

## 1. Q1 2015

General trend of massive inflows Q2 2014 reducing to heavy net outflows Q4 2014 followed by inflows in Q1. This applied to Western (Continental) Europe – Northern Europe – specifically Germany, Benelux Italy & Spain (which saw no outflows in Q4, just reduced inflows, as the belle of the ball). The Q1 inflows were heavily dependent on index not active investors.

V2 of that trend applicable to France UK Greece & Poland: declining inflows from Q2 2014 followed by bigger sales in Q1 2015 than in Q4 2014

## 2. Q2 2015

### Overview – region & investment style

North America drives outflows with net sales of \$2.7B

- Biggest sales by aggressive growth (-4.3%) and yield investors (-4.7% followed by value (-2.8%)
- Outflows across all sectors except Consumer Services (and Financials are relatively flat owing to inflows from value investors)
- Biggest sales come from growth investors out of healthcare.

North American sales were heaviest in percentile terms in Poland, Belgium (-4.2%), Luxembourg, Sweden (-3.3%), and Germany (-2.5%) followed by the Netherlands (-2.1%) and the UK (-2%). It was a net buyer in Portugal and Spain (+7.3% and +2.9% respectively) followed by Austria, Turkey and France. It was flat in Financials.

Where North America (big buyer earlier in year) is a major seller, local investors (Continental European, UK and Scandinavian) are net buyers

- WEU investors invest most in Consumer Goods, Industrials and Technology, and investment is driven by value investors
  - o Only sizeable inflows came from value and deep value investors
  - o Italian financials saw biggest WEU inflows, double those into the UK, four times those into Switzerland France or the Netherlands
  - o Biggest WEU inflows went into Austria (+5.2%), Finland (+9%), Netherlands (+3.1%) and Italy (+3%) with the Netherlands seeing biggest inflows into Basic Materials
- Scandinavians have by far the biggest inflows from value investors into Consumer Goods, Consumer Services and Financials
  - o Scandinavian investors were big if selective domestic investors (inflows into Norway, Denmark & Sweden) and then into the Netherlands (+8.7%, biggest inflows into Consumer Goods) and Turkey (+4.9%, Financials seeing biggest inflows), value and secondarily growth driven

- UK has both growth and value investors heavily into Financials, and value investors also heavily into Consumer Goods
  - o UK putting its biggest bets in Q2 into SEU (Greece +7.6%, Italy +7%, Spain +2.2%), France +3%, Austria +3.8% and Russia +1.8%
  - o UK selling Portugal -3.9%, Netherlands -1.1%
  - o UK net investment mainly value funds
  - o Biggest inflows into Financials, +\$557M, with Swiss Italian and domestic financials receiving the bulk of those funds, Dutch financials flat

## **Market**

Biggest net inflows, France \$1.2B (driven primarily by UK investors followed by domestic and other WEU) and Italy \$407M

