

IPREO REGIONAL FLOW OF FUNDS SERIES

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# WEU FINANCIALS

## Q4 2015

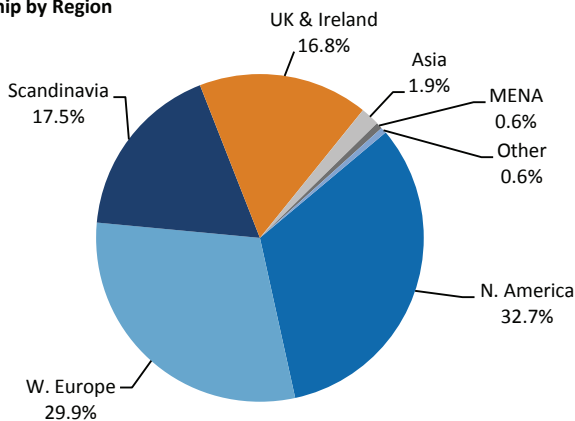
## MARKET OVERVIEW:

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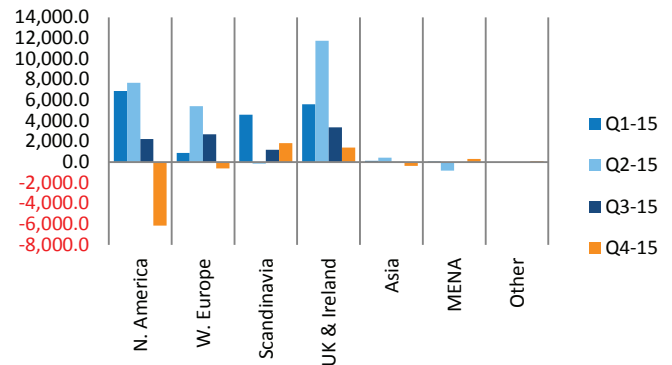
- Risk mode went on in Q4 2015 globally powered by concerns over Chinese growth and geopolitical fears with investors looking for safe havens – posing the issue in Q1 2016 of whether sharp price falls a) have come to an end b) now make riskier equities (such as banks) look like value
- **Western Europe** as a whole saw inflows of \$141B in H1 followed by outflows in H2 (Q3 inflow down from \$94B in Q2 to \$12B in Q3, outflow of \$20B in Q4), with technology driving the selling followed by consumer goods and financials, heavy North American selling and selling across **value, yield** and **alternative** styles headed by **Capital Group** companies
- **Financials** was the third most sold sector in Q4 in Europe as a whole with sales of \$3.4B out of total WEU sales of \$19.8B – a sharp U-turn after total WEU inflows of \$93B in Q2 and \$12B in Q3 2015, in Q4 down to **insurance** not **banking**, but a sign of what is to come in Q1 with banking seeing much worse than expected results (as announced YTD by **Deutsche Bank** and **Credit Suisse**)
- **Insurance** and notably **reinsurance** led the Q4 2015 sales headed by **Munich Re** and **Swiss Re**, followed by **Allianz SE** (**Aegon** was the exception, seeing strong support)
- **Financial services** was the only mid-level sector seeing inflows; **banking** was flat, and **real estate** saw slight outflows
- Italy (**UniCredit** and **Intesa Sanpaolo**) topped sales followed by Denmark (**Danske Bank** and **Jyske Bank**), Germany (**Deutsche Bank** being sold before its 2015 results announcement in February 2016, along with **Aareal Bank**) and Spain (**Santander**, 3<sup>rd</sup> most sold bank in Europe in Q4, and **BBVA**, 10<sup>th</sup> most sold, but at one sixth Santander's volume of sales)
- Sweden saw biggest country inflows, into **SE Banken**, **Svenska Handelsbanken** and **Swedbank** followed by Greece's **Alpha Bank**
- "The current environment for European banks is very, very bad. Over a full business cycle, I think it's very questionable whether banks on average are able to cover their cost of equity. And as a result that makes it an unattractive investment for long-term investors," warned Peter Garnry, head of equity strategy at **Saxo Bank**. However, after getting clobbered at the beginning of the year, Garnry said short-term opportunities have emerged. "Right now we have put on a tactical opportunistic trade here, where we have gone long European autos and banks [...], because we believe the declines have been too sharp. We think there'll be a reversal now coming into banks," he said. (MarketWatch 17 February 2016)

