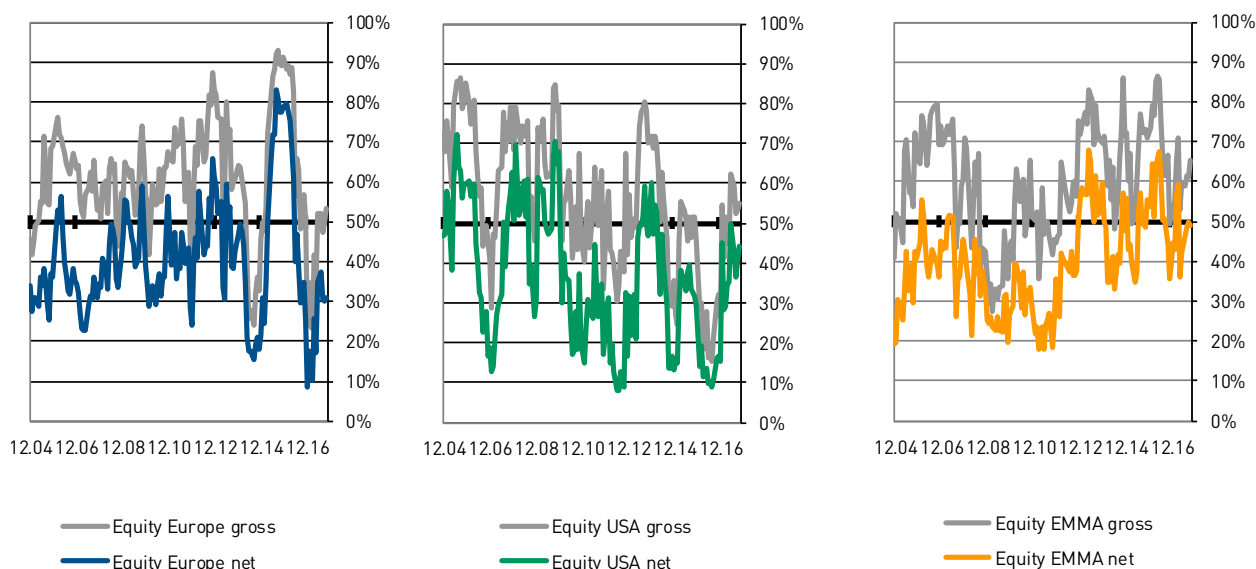


### A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



#### Comment

Over a 12-month-rolling period, 44% of US managers and 49% of emerging markets managers outperformed their benchmarks net of fees. Only 31% of Europe managers could beat their benchmarks net of fees.

Europe managers underperformed their indices in October. Only 42% outperformed their benchmarks net of fees. In the US, 45% of the managers outperformed their respective indices net of fees. In the absence of any other significant factors, fees have been the main reason for this underperformance. Gross of fees, 49% and 48% respectively have beaten their benchmarks. Only 26% of emerging market managers were able to beat their benchmarks.

The underperformance of emerging market managers in October is owed to a number of factors. As the rally of Tencent, Samsung and Alibaba continued, the underweight position of most active managers in those stocks did contribute negatively. Other managers have been caught on the wrong foot by a strong recovery of the Indian stock market in October. Last but not least, some funds were affected by the slump in the Brazilian market following several months of strong growth.

Marcus Stigler

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

net	Europe	USA	EmMa	gross	Europe	USA	EmMa
<b>2017</b>	44%	44%	54%	<b>2017</b>	66%	60%	65%
<b>1 month</b>	42%	45%	26%	<b>1 month</b>	49%	48%	30%
<b>3 months</b>	31%	43%	49%	<b>3 months</b>	42%	48%	56%
<b>12 months</b>	31%	44%	49%	<b>12 months</b>	53%	55%	66%

#### 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
October	Courtney Way <a href="#">ChinaAMC China Opportunities Fund</a>	China markets are trading at attractive valuations compared to their own historical levels. Corporate sales and earnings have improved.
October	Sean Feeley <a href="#">Barings - Global High Yield Bond</a>	Economic data is surprising on the upside. Oil prices are expected to remain stable at around USD 50. Corporate fundamentals are stable to improving with default rates in decline.
November	Sam Cosh <a href="#">F&amp;C European Small Cap</a>	Despite the challenging environment, Cosh is still positive on fundamentals. He is currently overweight in consumer discretionary and financials and underweight in real estate and IT.
November	Julien de Saussure <a href="#">Edmond de Rothschild Financial Bonds</a>	In the case of rising rates, disruptive flows are more problematic than real rate sensitivity of subordinated bonds. Fundamentally, banks and insurances would benefit from higher rates/steeper curves.

**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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