Biggest net outflows UK -\$722M and Germany -\$275M

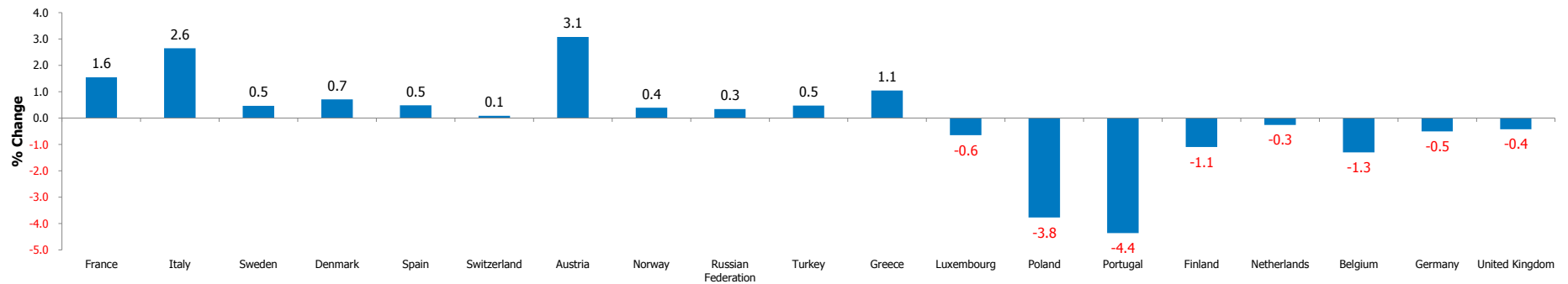
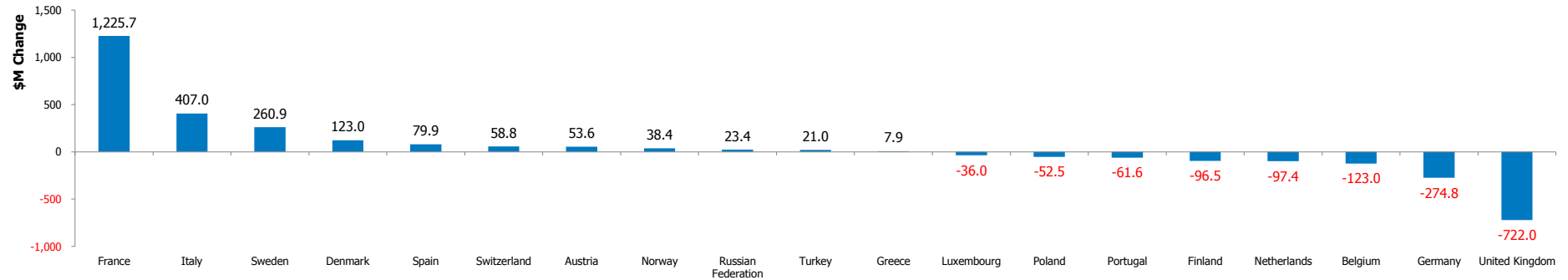
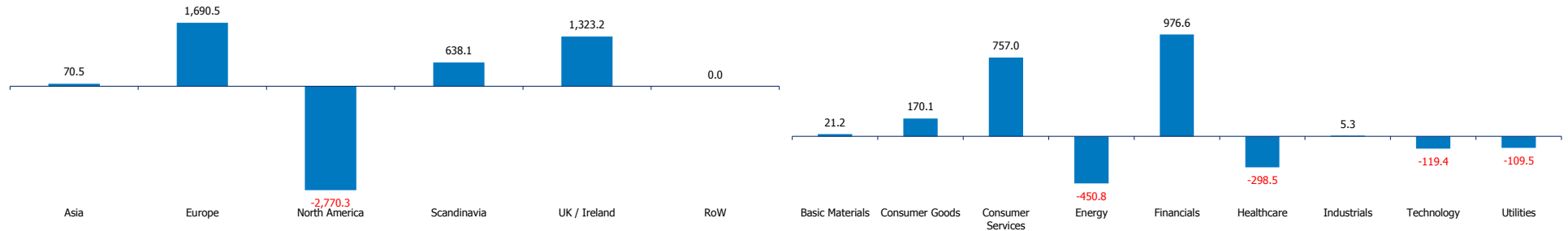
In percentile terms Poland and Portugal saw biggest outflows (-3.8% and -4.4% respectively), Austria Italy and France the biggest increases (3.1%, 3.6% and 1.6% respectively)

## **Sector**

Energy was by far the most sold sector in Q2 with sales of \$451M followed by healthcare (-\$299M).

Consumer Goods and Industrials were relatively flat, both seeing slight net (\$170M and \$39M respectively). The most invested sectors were Financials (+\$977M) and Consumer Services (+\$757M).

