

IPREO REGIONAL FLOW OF FUNDS SERIES

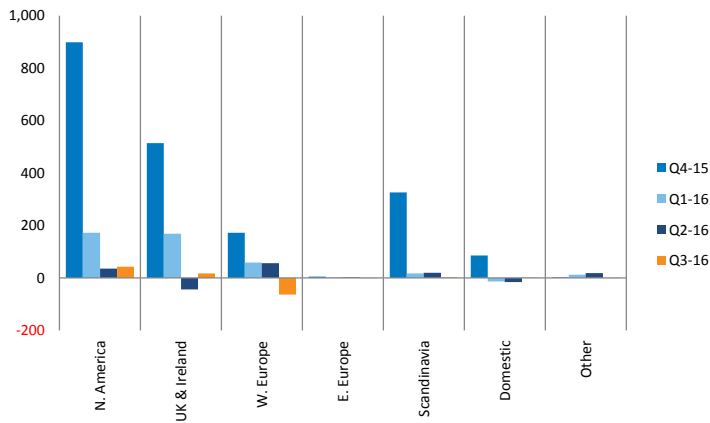
# Greece, Q3 2016

## Market Overview

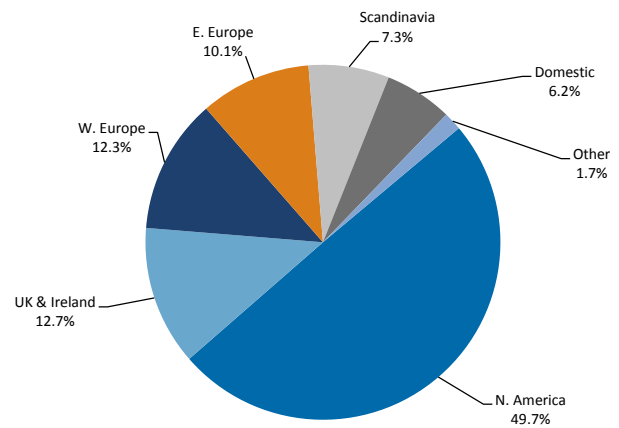
- In Q3 **WEU** equities in general continued to show a selling trend also observed in Q2 (-\$20.6B). Overall sales of -\$13.8B were led by **North American** investor outflows (-\$8.4B), followed by **UK & Ireland** (-\$7.1B), and **WEU** investors (-\$2.2B).
  - UK & Ireland** was the largest selling region in Q2 in **WEU** and continued this trend in the current review period with net outflows. Investors from **UK & Ireland** have been seen selling across all regions globally. Strikingly, the largest outflows by **UK & Irish** investors were recorded from domestic markets (-\$14.7B) with **Growth** oriented **BlackRock Investment Management** (-\$8.6B) as the top seller with the blame attributable to the Brexit vote.
  - Index** (-\$7.5B) and **Growth** (-\$3.5B) investors were driving the outflows in **WEU**. **Value** (-\$351M) and **GARP** investors reduced their exposure slightly, while **Alternative** investors (+\$1.1B) were the main drivers of inflows.
  - Capital World Investors**, which was seen buying heavily in Q2, is the Q3 top buying investor of **WEU** equities (+\$2.3B). Top seller of **WEU** over the same period is **North American Value** investor **Northern Cross** (-\$3.0B).
- Preliminary insight gleaned from H2 2016 data aggregated from Ipreo clients now shows a return to **WEU** equities for **North American** investors as the top buyers but more interestingly all regions buying **WEU** equity. These inflows have also taken a predominantly **Value** and **Index** flavour.
- The Greek economy returned to growth in Q3 2016, with a GDP growth rate at 1.6% versus the 1.2% originally forecasted over the same period last year, as per the National Statistical Service of Greece. The economy grew 0.8% in Q3 vs. a 0.4% increase in Q2, above the market expectation of 0.5%. This exceptional growth can be largely attributed to a 5.7% surge in consumer spending due to a gradual improvement in the labour market, thus representing the best result since Q1 2007. Net exports also contributed positively in Q3 and grew 8.5% vs. the 2.4% contraction in Q2, while tourism experienced again strong earnings.
- "The data confirm the economy bottomed out in the second quarter. Domestic demand is strengthening in the second half and a positive reading of 0.1 percent for the full year now appears a plausible scenario," said Eurobank chief economist Platon Monokroussos. "The EU sees the economy rebounding by 2.7 percent next year, while the Bank of Greece projects it will expand by 2.5 percent. The OECD in its latest forecasts sees 1.3 percent growth next year."
- The Greek stock market also recorded a 4.3% positive performance in Q3, in line with the main developed equity markets.