## INSTITUTIONAL INVESTMENT FLOW

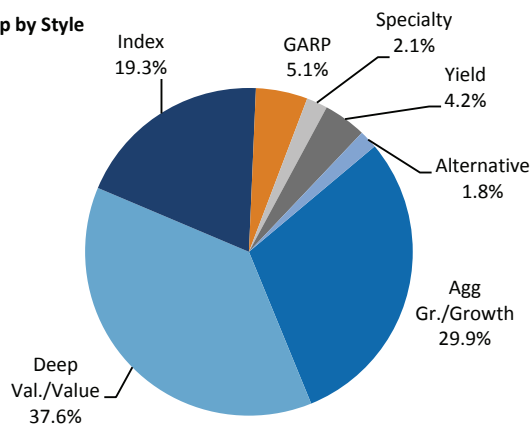
### Ownership by Region



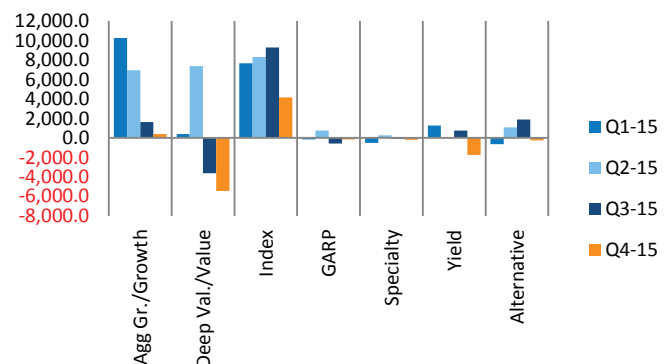
### Net Change (\$M Value) by Region



### Ownership by Style



### Net Change (\$M Value) by Style

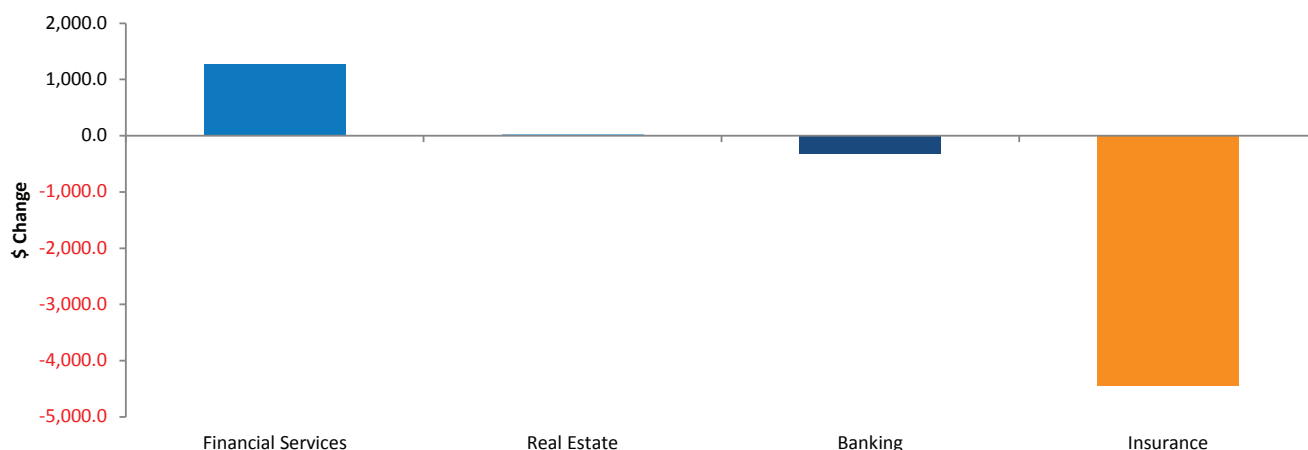


## TOP HOLDERS, BUYERS AND SELLERS:

TOP HOLDERS	Country	Style	Turnover	Equity Assets (\$M)	Value (\$M)	Change (\$M)	% Portfolio	% Portfolio Chg
Norges Bank Investment Management (Norway)	Norway	Value	Low	521,428.6	32,967.9	242.1	6.3	0.7
APG Asset Management N.V.	Netherlands	Yield	Low	120,619.7	9,906.6	-9.3	8.2	-0.1
Swedbank Robur Fonder AB	Sweden	Growth	Low	56,258.1	9,697.6	642.3	17.2	7.1
Capital World Investors (U.S.)	United States	Value	Low	527,313.3	9,313.4	-1,142.1	1.8	-10.9
Fidelity Management & Research Company	United States	Growth	Low	803,574.6	9,307.7	518.7	1.2	5.9
Credit Suisse AG (Asset Management)	Switzerland	Value	Low	76,454.9	8,355.7	336.4	10.9	4.2
Amundi Asset Management	France	Value	Medium	59,258.1	7,844.4	-531.5	13.2	-6.3
Natixis Asset Management	France	Value	Low	50,607.7	7,579.0	-463.4	15.0	-5.8
Dodge & Cox	United States	Deep Value	Low	152,628.1	7,547.2	53.6	4.9	0.7
Wellington Management Company, LLP	United States	Value	Low	422,948.3	7,456.0	-135.8	1.8	-1.8
					<b>109,975.5</b>	<b>-489.1</b>		
TOP BUYERS	Country	Style	Turnover	Equity Assets (\$M)	Value (\$M)	Change (\$M)	% Portfolio	% Portfolio Chg
Grantham Mayo Van Otterloo & Co., LLC	United States	Value	Medium	55,689.3	1,601.7	742.3	2.9	86.4
Swedbank Robur Fonder AB	Sweden	Growth	Low	56,258.1	9,697.6	642.3	17.2	7.1
Ethenea Independent Investors S.A.	Luxembourg	GARP	Very High	5,622.0	814.6	556.9	14.5	216.0
Fidelity Management & Research Company	United States	Growth	Low	803,574.6	9,307.7	518.7	1.2	5.9
MFS International (U.K.), LTD	United Kingdom	Growth	Low	51,537.4	3,964.3	422.1	7.7	11.9
Credit Suisse AG (Asset Management)	Switzerland	Value	Low	76,454.9	8,355.7	336.4	10.9	4.2
AMF Fonder AB	Sweden	Growth	Medium	11,569.1	3,311.1	299.0	28.6	9.9
Qatar Investment Authority	Qatar	Growth	Low	41,297.6	2,431.5	288.1	5.9	13.4
AllianceBernstein, L.P. (U.S.)	United States	Value	Medium	139,285.2	2,275.8	286.6	1.6	14.4
Deutsche Asset & Wealth Management Investment Gmb	Germany	Value	Medium	62,189.6	7,142.4	267.4	11.5	3.9
					<b>48,902.4</b>	<b>4,359.7</b>		
TOP SELLERS	Country	Style	Turnover	Equity Assets (\$M)	Value (\$M)	Change (\$M)	% Portfolio	% Portfolio Chg
Berkshire Hathaway, Inc.	United States	Value	Low	136,783.6	1,837.1	-2,425.5	1.3	-56.9
UBS AG (Global Asset Management Switzerland)	Switzerland	Yield	Low	103,584.0	6,730.7	-1,830.6	6.5	-21.4