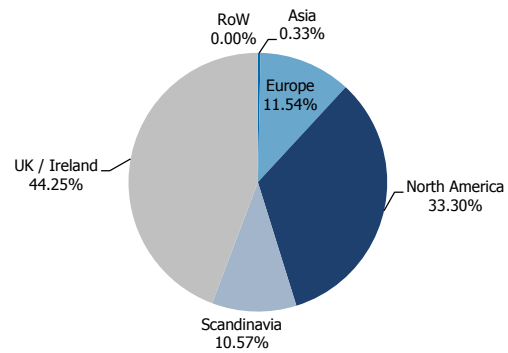
# Overview of Activity in European Equities



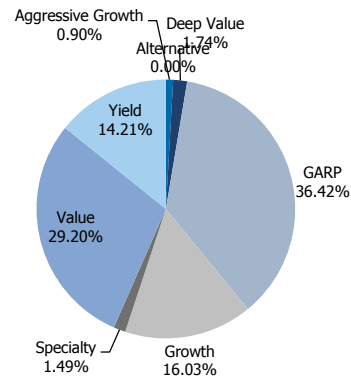
Data represents funds which have EUM >=\$50M; excludes Index funds. Firm must have at least 5 funds reporting in period in European equities with a market cap >=\$50M  
Fund filings within 2 months prior to 2nd July 2015

