

IPREO SPECIAL REPORT

**NORTH AMERICAN
INSTITUTIONAL
OWNERSHIP ANALYSIS IN
CAC 40, DAX 30, FTSE MIB
AND SMI 20**

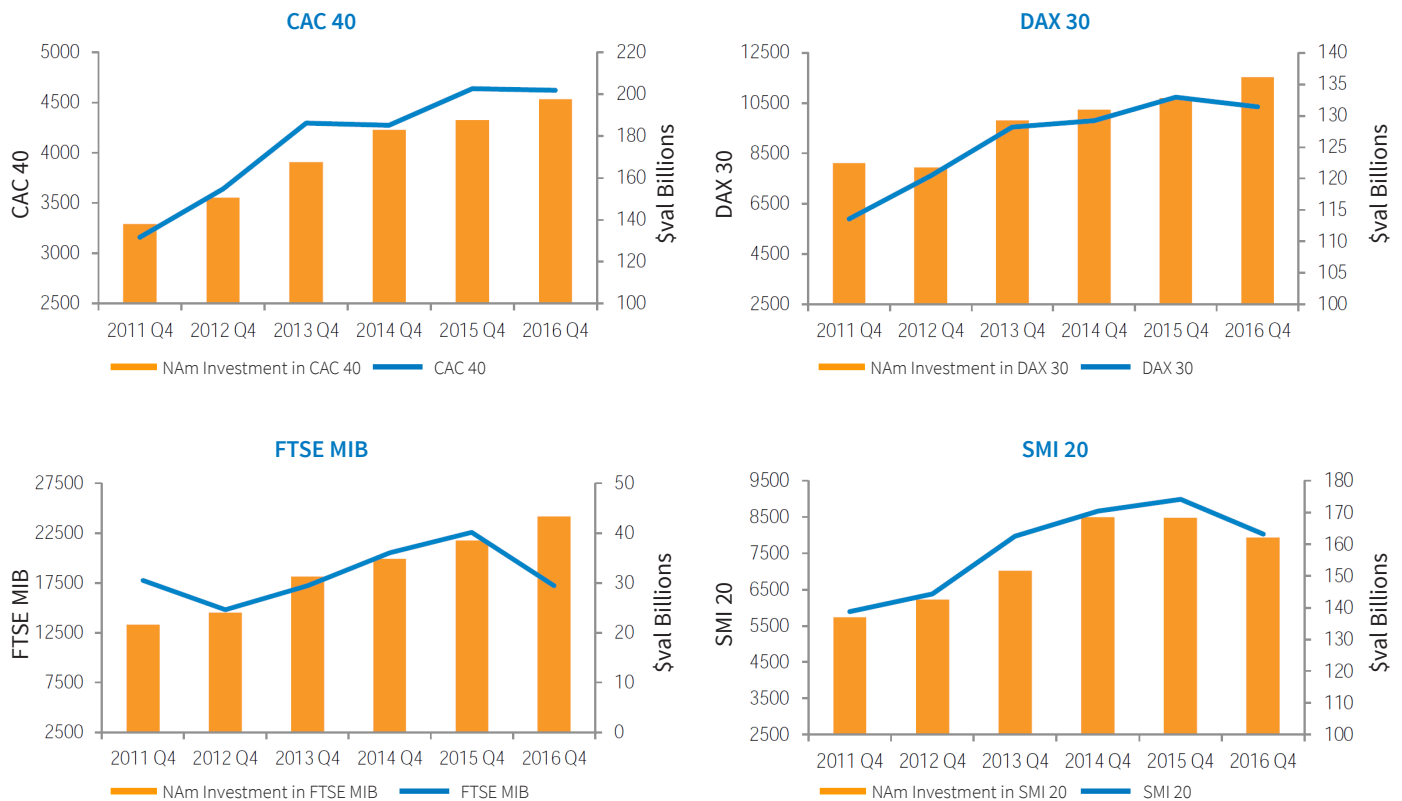
2011-2016

INTRODUCTION

Ipreo analysed the aggregated trend of North American institutional ownership in CAC 40, DAX 30, FTSE MIB and SMI 20 companies over the period Q4 2011 to Q4 2016 using publicly available data, focusing on:

- ▶ Investment analysis by region and investment styles of investors
- ▶ Top holders, buyers and sellers
- ▶ Largest hedge fund ownership
- ▶ Largest activist holders

HISTORICAL NORTH AMERICAN INSTITUTIONAL OWNERSHIP IN CAC 40, DAX 30, FTSE MIB & SMI 20



▶ Since 2011 the North American ownership benchmark for large cap European companies has risen by nearly four percentage points from 30.1% to 34% of institutional ownership. The increase has been at the expense of local ownership (domestic and Continental European) – UK and Rest of World ownership is largely unchanged.

▶ North American investments in **CAC 40** increased almost **50%** between 2011 and 2016, showing their fastest growth between Q4 2012 and Q4 2013 (**+11.3%**), in line with the CAC 40 (**+17.9%**). The CAC 40 index almost doubled over a 5 year period while trading below 5,000.

▶ Between Q4 2011 and Q4 2016 North American ownership within the **DAX** has continuously increased by **11.1%**, except in 2012 where North American ownership showed a minor 0.5% decline. The DAX index outperformed by **75.5%** during the same period. Compared to other European markets, US ownership in the DAX closely followed the development of US ownership within the CAC 40 since 2011.