Templeton Global Advisors, LTD	Bahamas	Value	Low	42,683.2	5,021.5	-1,278.6	11.8	-20.3
William Blair & Company, LLC (Investment Management)	United States	Aggressive G	Medium	48,350.2	818.8	-1,177.8	1.7	-59.0
Capital World Investors (U.S.)	United States	Value	Low	527,313.3	9,313.4	-1,142.1	1.8	-10.9
MFS Investment Management	United States	Value	Low	236,008.2	3,664.5	-952.5	1.6	-20.6
Capital Research Global Investors (U.S.)	United States	GARP	Low	387,394.8	6,782.2	-774.4	1.8	-10.2
Morgan Stanley Investment Management Inc.	United States	Growth	Medium	67,489.1	1,825.9	-740.0	2.7	-28.8
Thornburg Investment Management, Inc.	United States	GARP	Medium	34,914.9	1,450.6	-703.4	4.2	-32.7
Amundi Asset Management	France	Value	Medium	59,258.1	7,844.4	-531.5	13.2	-6.3
					<b>45,289.0</b>	<b>-11,556.3</b>		

Includes Investors with EUM greater than \$100M; Excludes Passive/Index Investors

## MOST BOUGHT & SOLD SECTORS/STOCKS:



Most Bought and Sold Stocks					
BOUGHT Securities			SOLD Securities		
	Industry	Change \$M		Industry	Change \$M
Credit Suisse Group AG	Financial Services	1,253.9	Münchener Rückversicherungs-Gese	Insurance	-1,964.3
ABN AMRO Group N.V.	Banking	905.8	Swiss Re Ltd	Insurance	-1,569.5
Aegon N.V.	Insurance	639.7	Deutsche Börse AG	Financial Services	-1,181.1
Skandinaviska Enskilda Banken AB	Banking	560.9	Allianz SE	Insurance	-1,021.9
Alpha Bank S.A.	Banking	551.7	Chubb Ltd.	Insurance	-959.0
		<b>3,912.0</b>			<b>-6,695.9</b>

## ABOUT IPREO

### We work as an extension of our clients' Investor Relations team

Ipreo is a leading global provider of financial services technology, data and analytics. We support all participants in the capital-raising process including banks, public and private companies, institutional and individual investors, as well as research, asset management and wealth management firms. Our extensive suite of investor relations services provides our corporate clients with unparalleled cross-asset class surveillance, investor targeting, buy-side perception studies, transaction analysis and predictive analytics. Additionally, Ipreo's BD Corporate IR workflow platform offers the most accurate and comprehensive database covering global institutional contacts, profiles, and ownership data. Our critical insights and flexible solutions help our clients run more effective investor relations programs. Ipreo is private-equity held by Blackstone and Goldman Sachs Merchant Banking Division, and has more than 1,000 employees supporting clients in every major financial hub around the world.

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