## Turkey

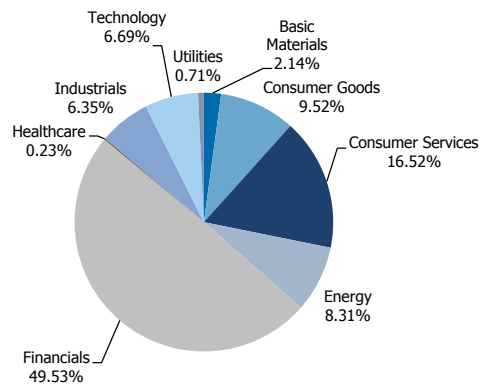
### Ownership by Region



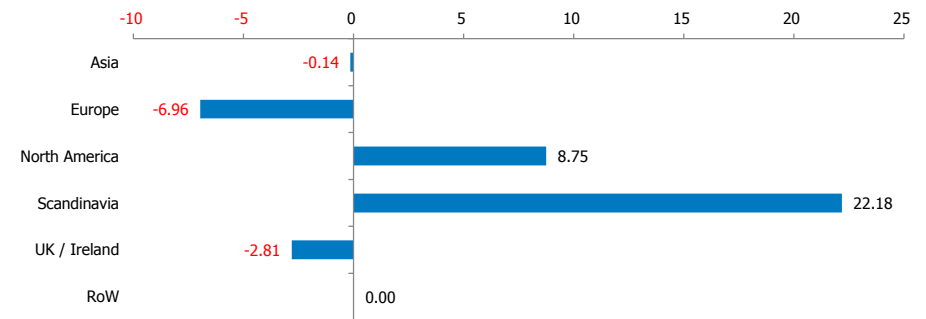
### Ownership by Style



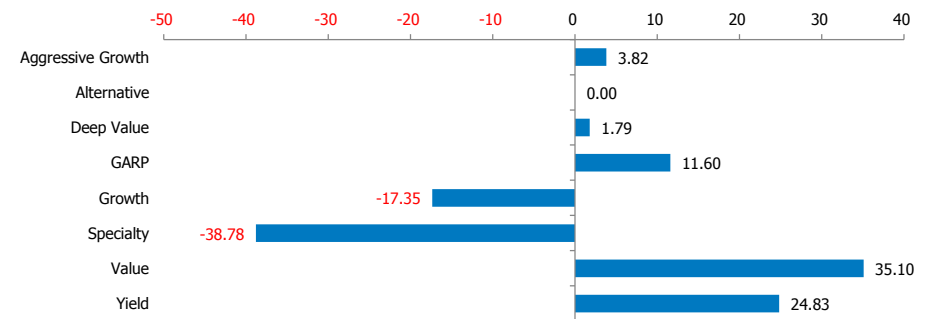
### Ownership by Sector



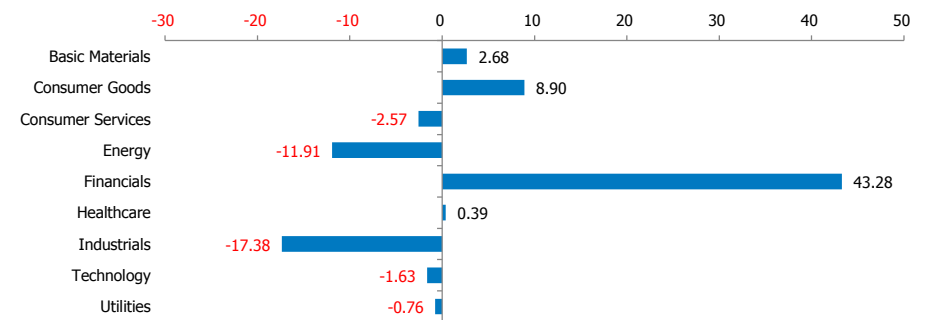
### Change by Region (\$M)



### Change by Style (\$M)



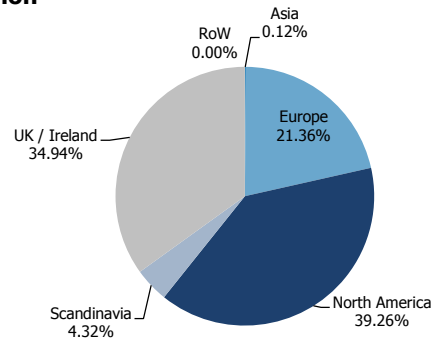
### Change by Sector (\$M)



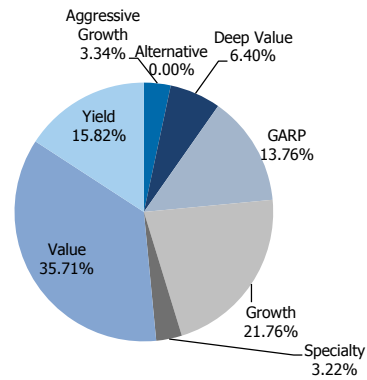
Data represents funds which have EUM >=\$50M; excludes Index funds. Firm must have at least 5 funds reporting in period in European equities with a market cap >=\$50M  
Fund filings within 2 months prior to 2nd July 2015

