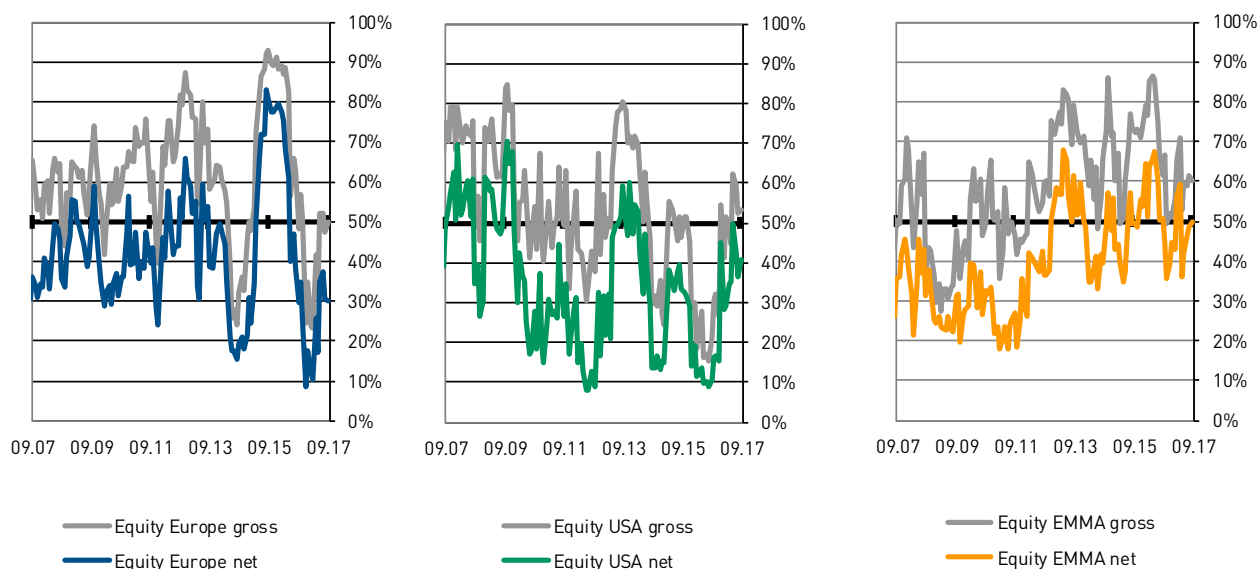


A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



Comment

Over a 12-month-rolling period, 41% of US managers and 50% 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 September. Only 38% outperformed their benchmarks net of fees. In the US, 52% of the managers outperformed their respective indices net of fees. 54% of emerging market managers were able to beat their benchmarks.

In the US, small caps outperformed large caps by a significant amount in September. As many of the active funds have an overweight exposure in small caps, the outperformance can be mainly explained by this factor. In the other regions, the picture looks more complex as small caps outperformed large caps only by a small amount. The sector allocation of emerging market managers contributed positively as avoided sectors like mining and utility showed a rather weak performance, favoured sectors like finance, healthcare and industrials showed good performance results. European managers underperformed after fees in the absence of significant alpha sources.

Marcus Stigler

Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa	gross	Europe	USA	EmMa
2017	45%	46%	59%	2017	66%	59%	71%
1 month	38%	52%	54%	1 month	45%	57%	55%
3 months	36%	42%	59%	3 months	52%	55%	65%
12 months	30%	41%	50%	12 months	50%	53%	60%

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
September	Ollie Beckett Henderson Pan European Smaller Companies	Beckett has a focus on undervalued companies and on firms that benefit from structural growth. He is currently overweight in industrials and consumer discretionary and underweight in the real estate sector.
September	Yoichi Nagae Metzler Focus Japan	The fund invests in a concentrated best-of-ideas portfolio of 30 stocks. Because of the promising macro environment and triggers in Japan like labor shortage or changes in managerial attitudes Nagae is positive for the Japanese stock market.
September	Paul Gurzal La Francaise Sub Debt	The valuation of Cocos versus high yield looks attractive at the moment. In addition to that, further stabilization of the European banking sector and improving fundamentals are positive signs.
October	Ken Maeda Schroder ISF Japanese Opportunities	The outlook for Japanese equities is positive. The market has de-rated while profit outlook has improved. Corporate profits are hitting successive record highs and the pick-up in full-time employment will push up wage growth.

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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