investment Management	AllianceBernstein	Allianz Global Inv.	Amundi Group	ASR Vermogensbeheer	Assenagon Asset Management	AXA Inv. Managers	Baillie Gifford & Co	Barings	BayernInvest Kapital.	BlackRock	BMO Global Asset Mngt.	BNP Paribas Asset Mngt.	Brandes Inv. Partners	Candriam Inv. Group
Total assets in European equities (€m)	69,647	2,136.3	7,200	5,177	73,506	73,580	2,500	6,516	33,249	62,110	5,036.5	17,016.6	205,796	6,381 ⁽¹⁰⁾	36,087 ⁽¹⁰⁾	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	6,493.9	34,690	2,500	6,493.9	14,743	52,248	720.3	7,513.8	51,873 ⁽¹⁰⁾	604	18,940		10,020
Pension fund clients	26,271		6,000	50	336.4			336.4	5,923	31,188	572		30,412	584	4,079		4,454
Insurance company clients	8,895		300	1	110.5			110.5	6,672	503			2,668	20	6,301		1,779
All other institutional clients	13,825		900		6,047			6,047	2,148	20,557	148.3		18,793		8,560		3,787
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	0	4,464.5	77.5 ⁽¹¹⁾	173,120	4,823	27,974	1,368	11,811
Amount managed (€m)																	
Passively or indexed basis	0		2,000	1,833				3,485.5					161,319	572	5,077		
On an enhanced indexed basis	0		0														4,544
Quant-type strategies	0		4,200					486	33,249	0			2,707	825			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							
Absolute return strategies	7,135		0					2,537.2		0							
Europe incl. UK	54,353		NA					7.3	15,920	875			205,796	4,117	26,408		14,093
Europe ex. UK	15,294		NA						17,026	471			152,908	2,264	9,679		
Other								2,020 ⁽¹⁴⁾									
If managed on an active basis - Information ratio																	
Targeted	0.5			0.75	>0.75			0.5	0.5-1.5 ⁽¹⁴⁾ , 0.50 ⁽⁷⁾		1.4	0.5		NA	0.5	NA	1.5
Achieved	0.1			1.35	2.72 ⁽¹¹⁾			0.58	0.89 ⁽¹⁴⁾ , 1.42 ⁽⁷⁾	4.79	0.61	0.6		0.83	0.7	0.48 ⁽¹⁰⁾	1.64
End-date	30/09/17			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% ⁽¹⁴⁾ , 5% ⁽⁷⁾		3-9%	3-4%		3-7%	3-6%	5.07%	3-8%
Approach to running European equities																	
Core	X		X					X	X ⁽¹⁶⁾			X			X		
Value				X					X ⁽¹⁶⁾	X					X	X	
Growth					X				X ⁽¹⁶⁾						X		X
Large Cap	X		X		X			X	X ⁽¹⁶⁾			X		X	X	X	X
Mid-Cap	X				X				X ⁽¹⁶⁾			X		X	X	X	X
Small-Cap					X				X ⁽¹⁶⁾					X	X		X
Enhanced indexing			X					X									
Quant			X					X	X ⁽¹⁶⁾								
Top down								X	X ⁽¹⁶⁾	X	X	X		X	X	X	X
Bottom up	X			X	X			X	X ⁽¹⁶⁾					X	X	X	X
Thematic									X ⁽¹⁶⁾		X	X			X	X	X
Concentrated/focused									X ⁽¹⁶⁾		X	X			X	X	X
Sector															X		
Absolute return																	
Other																	
Number of holdings in European equity portfolio	54			50	55			248	50-60 ⁽¹⁶⁾ , 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 ⁽¹⁶⁾ , 40 ⁽⁷⁾	100	70	70		90	90	100	50
Sector	0			10	0			20	30 ⁽¹⁶⁾	0	20	10		0	10	0	50
Country	0			10	0			10	0	10	10	10		10	0	0	0
Currency	0			5	0			5	0	0	10	10		0	0	0	0
Other			90						40 ⁽⁷⁾								
