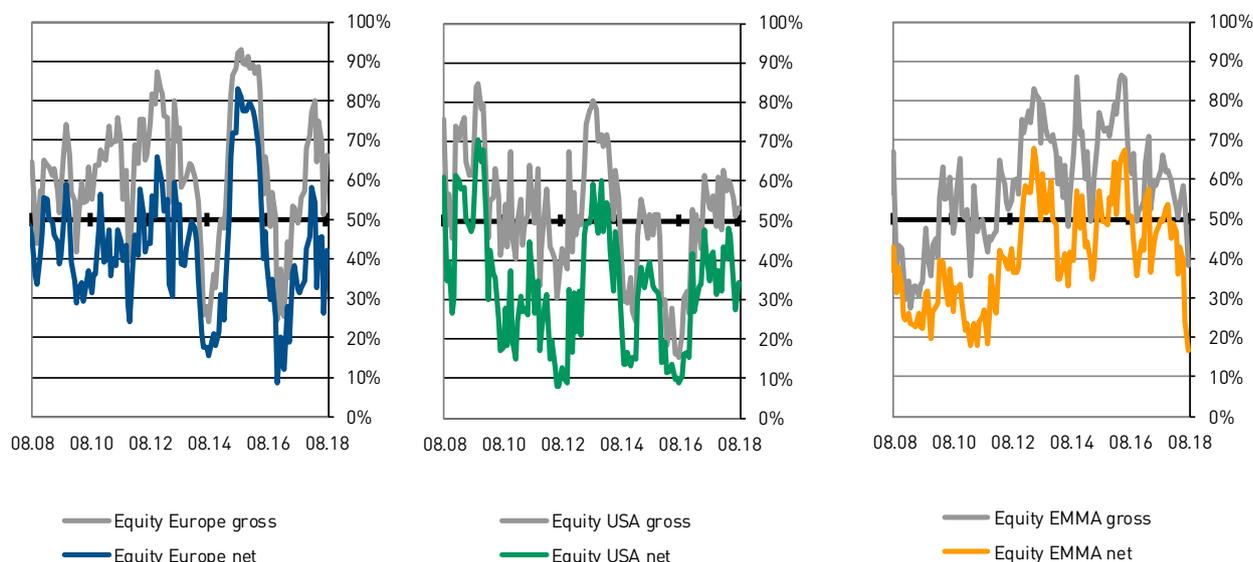


A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



Comment

Over a 12-month-rolling period, 42% of Europe managers and only 17% of emerging markets managers as well as 34% of US managers outperformed their benchmarks net of fees.

In August, the performance of active managers varied significantly across different regions; while a majority of 68% of Europe managers outperformed their benchmarks, only 21% of emerging markets managers outperformed their respective indices net of fees. US managers performed in between; 41% outperformed their benchmarks.

Particularly in Europe but also in the US, large caps underperformed small caps in August, while growth stocks showed a stronger performance than value stocks. Sector-wise, especially technology but also healthcare and consumer discretionary outperformed. On the other side of the spectrum, energy and materials have been the main underperformers.

Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa
2018	52%	28%	16%
1 month	68%	41%	21%
3 months	38%	19%	29%
12 months	42%	34%	17%

Bloomberg IFOPEUYN IFOPUSYN IFOPEMYN

gross	Europe	USA	EmMa
2018	68%	40%	32%
1 month	74%	47%	23%
3 months	44%	29%	38%
12 months	66%	53%	37%

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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
September	Rupert Brandt Brown Advisory Funds – Latin American Fund	While Rupert Brandt avoids commodity stocks, his focus is on mid-sized companies with 100% exposure to domestic growth. He is currently most exposed to consumer discretionary, consumer staples and banks.
September	Sandy Sanders Manulife - US Large Cap Core Equity	Sanders is still quite positive for the US as the banking system is relatively healthy, he sees no inflation concerns yet and expects the housing market to accelerate.
September	Paul McNamara GAM Local Emerging Bond	According to McNamara, countries in Emerging Markets are in relatively good shape overall with good fundamental trade positions and current account surpluses. He is quite selective though and holds, for example, no position in Turkey at the moment.

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

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