## Institutional Investment Flow Highlights

Net Change (\$M Value) by Region

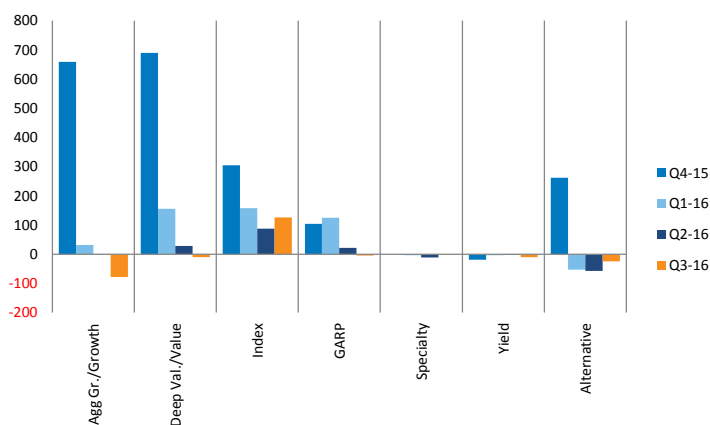


Ownership by Region

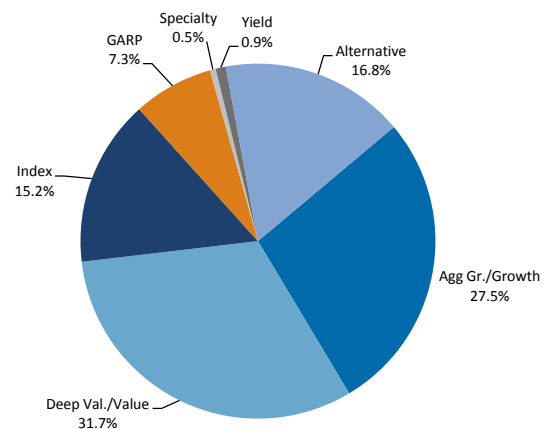


- Western Europe** has turned into negative territory and has seen straight outflows of \$63M in Q3, driven by **Index**/passive investor **BlackRock Asset Management Deutschland** (-\$24M).
- North American** investors, led by **Index** investors, and to a lesser extent the **UK** provided the bulk of the buying in Q3.

Net Change (\$M Value) by Style



Ownership by Style



- Inflows were largely driven by **Index** investors again, led by US-based investors **The Vanguard Group** and **BlackRock Fund Advisors**. **Index** investors on the other hand sold **North American** equities massively (-\$93.0B) and **WEU** stocks heavily, while being bullish on **UK** equity.

## Top Invested Cities

Most Invested				
Country / City	Total Equity Assets (\$mm)	Value (\$mm)	Activity	# Firms
United States (Boston)	1,893,134	1,097	-37	15
United States (New York)	2,164,043	1,032	-25	60
United Kingdom (London)	1,332,548	1,002	28	61
United States (Los Angeles)	1,053,489	509	23	8
Norway (Oslo)	537,788	487	0	2
Greece (Athens)	779	360	4	5
France (Paris)	236,232	164	-19	31
Sweden (Stockholm)	150,835	128	4	11
United States (Coral Gables)	509	99	0	1
Singapore (Singapore)	76,747	96	-2	5
		4,974	-25	198

Excludes Passive/Index Investors

Most Investors				
Country / City	Total Equity Assets (\$mm)	Value (\$mm)	Activity	# Firms
United Kingdom (London)	1,332,548	1,002	28	61
United States (New York)	2,164,043	1,032	-25	60
France (Paris)	236,232	164	-19	31
United States (Boston)	1,893,134	1,097	-37	15
Spain (Madrid)	20,578	23	1	12
Sweden (Stockholm)	150,835	128	4	11
Germany (Frankfurt)	246,040	59	3	10
Canada (Toronto)	246,848	34	-1	10
Japan (Tokyo)	247,432	12	0	9
United States (Los Angeles)	1,053,489	509	23	8
		4,060	-24	227

