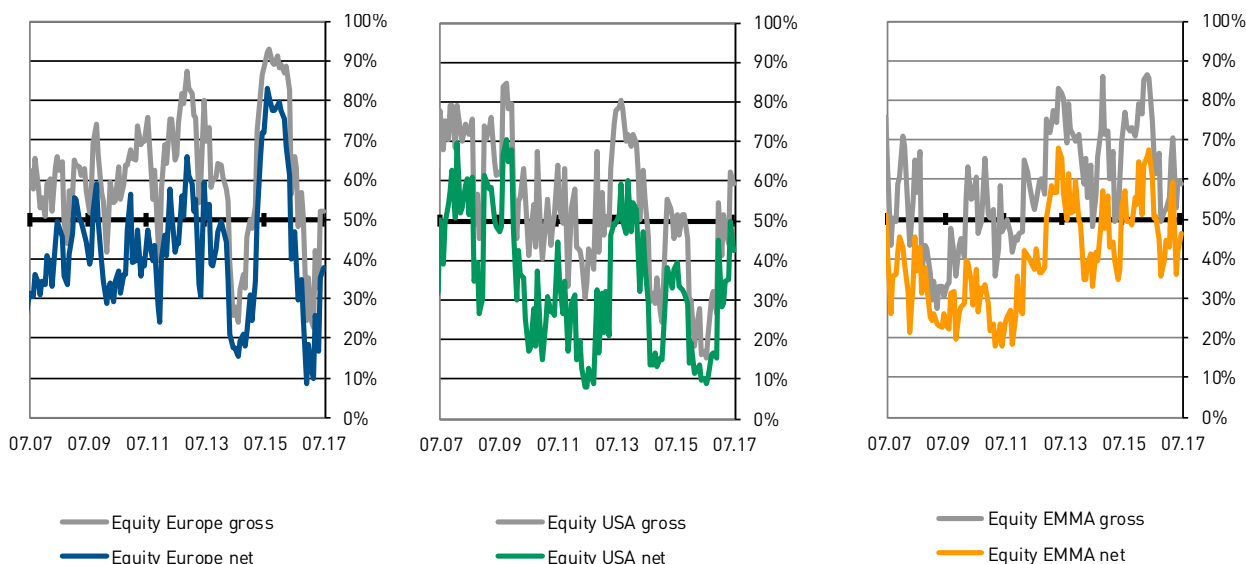


### A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



#### Comment

Europe managers outperformed their indices in July. 64% outperformed their benchmarks net of fees. In the US, 50% of the managers outperformed their respective indices net of fees. Only 35% of emerging market managers were able to beat their benchmarks.

Small- and mid-caps performed quite differently across the various markets. In Europe, small- and mid-caps outperformed large caps in July, while in the US and in emerging markets no such effect could be observed. Within emerging markets, small caps even underperformed large caps. As many of the active funds have an overweight exposure in this market cap area, the outperformance of Europe managers can be partly explained by this factor. The overall sector allocation had a rather neutral effect. Sectors like materials and industrials performed very well and the majority of the active managers lost in terms of relative performance by not having a significant exposure to materials while gaining by being overweight in industrials.

Marcus Stigler

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

net	Europe	USA	EmMa	gross	Europe	USA	EmMa
2017	57%	49%	57%	2017	77%	59%	70%
1 month	64%	50%	35%	1 month	72%	54%	42%
3 months	48%	45%	37%	3 months	64%	62%	48%
12 months	38%	42%	46%	12 months	52%	59%	59%

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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
July	Arnaud Brillois <a href="#">Lazard Convertible Global</a>	Brillois is very bullish on the markets and currently finds a lot of attractive convertibles especially in the US technology sector.
July	Midori Katsumi <a href="#">PineBridge Japan Small Cap Equity</a>	The Japanese market is fairly valued. It's not cheap, but in line with historic valuations. Valuation of stable growth companies is stretched, but there are opportunities on a stock level. Katsumi is cautiously optimistic for Japan. Japan is finally on the way towards recovery.
July	Nick Evans <a href="#">Polar Global Technology</a>	Evans sees current industry valuations around historical averages and therefore despite recent rallies considers valuations as attractive with further potential.
July	Clément Maclou <a href="#">Decalia Silver Generation</a>	The P/E of the aging investment universe relative to the MSCI Europe has returned to the lowest levels for the last 10 years while showing its highest relative EBIT margin level.

**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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