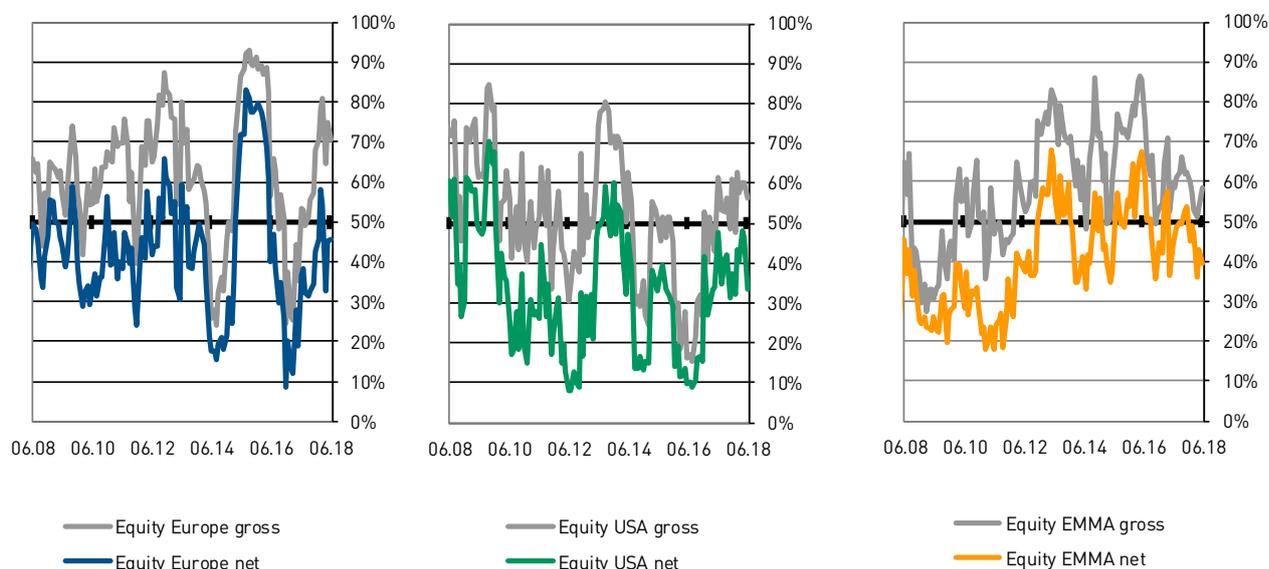


A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



Comment

Over a 12-month-rolling period, 46% of Europe managers and 39% of emerging markets managers as well as 33% of US managers outperformed their benchmarks net of fees.

In June, active managers in Europe could not convince; only 38% of the managers outperformed their respective indices net of fees. While emerging market managers showed a slightly better performance with 45% outperforming their respective benchmark, only 35% of US managers were able to beat their benchmarks.

In Europe as well as in the US, small caps performed in line with large caps in June and growth stocks showed a rather similar performance than value stocks. Sector-wise, utilities outperformed in Europe while consumer discretionary showed the weakest performance. The outperformance of utilities did hurt Europe managers as most of them have an underweight in this sector.

Marcus Stigler

Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa
2018	53%	34%	28%
1 month	38%	35%	45%
3 months	45%	44%	41%
12 months	46%	33%	39%

gross	Europe	USA	EmMa
2018	73%	47%	53%
1 month	42%	39%	53%
3 months	58%	51%	53%
12 months	71%	56%	57%

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Methodology

The fundinfo outperformance indices show the percentage of 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	Eoin Walsh Vontobel Fund - TwentyFour Strategic Income Fund	Eoin Walsh currently detects the most challenging part of the economic cycle just ahead of us: credit spreads are near cycle lows and yield curves have moved sharply higher in 2018 so far. He currently prefers country leaders when it comes to European bank names. In terms of sovereign debt, he likes Australian government bonds and US short-term treasuries.
July	Isabelle de Gavoty AXA WF Framlington Global Small Cap	Small cap companies are best placed to benefit from global changes. Isabelle likes themes exposure to Ageing, Connected Consumer, Automation and Cleantech. The valuation of small caps compared to large caps is with a 10% premium rather cheap compared to historic standards.
July	Yoann Ignatiew Rothschild R Valor C EUR	Ignatiew is still positive for the equity markets in general, although he has raised his cash allocation a bit recently. He likes themes such as technology, banks and transport. He is not holding bonds though as he sees no value in the current real yields.

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

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