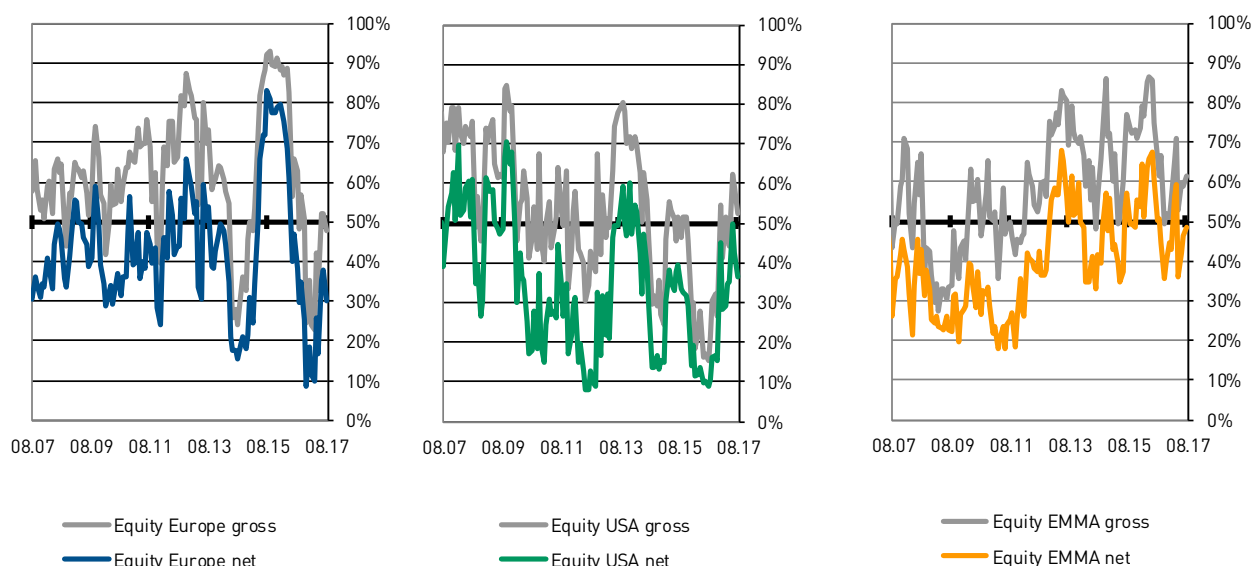


A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



Comment

Over a 12-month-rolling period, 37% of US managers and 49% of emerging markets managers outperformed their benchmarks net of fees. Only 30% of Europe managers could beat their benchmarks net of fees.

Europe managers underperformed their indices in August. Only 36% outperformed their benchmarks net of fees. In the US, only 26% of the managers outperformed their respective indices net of fees. 54% of emerging market managers were able to beat their benchmarks.

European sectors developed very homogeneously in August. This applies also to different market capitalisations and styles. The difference in performance between the best sector and the worst sector was just 1%. In such an environment it is very difficult for active managers to outperform. In the US, the performance differences were more heterogeneous as the energy sector showed a minus of more than 5% and utilities increased more than 2%. In addition to that, small caps underperformed large caps. As many of the active funds have an overweight exposure in this market cap area, the underperformance can be partly explained by this factor.

Marcus Stigler

Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa	gross	Europe	USA	EmMa
2017	49%	39%	54%	2017	70%	54%	71%
1 month	36%	26%	54%	1 month	47%	33%	63%
3 months	36%	37%	48%	3 months	51%	40%	57%

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
August	Birgit Heim AMG Europa	Despite the promising economic activity in Europe and good company figures, Heim is rather cautiously positioned at the moment. Her biggest sector exposure is currently in industrials.
August	Emmanuel Hauptmann RAM Long/Short Global Equities (factsheet unavailable)	Hauptmann is currently net short the US market as there are many overvalued stocks. On the other hand, he likes certain US banks, while he is net short the energy sector.
August	Martin Rotheram NB Senior Floating Rate	Loans remain attractive relative to other asset classes. The historic spread difference between high yield and senior loans has been much higher. Loans are attractively valued compared to high yield.
August	Greg Kuhnert Investec Asian Equities	Valuations in general look attractive, but quality remains expensive. Earnings improvements are strongest since 2009. There are also signs of improvement in returns and margins.

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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