## Netherlands

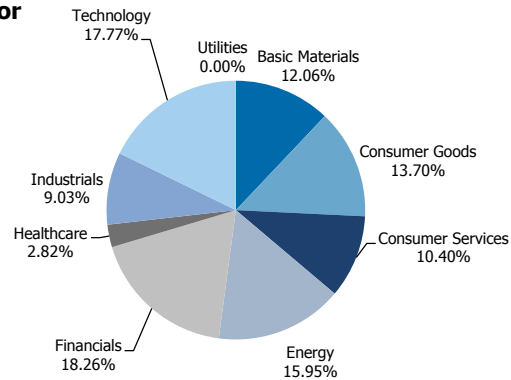
### Ownership by Region



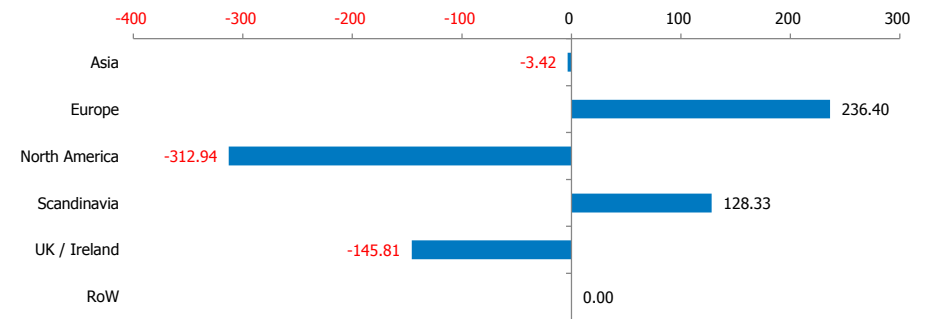
### Ownership by Style



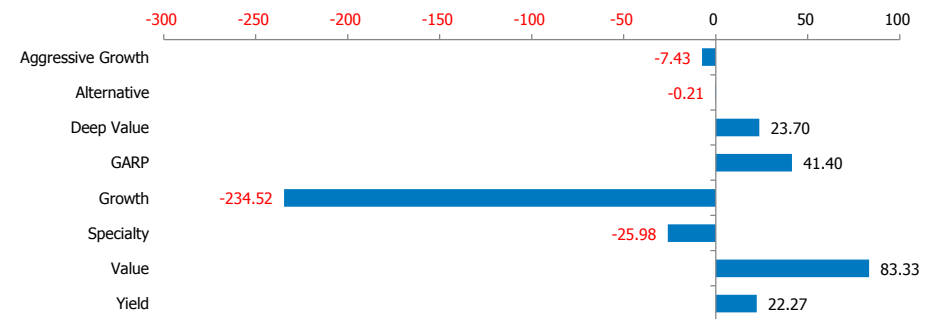
### Ownership by Sector



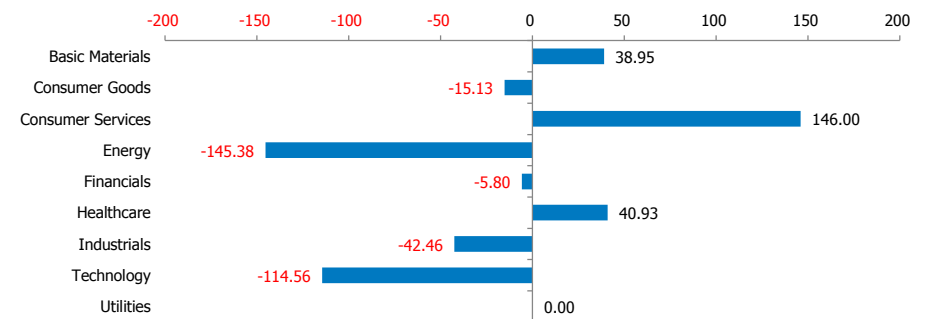
### Change by Region (\$M)



### Change by Style (\$M)



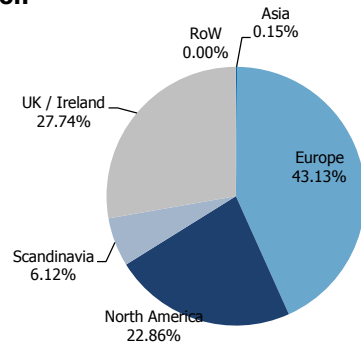
### Change by Sector (\$M)



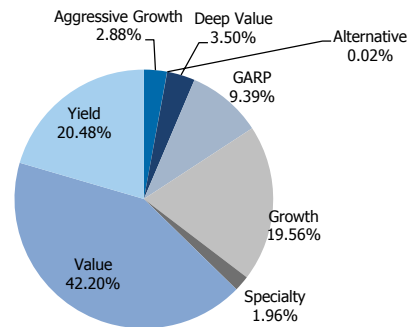
Data represents funds which have EUM >=\$50M; excludes Index funds. Firm must have at least 5 funds reporting in period in European equities with a market cap >=\$50M  
Fund filings within 2 months prior to 2nd July 2015