Minimum size of segregated European equity mandate (€m)	50		50	50	30			20	50 ⁽¹⁶⁾	30	80	30		30	30	\$10m	
% of European equity research done in-house	90		90	90	85			75	80	100	80	80		80	100	70	100
Number/location of European equity investment professionals	Edinburgh, 31		Zeist, 7	London, 7; New York, 3	341 ⁽²¹⁾			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 Threadneedle Inv.	Comgest	CPR Asset Management	Danske Bank Asset Mngt.	Degroof Petercam Asset Mngt.	Deka Inv.	Deutsche Asset Mngt.	Dimensional Fund Advisors	DNCA Investments	East Capital	Edinburgh Partners	Fidelity International	Fisher Inv.	Franklin Templeton Inv.	GAM	GET Capital	Goldman Sachs Asset Mngt. Int.
Total assets in European equities (€m)	45,712	6,958	9,501	43,765	10,468.7	17,092	59,783	61,104	14,921	2,644	4,745	45,940	7,394	32,994.47	5,168	875	3,692.65
As 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
Total 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
Total invested for Europe-based institutional clients (€m)	5,149	5,175	15,914	10,468.7	14,527	12,351	5,401	6,565	835	1,335	5,805	1,632	5,033.68	160 ⁽²⁵⁾	875	2,083.46	
Pension fund clients	1,957	1,741		1,161.7	14,527	12,351	5,401	6,565	835	1,335	5,805	1,632	5,033.68	160 ⁽²⁵⁾	875	2,083.46	
Insurance company clients	721	2,469		447.4			1,981			687	0	1,039	0	445.85	345	302.45	
All other institutional clients	2,471	965	15,914	8,859.6	4,969					648	236	1,440	3,785.56	375	866.53		
Amount invested through (€m)																	
Segregated account mandates	20,849	1,725	5,009	15,927	2,485.5	3,673	12,004	9,042	0	4,076	6,689 ⁽¹¹⁾	5,515	2,765.69	856	978.07		
Investment funds/pooled vehicles	24,863	5,233	4,492	27,838	7,983.2	13,419	47,779	52,062	14,921	669	1,523 ⁽¹¹⁾	1,879	30,228.78	19	2,714.58		
Amount managed (€m)																	
Passively or indexed basis				5,139	0		24,432	0									
On an enhanced indexed basis				317	0		1,714	0									2,827.57
Quant-type strategies			6,141			5,034	3,441									875	
Active 2-5% outperformance	45,712	6,958		10,675	0	17,092		61,104		4,745		6,304		1,090		0.37	
Active 5% plus outperformance				1,006	0												
Absolute return strategies				756	0			4,660									
Europe incl. UK	45,712	6,950		2,080.2		9,756		9,194		1,003				32,994.47			
Europe ex. UK	21,578	8		8,388.52		7,336		5,727		598							
Other			3,360 ⁽¹⁸⁾	25,872			30,196			3,144 ⁽²⁴⁾							864.8
If managed on an active basis - Information ratio																	
Targeted	>0.5	NA	0.75	>0.5	0.5		NA					>0.5	1				
Achieved	0.28	-0.37	0.6	0.305	0.58 ⁽²⁰⁾ , 1.30 ⁽²¹⁾		0.58 ⁽²⁰⁾ , 1.30 ⁽²¹⁾					0.82					
End-date	31/12/17	31/12/17	31/12/17	31/12/17	31/12/17		30/12/17					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																	
Core			X	X	X	X	X ⁽²⁰⁾	X	X		X	X	X				X
Value				X	X	X	X ⁽²⁰⁾	X	X		X	X	X				
Growth	X	X		X	X	X	X ⁽²⁰⁾	X	X		X	X	X				
Large Cap	X	X	X	X	X	X	X ⁽²⁰⁾	X	X								

