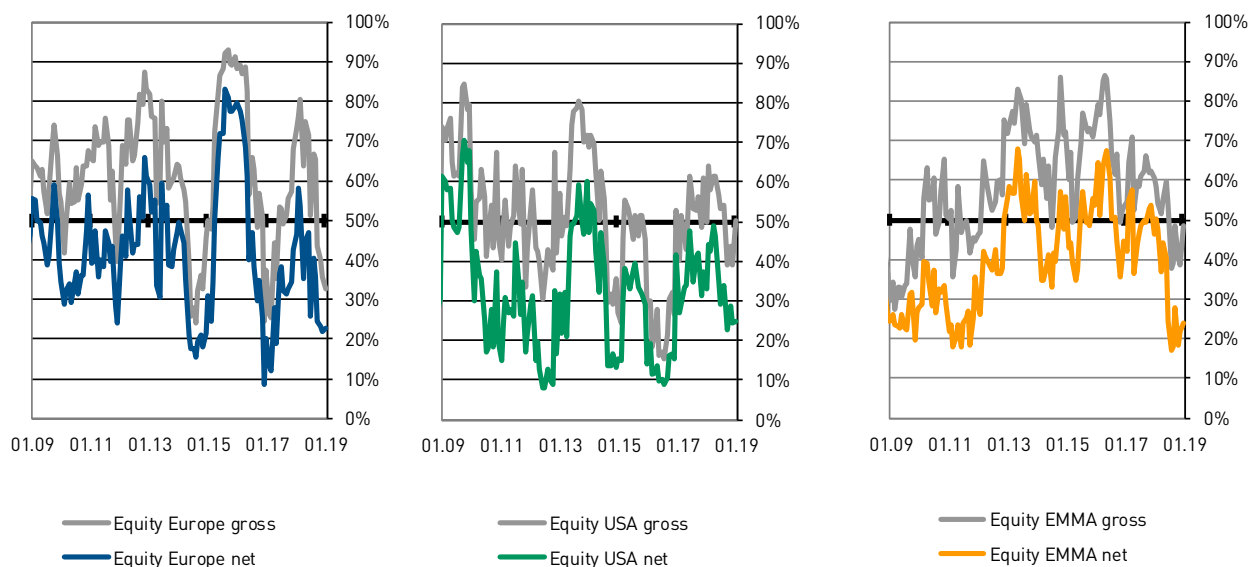


### A. fundinfo outperformance index: How many funds within a peer group are ahead of benchmark?



### Comment

Over a 12-month-rolling period, only 23% of Europe managers and 25% of US managers as well as 24% of emerging markets managers outperformed their benchmarks net of fees. The underperformance of small caps in a declining market did hurt most managers as a majority had an overweight in this market cap cluster.

In January, the performance of active managers in the US was much more convincing. 58% of US-managers outperformed their respective indices net of fees. The picture in the emerging markets is with 52% a little bit weaker. In Europe, 43% of the managers could beat their indices net of fees. During the market recovery in January, small caps significantly outperformed large caps, especially in the US. In addition to that, growth performed better than value in the US, which was not the case in Europe. The majority of the US managers do have a growth rather than a value bias which contributed positively to relative performance as well. Finally, most US managers have a strong exposure to financials/industrials and both sectors showed very good results in January.

### Percentage of funds that have beaten their benchmark

net	Europe	USA	EmMa	gross	Europe	USA	EmMa
<b>2019</b>	43%	58%	52%	<b>2019</b>	46%	61%	56%
<b>1 month</b>	43%	58%	52%	<b>1 month</b>	46%	61%	56%
<b>3 months</b>	15%	52%	36%	<b>3 months</b>	27%	63%	44%
<b>12 months</b>	23%	25%	24%	<b>12 months</b>	33%	50%	48%

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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
January	Ken Maeda <a href="#">Schroder ISF - Japanese Opportunities</a>	Ken Maeda expects a mixed macroeconomic environment. There are risks of corporate earnings downward revisions due to the strong yen and a possible trade war, but the steady exit of deflation and wage growth can support the economy.
February	Gareth Powell <a href="#">Polar Capital - Healthcare Opportunities</a>	The macroeconomic backdrop is supportive for healthcare stocks. The portfolio currently has an overweight in medtech while pharma stocks are overall underweight. The structural overweight in small/mid-caps is currently much less accentuated than historically.
February	Jonathan Baltora <a href="#">AXA World Funds - Global Inflation Bonds</a>	US Inflation remains highly correlated to the economic cycle despite globalization and the technological revolution. TIPS should be supported by slower economic activity and inflation that is expected to be above the level of inflation breakevens.

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

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