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

**Comment**

In 2017, the majority of active managers in all regions could outperform their respective indices gross of fees. The main reason for this outperformance was a style bias of most active managers. Over the whole year, most of the active managers had a growth bias in their portfolio and growth stocks outperformed value stocks significantly. In addition to that, mid-caps showed in Europe a better performance than large caps and most European managers have an overweight in this market cap cluster.

On a net basis though, after deductions of fees, the picture changes significantly and only emerging markets managers still outperformed slightly. 52% of emerging market managers, 42% of Europe managers and 37% of US managers have been able to outperform their benchmarks. Nevertheless, results are much better than in 2016, where only 8% of Europe managers, 14% of US managers and 39% of emerging markets managers could beat their benchmarks net of fees.

In December 65% of US managers, 40% of Europe managers and 37% of emerging markets managers could outperform their benchmarks net of fees. The good results in the US were mainly driven by good stock selection.

**Marcus Stigler**

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

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<th>net</th>
<th>Europe</th>
<th>USA</th>
<th>EmMa</th>
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<tbody>
<tr>
<td>2017</td>
<td></td>
<td>42%</td>
<td>37%</td>
<td>52%</td>
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<tr>
<td>1 month</td>
<td></td>
<td>40%</td>
<td>65%</td>
<td>37%</td>
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<tr>
<td>3 months</td>
<td></td>
<td>45%</td>
<td>50%</td>
<td>38%</td>
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<tr>
<td>12 months</td>
<td></td>
<td>42%</td>
<td>37%</td>
<td>52%</td>
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<tr>
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<th>gross</th>
<th>Europe</th>
<th>USA</th>
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<tbody>
<tr>
<td>2017</td>
<td></td>
<td>67%</td>
<td>58%</td>
<td>63%</td>
</tr>
<tr>
<td>1 month</td>
<td></td>
<td>48%</td>
<td>68%</td>
<td>41%</td>
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<tr>
<td>3 months</td>
<td></td>
<td>56%</td>
<td>58%</td>
<td>48%</td>
</tr>
<tr>
<td>12 months</td>
<td></td>
<td>67%</td>
<td>58%</td>
<td>63%</td>
</tr>
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**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.
Research News
January 2018

B. Manager meetings: Insights from our key meetings

<table>
<thead>
<tr>
<th>Month</th>
<th>Manager / Fund</th>
<th>Conclusion</th>
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| December | Enzo Puntillo  
GAM Emerging Markets  
Opportunities Bond | Puntillo still sees opportunities in the emerging markets as the economic cycle is still positive as well as growth in general with still moderate valuations. |
| December | Ralph Hüppin  
Swisscanto Bond  
Fund Corporate | Due to the realignment of the fund, Ralph Hüppin will increasingly also play the duration as well as the crossover segment with BB bonds in the future. He also sees interesting opportunities in the CoCo segment. |

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

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