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Company	Groupama Asset Mngt.	Heitman	Helaba Invest	Hermes Inv. Managers	Invesco	Investec Asset Mngt.	IPM Informed Portfolio Mngt.	Janus Henderson Inv.	J.P. Morgan Asset Mngt.	Kempen Capital Mngt.	La Francaise	Lazard Asset Management	Legal & General Invest. Mngt.	Lupus alpha Asset Mngt.	M&G Inv.	Mandarine Gestion	Marathon Asset Management	Martin Currie Invest. Mngt.
Total assets in European equities (€m)	6,582	709	6,300	2,672	52,923	16,760	936	38,411	42,614 ⁽¹⁸⁾	4,945	2,560	5,057	109,556	3,700	19,324.83	3,177	1,381.3	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	3,244.6	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	0	2,205	730	1,374	2,458	796	706	1,480	1,264	703	1,918	50,583	450	376.72 ⁽¹⁹⁾	658	153.67	0
Insurance company clients	3,778	0	945	0	389	22	0	929	337	165	797	576	8,572	150	6,538.61 ⁽¹⁹⁾	268	0	0
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 ⁽¹⁹⁾	543	0	427
Amount invested through (€m)																		
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	0	205 ⁽¹¹⁾
Amount managed (€m)																		
Passively or indexed basis		523			3,111	0	796	383	0	0			105,514	0				
On an enhanced indexed basis		0			306	0		1,531	3,150	349				0				
Quant-type strategies		0			7,906	19			0			109			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		0			0	0			6,748	0	2,560				0			
Absolute return strategies		0			0	0		9,184	1,093	630		563			0			
Europe incl. UK		0		2,644	52,923	2,801		23,904	36,953	3,512	2,560	5,057			5,487.27	3,177		
Europe ex. UK		0		28	26,198	0		14,507	5,663	0		3,460			3,145.57			
Other	2,491 ⁽²⁷⁾				402								4,042					
If managed on an active basis - Information ratio																		
Targeted	0.5-1						0.6	NA	0.5			0.5	>0.5					
Achieved	-2.42			3.30 ⁽¹⁷⁾	0.82 ⁽²⁴⁾ , 0.47 ⁽²⁴⁾	0.85	1.11	-0.09	1.11 ⁽²²⁾ , 0.92 ⁽²³⁾			-1.13	0.57		0.72	0.94		
End-date	29/12/17			30/09/17	31/12/17	31/12/17	0	31/12/17	31/12/17	30/09/17	31/12/17	30/09/17			31/12/17	31/12/17		
Acceptable Tracking Error	NA			4-8% ⁽¹⁷⁾		Max. 10%	5%	3-8%	3-5%	5.5%	2-5%							
Approach to running European equities																		
Core	X		X	X	X ⁽²⁸⁾			X	X		X							
Value	X		X				X		X	X		X			X	X		
Growth	X								X			X						
Large Cap	X			X	X ⁽²⁸⁾ (29)			X	X	X	X				X	X		
Mid-Cap	X							X	X		X				X	X		
Small-Cap	X								X						X	X		
Enhanced indexing									X									
Quant					X ⁽²⁸⁾		X											X
Top down		X	X		X ⁽²⁹⁾													
Bottom up	X	X		X	X ⁽²⁸⁾ (29)	X	X	X	X	X	X	X			X	X		X
Thematic								X			X							
Concentrated/focused									X	X	X							
Sector									X									
Absolute return									X						X			X
Other									X									
Number of holdings in European equity portfolio	96	31	50	40	80-110 ⁽²⁸⁾ , 65-70 ⁽²⁹⁾	56	300-400	76	100-250 ⁽²⁸⁾ , 75-125 ⁽²⁸⁾	34	55	67		60-80	89	60	174	60
Targeted contribution to excess return (%)																		
Stock	70	70	100	100	100 ⁽²⁸⁾	100	100	60	100	70	80	100		100	100	100		
Sector	15	15	0	0	0	0	0	30	0	20	20	0		0	0	0		
Country	15	15	0	0	0	0	0	10	0	3	0	0		0	0	0		
Currency	0	0	0	0	0	0	0	0	0	2	0	0		0	0	0		
Other										5	15	30	50	20	1	30		100 ⁽²⁸⁾
Minimum size of segregated European equity mandate (€m)	25	8.4	25	50	25 ⁽²⁸⁾ , 100 ⁽²⁹⁾	30	50	50	50	5	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		100	90	50		100
Number/location of European equity investment professionals	Paris, 9	London, 3	Frankfurt, 6	London, 7	Frankfurt, 31 ⁽²⁸⁾ , Henley-on Thames, 16 ⁽²⁹⁾	London, 28; Hong Kong, 3; South Africa, 1	Stockholm, 11	London, 15	London, 62	Amsterdam, 20; Edinburgh, 6	17	London, 28; New York, 3; Frankfurt, 1	London, 18	Frankfurt, 9	London, 25	Paris, 10		Edinburgh, 2; London, 3

