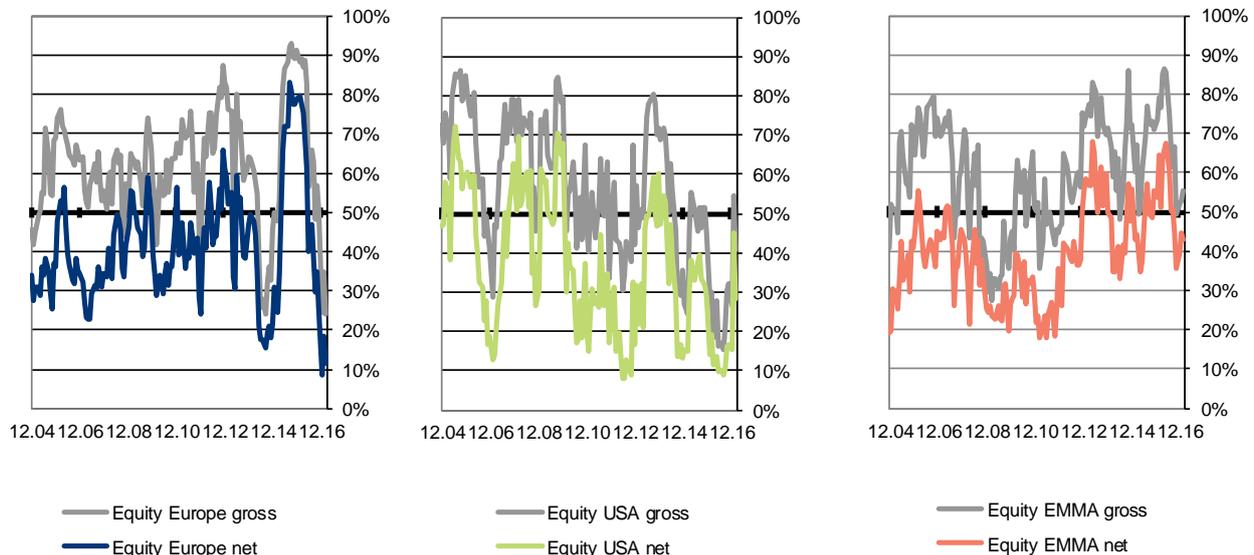


**A. ifund outperformance index: How many funds within a peer group are ahead of benchmark?**



**Comment**

Over a 12-month-rolling period, 28% of US managers and 43% of emerging markets managers outperformed their benchmarks net of fees. Only 12% of Europe managers could beat their benchmarks net of fees. Over 12 months, the majority of funds had an underweight in materials, which was the best performing sector.

In February, only 28% of Europe managers and 26% of emerging markets managers outperformed their benchmarks on a net basis, at least 35% of US managers were ahead of their benchmarks.

Especially the health care sector performed strongly (pharma and biotech), but also technology, consumer staples and utilities performed well in February. On the other hand, sectors like energy, materials and telecom did not perform well in February. With respect to European managers, underweights in utilities and consumer staples detracted from performance, while underweights in energy and materials helped. Small- and mid-caps performed in line with the broad market. Overall, neither sector nor market cap allocation played an important role. The main reason for the underperformance can be attributed to stock selection. Regarding US managers, the underperformance of Mid-Caps hurt performance. Among emerging markets, the overweight in financials hurt (it is the only region with an overweight in financials).

Marcus Stigler

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

net	Europe	USA	EmMa	gross	Europe	USA	EmMa
<b>2017</b>	40%	42%	46%	<b>2017</b>	53%	53%	55%
<b>1 month</b>	28%	35%	26%	<b>1 month</b>	34%	40%	32%
<b>3 months</b>	13%	29%	42%	<b>3 months</b>	22%	40%	52%
<b>12 months</b>	12%	28%	43%	<b>12 months</b>	24%	41%	55%

**Methodology**

The ifund 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
February	Nils Wimmersberger <a href="#">Vontobel Ethos Swiss Mid &amp; Small</a>	Nils Wimmersberger expects that the positive earnings growth will continue for Swiss mid-caps. While financials are underweight, the industrials sector is overweight.
February	Philip Dicken <a href="#">Threadneedle Pan European Smaller Companies</a>	Because of the improving economy and the lower valuations compared to the US, Phil Dicken is positive for the European equity markets. He is most overweight in the sector health care, while financials are underweight.
February	Bram Bos <a href="#">NN Euro Green Bond</a>	Bram Bos observes further strong and increasing global issuance of green bonds, still dominated by European issuers. He is reluctant to the growing Chinese green bond market as "green standards" are sometimes not comparable to European levels.
February	Andrew Wickham <a href="#">BNY Mellon Absolute Return Bond</a>	The fund's biggest macro exposure is in US Inflation linkers. Currently, the inflation risk premium is considered to be not adequately priced in by the market. The fund has a lot of credit exposure at the moment.
March	Ken Taubes <a href="#">Pioneer US Dollar Aggregate Bond</a>	Ken Taubes expects the yield curve to flatten and is therefore short duration and underweight at the short end of the curve. He is currently overweight in structured debt (especially non-agency MBS) and corporate credit, whereas treasuries are underweight.

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

ifund services 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. ifund has signed the UN Principles for Responsible Investment and integrates sustainability criteria in fund analysis.

### Disclaimer

By reading and using this document you indicate your acknowledgment, understanding and acceptance of the terms of use and legal information contained herein. The prospectus does not constitute an offer in the legal sense. No contractual relationship is created by using this document. Any decisions made on the basis of this document are made entirely at the investor's own risk. This document is not intended for persons located in jurisdictions which prohibit the use of the products mentioned in this document. This document may be distributed in other jurisdictions only in accordance with the law of the jurisdiction in question, and any persons receiving this document should inform themselves about and comply with the laws in force there. The information provided in this document is not to be relied upon as a basis for making decisions of a legal, fiscal or other nature. Good performance in the past does not guarantee good performance in the future. Investors are advised to consult a professional advisor before making any investment decisions. Under no circumstances shall ifund services AG be held liable for any direct or indirect damages resulting from the use of this document. ifund services AG declines all responsibility for any loss or damages whatsoever. All legal relationships shall be governed by Swiss Law. The place of jurisdiction is Zurich (Switzerland). The information in this document may not be modified, copied or used for commercial purposes without the prior written permission of ifund services AG.