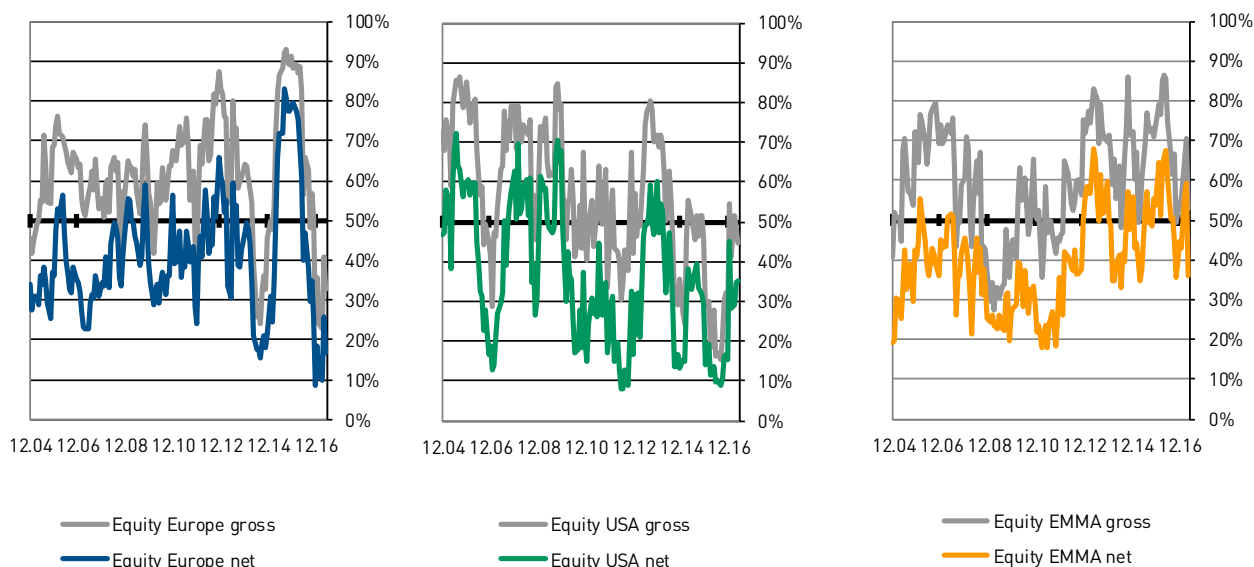


### A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



#### Comment

Active managers delivered rather poor results in May. Only 48% of Europe managers, 45% of emerging market managers and 43% of US managers outperformed their benchmarks on a net basis.

Small-caps strongly underperformed the market in May. As many of the active funds have an overweight exposure in this market cap area, the underperformance can be partly attached to this factor. In addition to that, the overall sector allocation also contributed negatively. Sectors like utilities and telecom performed very well and the majority of the active managers do not have a significant exposure to these sectors. Growth outperformed value and most managers in the universe have a growth rather than a value approach; the majority of the funds, however, was not able to profit significantly from this aspect.

Marcus Stigler

#### Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa
<b>2017</b>	60%	42%	62%
<b>1 month</b>	48%	43%	45%
<b>3 months</b>	74%	44%	59%
<b>12 months</b>	17%	35%	36%

Bloomberg IFOPEUYN IFOPUSYN IFOPEMYN

gross	Europe	USA	EmMa
<b>2017</b>	69%	56%	73%
<b>1 month</b>	58%	49%	51%
<b>3 months</b>	82%	55%	63%
<b>12 months</b>	33%	44%	53%

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#### Methodology

The fundinfo outperformance indices show the percentage of around 350 actively managed funds that have exceeded their official benchmark index (MSCI Europe, S&P 500, MSCI Emerging Markets, including net dividends), reporting on a rolling 12-month basis. The gross values show the added value that fund managers have generated before administration and distribution costs; the net values show the added value provided to investors.

### B. Manager meetings: Insights from our key meetings

Month	Manager / Fund	Conclusion
June	Frédéric Leguay <a href="#">HSBC Euroland Equity</a>	In connection with the normalization of the monetary policy and the inflationary prospects, Leguay thinks that value will outperform growth style.
May	Marc Basselier <a href="#">AXA World Funds - Framlington Global Convertibles</a>	According to Basselier, the European convertible bond primary market is more expensive than the US equivalent. He is currently overweight in IT, real estate and health care, while financials and consumer discretionary are underweight.
May	Alessandro Guzzini <a href="#">Finlabo Investments SICAV - Dynamic Equity</a>	Guzzini invests primarily based on a quant model long and short in European equities. He is most exposed to financials, industrials and consumer cyclicals.
May	Stuart Kinnersley <a href="#">LO Funds - Global Climate Bond</a>	Kinnersley invests in green bonds but also in bonds that are carefully selected from the broader non-labelled climate-aligned bond market. The corporate green bond market is growing rapidly, which is reflected in a significant portion in the portfolio.

**Analysts:** Michael Mahler, Michael Partin, Pascal Probst, Marcus Stigler, Matthias Weber and Thomas Züttel

fundinfo provides fund research and digital-advice based on liquid investment funds. Clients include banks, asset managers, family offices, pension funds and insurance companies in Europe.

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