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
- (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
- (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) Research Driven Process
- (34) Capital cycle
- (35) Absolute return profile
- (36) ESG
- (37) Manager of manager
- (38) 3-year
- (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

Company	MEAG	Metzler Asset Management	MFS Invest Management	Mondrian Inv. Partners	Natixis Asset Management	Newton Invest Management	Northern Trust Asset Mngt.	Oddo BHF Asset Mngt.	Pictet Asset Management	Principal Global Inv.	Putnam Investments	Quoniam Asset Management	RBC Global Asset Mngt.	Robeco	RobecoSAM	Schroder Inv. Management	Setanta Asset 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
Total 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	6,477	13,000	0	8,168	0	1,434	343.32	9,662	2,124	
Pension fund clients		51,556	3,355	69	923	0	5,537	3,300	3,563		2,138		1,089	3,978	26		
Insurance company clients	10,706	655.18	488	0	15,305	0	254	1,300	324		1,633		225	746	1,924		
All other institutional clients		7,137.27	8,251	88	2,044	0	4,751	8,400	2,590		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	
Amount managed (€m)																	
Passively or indexed basis	535	654					58,215		678								
On an enhanced indexed basis	3,747								0								
Quant-type strategies	3,747	323.53							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					252			
Absolute return strategies	535	344.68							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											

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Company	Southeastern Asset Mngt.	State Street Global Advisors	Swiss Life Asset Mngt.	Sycamore 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 ⁽¹¹⁾
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		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)							
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)							
Passively or indexed basis		59,165.11	0	0	0	4,371	0
On an enhanced indexed basis		5,171.59	805	0	0	0	7.9
Quant-type strategies		14,812.17	1,590	0	0	0	0
Active 2-5% outperformance		0	0	881	1,612	2,915.2	0
Active 5% plus outperformance		0	0	978	194	0	0
Absolute return strategies		0	0	0	0	0	0
Europe incl. UK		0	1,693	2,529	2,668.1	84	90.4
Europe ex. UK		0	0	0	0	0	0
Other	2,503	3,998	6,969				164.6 ⁽¹²⁾
If managed on an active basis - Information ratio							
Targeted		1	(2)				>0.50
Achieved		1.40 ⁽¹⁸⁾	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		X		X	X		X
Value	X			X			
Growth				X			
Large Cap		X		X			X
Mid-Cap		X		X			X
Small-Cap		X		X			
Enhanced indexing		X					
Quant		X	X				
Top down							
Bottom up	X	X		X	X		X
Thematic							
Concentrated/focused				X	X		
Sector		X					
Absolute return							
Other							
Number of holdings in European equity portfolio	7	(2)	123	54	30-40		55
Targeted contribution to excess return (%)							
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	0			10,944
On an enhanced indexed basis	0	0	2,882		35	
Quant-type strategies	0	0	0			564
Active 2-5% outperformance	3,592		50,206		95	5,510
Active 5% plus outperformance	0	0	0			
Absolute return strategies	0	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 ⁽¹¹⁾			
End-date		31/12/17	31/12/17			
Acceptable Tracking Error		3-6%	6%			8%
Approach to running European equities						
Core		X	X			X
Value			X			X
Growth			X			X
Large Cap		X	X			X
Mid-Cap		X	X		X	X
Small-Cap			X		X	X
Enhanced indexing						
Quant						
Top down						X
Bottom up	X	X	X		X	X
Thematic		X	X			
Concentrated/focused			X		X	
Sector						
Absolute return					X	
Other	(4)					
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

