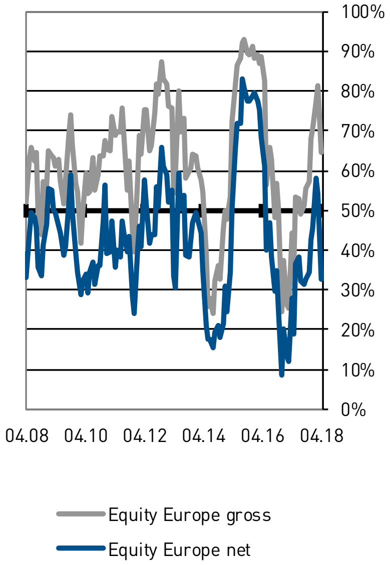
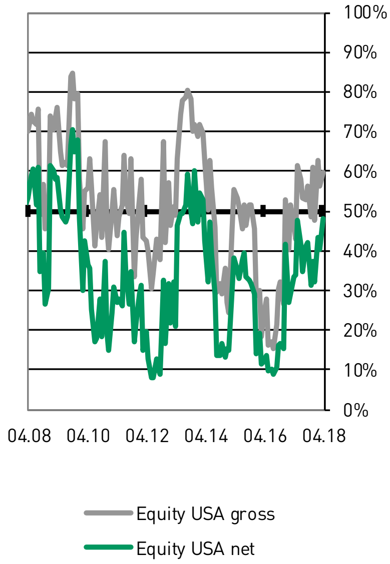
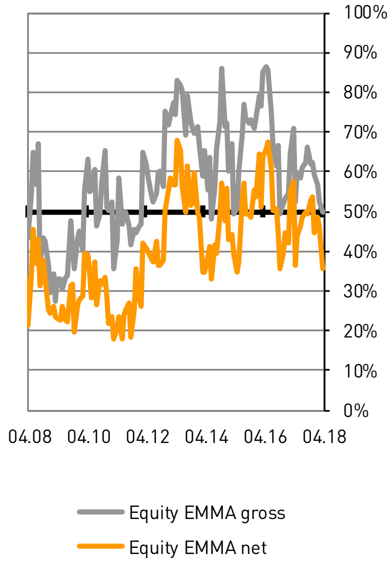
Research News

May 2018

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







Comment

Over a 12-month-rolling period, 33% of Europe managers and 36% of emerging markets managers as well as 48% of US managers outperformed their benchmarks net of fees.

In April, active managers in the US showed good results; 58% of the managers outperformed their respective indices net of fees. Europe managers and especially emerging market managers could not convince. 33% of Europe managers outperformed their indices in April and only 15% of emerging market managers were able to beat their benchmarks.

In all regions, small caps performed more or less in line with large caps in April. Sector-wise, energy stocks performed well in all regions, while consumer staples and healthcare underperformed. Value stocks outperformed growth stocks in April. The outperformance of energy contributed negatively especially to the performance of many emerging markets managers as they had an underweight position in this sector. In addition to that, the underperformance of growth stocks had a negative effect on EM managers in particular.

Marcus Stigler

Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa
2017	48%	55%	18%
1 month	33%	58%	15%
3 months	39%	67%	28%
12 months	33%	48%	36%

gross	Europe	USA	EmMa
2017	64%	67%	30%
1 month	37%	64%	22%
3 months	51%	77%	39%
12 months	65%	60%	48%

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
April	Johann Plé AXA World Funds - Planet Bonds	Johann Plé is able to further geographically diversify the portfolio as the number of countries that issue green bond consistently increases. The allocation in corporate green bonds in the portfolio steadily increases alike the overall trend in the market. The portfolio currently contains 98% green bonds.
April	Rakhee Bhagchandani Nordea 1 - Indian Equity	Indian equity markets are at mid cycle. Though current valuations are at the higher end of the historical range, parameters like credit growth, corporate profitability, capacity utilization still appear to be close to cyclical lows. 18-20% earnings growth could be possible over the next two years.
May	Maud Minuit La Francaise Multistratégies Obligataires	Maud Minuit is positive on US inflation: base effects on oil and the USD are headed in the right direction and should contribute to push inflation upwards. She also likes European HY, convertibles and emerging markets equity.

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.