Excludes Passive/Index Investors

## Top Holders, Buyers & Sellers

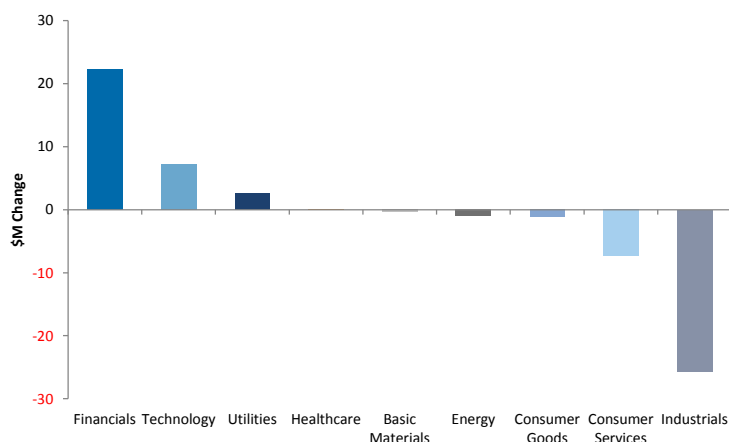
Top Holders	Country	Style	Turnover	Equity Assets (\$mm)	\$Value	\$Change	% Port.	% Port. Chg
Fidelity Management & Research Company	United States	Growth	Low	803,366	506	-27	0.1	-5.1
Norges Bank Investment Management (Norway)	Norway	Value	Low	527,197	484	0	0.1	0.0
Paulson & Company, Inc.	United States	Alternative	Medium	10,285	350	0	3.4	0.0
The Baupost Group, LLC	United States	Alternative	Medium	7,524	258	0	3.4	0.0
Capital World Investors (U.S.)	United States	Value	Low	572,400	223	0	0.0	0.0
					1,822	-27		

Top Buyers	Country	Style	Turnover	Equity Assets (\$mm)	\$Value	\$Change	% Port.	% Port. Chg
Oaktree Capital Management, L.P.	United States	Value	Medium	8,792	137	31	1.6	28.9
Genesis Investment Management, LLP	United Kingdom	Growth	Low	24,193	77	28	0.3	55.8
Schroder Investment Management, LTD	United Kingdom	GARP	Medium	101,632	206	14	0.2	7.2
Mittleman Investment Management, LLC	United States	Value	Low	310	19	10	6.1	104.3
Pioneer Investment Management, LTD (U.K.)	United Kingdom	Growth	Medium	2,973	44	8	1.5	22.9
					484	90		

Top Sellers	Country	Style	Turnover	Equity Assets (\$mm)	\$Value	\$Change	% Port.	% Port. Chg
GSO Capital Partners, L.P.	United States	Alternative	High	850	52	-28	6.1	-35.0
Fidelity Management & Research Company	United States	Growth	Low	803,366	506	-27	0.1	-5.1
Mackenzie Financial Corporation	Canada	Growth	Medium	26,281	0	-21	0.0	-100.0
Fidelity International Limited - FIL Investment Services (L	United Kingdom	Growth	Medium	87,730	49	-16	0.1	-24.9
Kairos Partners SGR S.p.A.	Italy	GARP	Very High	1,194	37	-15	3.1	-28.9
					644	-107		

- **UK** active investors following a **Growth/GARP** style dominated the top buyers, with **Genesis Investment Management, Schroder Investment Management and Pioneer Investment Management** mainly contributing to the buying.
- **GSD Capital Partners** was the top active seller identified in Q3, thus leading to the overall minor selling from **hedge funds**.

## Most Bought & Sold Sectors



## Most Bought & Sold Stocks

BOUGHT Securities	Industry	Change (\$)
Greek Organization of Football Prc	Consumer Services	30
Star Bulk Carriers Corp	Industrials	26
National Bank of Greece S.A.	Financials	20
Aegean Marine Petroleum Networ	Industrials	19
Intralot S.A.	Technology	9

SOLD Securities	Industry	Change (\$)
LAMDA Development S.A.	Consumer Services	-28
Tsakos Energy Navigation Ltd.	Industrials	-25
Capital Product Partners L.P.	Industrials	-18
Titan Cement Company S.A.	Industrials	-17
Jumbo S.A.	Consumer Services	-12

- **Financials** were again the most heavily bought sector by far, with **National Bank of Greece** among the top picks, while investors remained bearish on **Industrials**.
- Greek banks, including **Piraeus Bank** and **Alpha Bank**, have returned to profit in the first half of 2016. They have completed a round of recapitalisation at the end of last year, thus increasing their levels of liquidity and, at the same time, cleaning up their stock of bad loans.

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