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
- (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
- (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) Research Driven Process
- (34) Capital cycle
- (35) Absolute return profile
- (36) ESG
- (37) Manager of manager
- (38) 3-year
- (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
- (43) Risk based equity approach
- (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.

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 third-largest 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

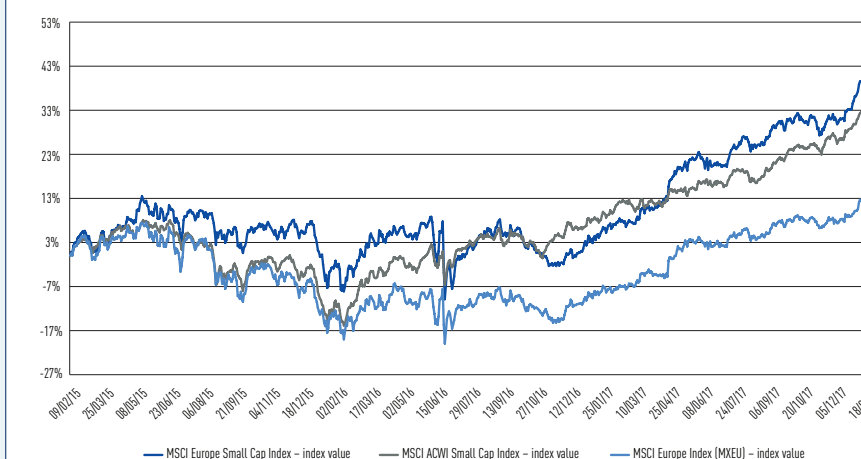
and strong niche companies in each and every sector."

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 family-owned 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.

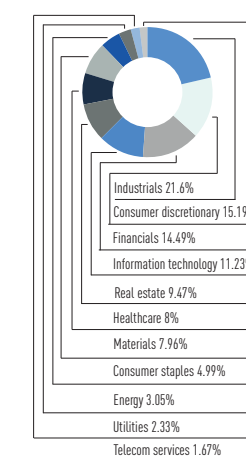
European small caps may be ideal territory for bottom-up active stock managers, but the macro-economic and political backdrop does give an overlay to fund managers' portfolios. For institutional investors seeking European small-cap exposure, understanding those biases may be worthwhile, particularly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

1. European small caps vs global small caps and global equities



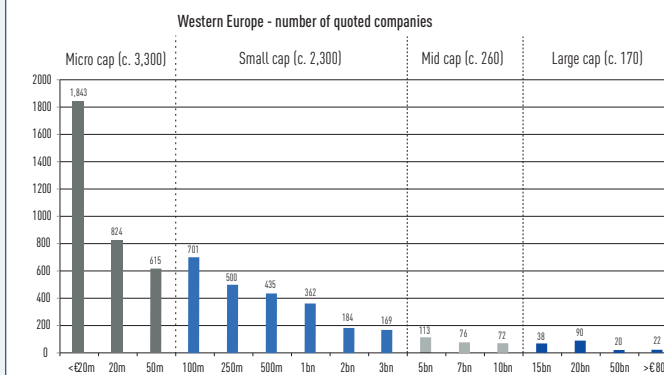
Source: S&P Capital IQ

2. MSCI European small caps current sector breakdown



Source: MSCI

3. Small-cap universe relative to others



Source: Montanaro; Bloomberg

4. The European small-cap universe by country



Source: Montanaro; Bloomberg