## Germany

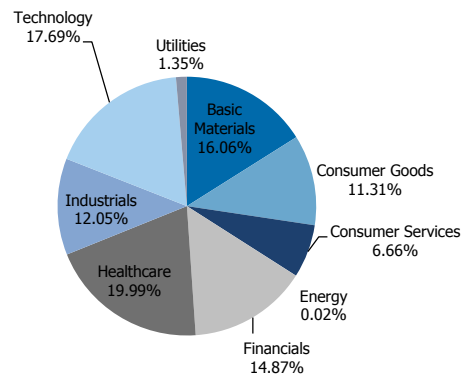
### Ownership by Region



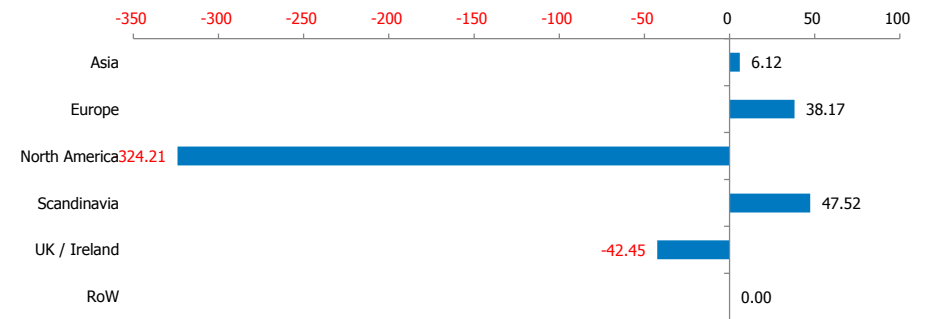
### Ownership by Style



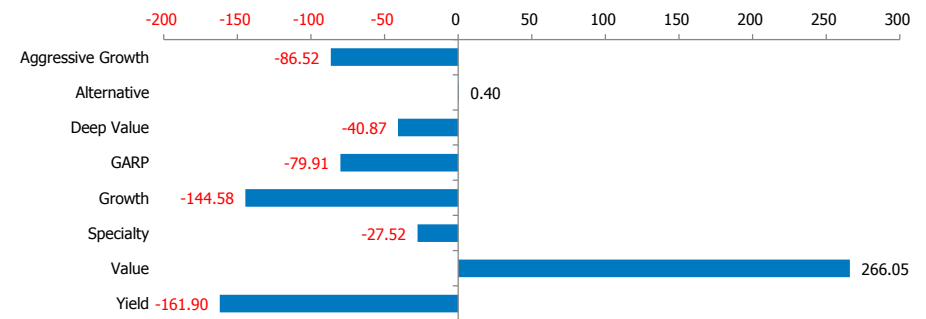
### Ownership by Sector



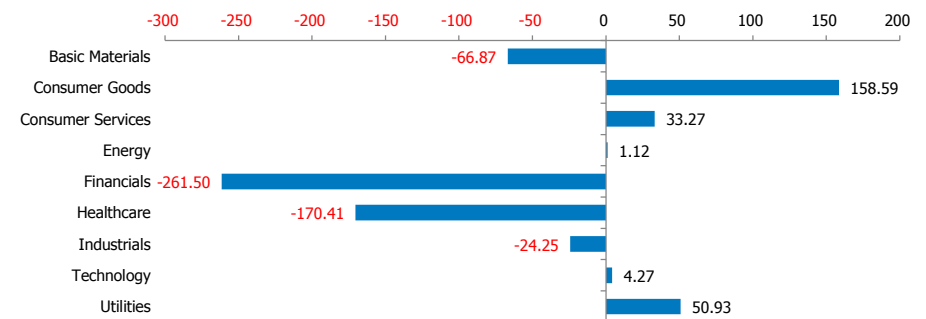
### Change by Region (\$M)



### Change by Style (\$M)



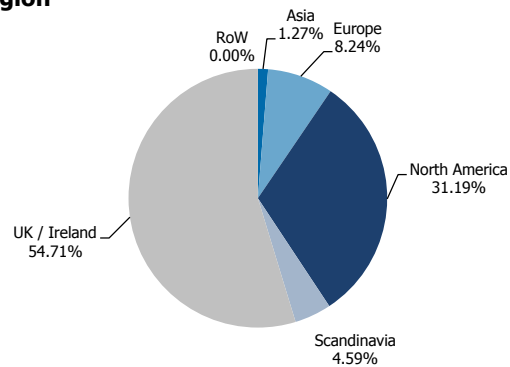
### Change by Sector (\$M)



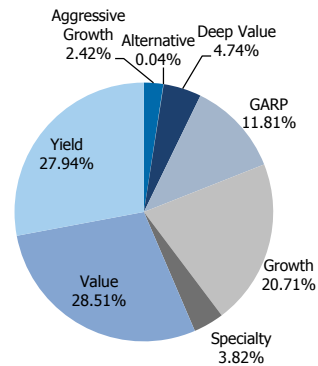
Data represents funds which have EUM >=\$50M; excludes Index funds. Firm must have at least 5 funds reporting in period in European equities with a market cap >=\$50M  
Fund filings within 2 months prior to 2nd July 2015

## United Kingdom

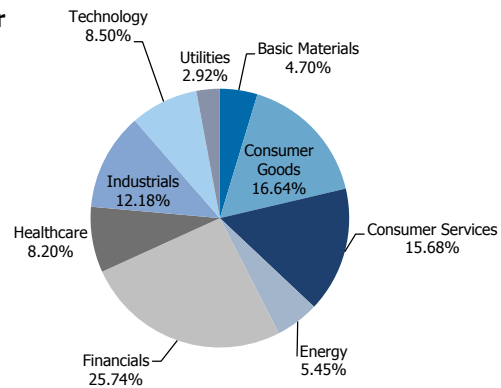
### Ownership by Region



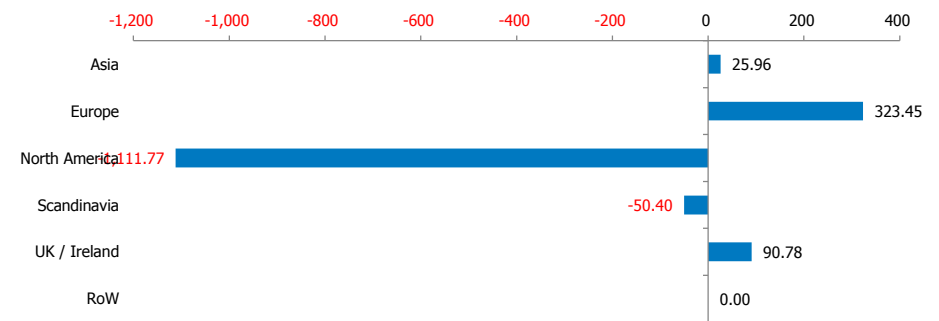
### Ownership by Style



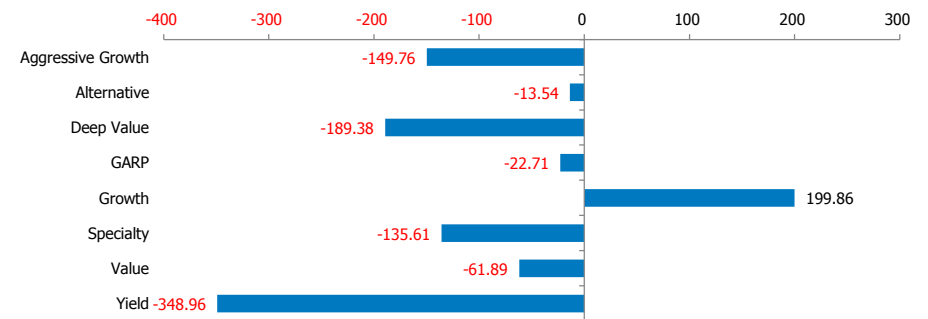
### Ownership by Sector



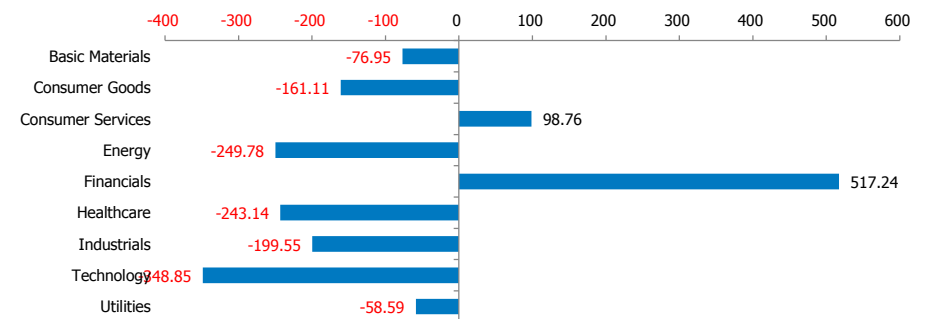
### Change by Region (\$M)



### Change by Style (\$M)



### Change by Sector (\$M)



Data represents funds which have EUM >=\$50M; excludes Index funds. Firm must have at least 5 funds reporting in period in European equities with a market cap >=\$50M  
Fund filings within 2 months prior to 2nd July 2015