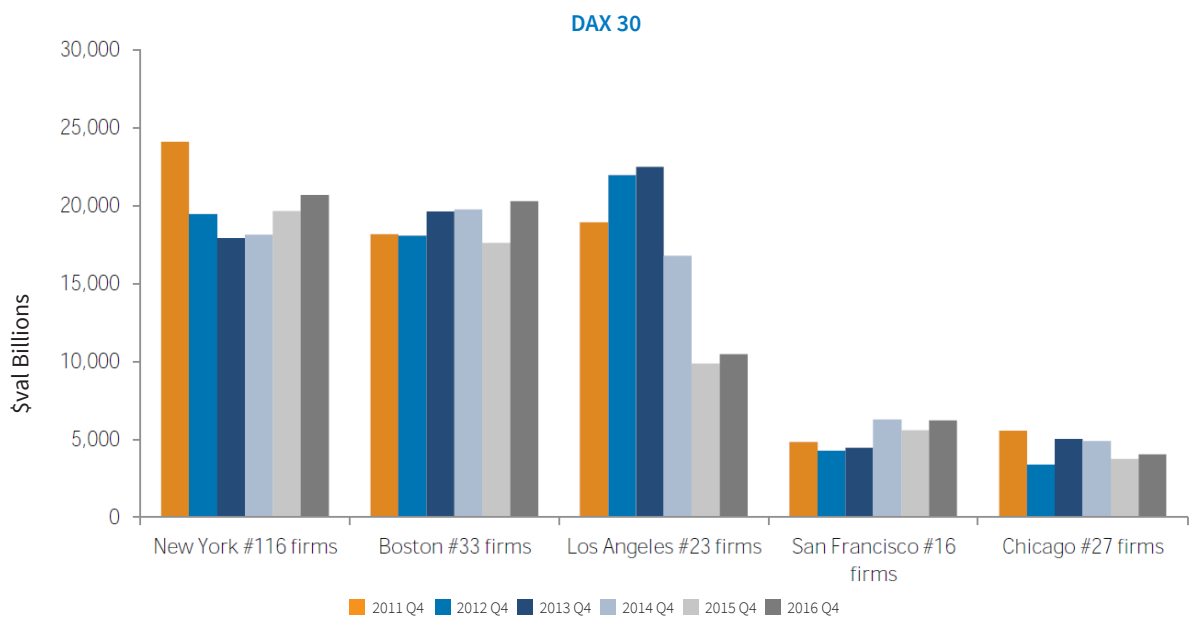
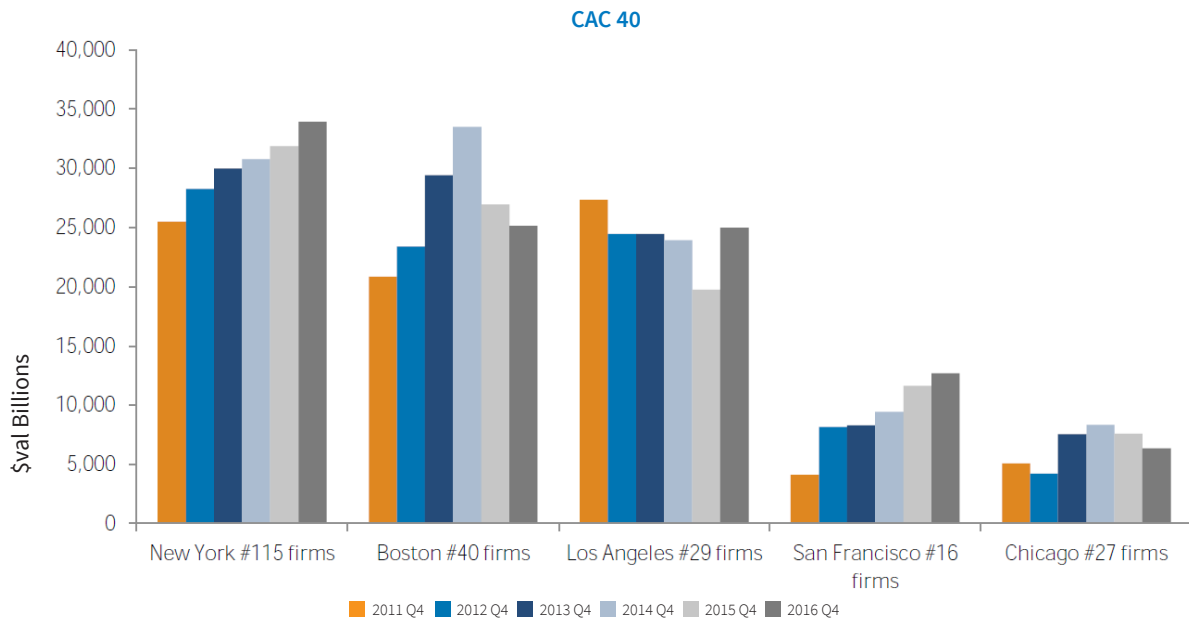
▶ North American ownership of the **FTSE MIB** has risen **12.5%** in 2016 and **100.2%** since 2011 – a higher rate of increase in the period since 2011 than in any other of these four indices and a higher rate of increase in 2016 as well, reflecting strong North American demand for FTSE MIB stocks throughout 2016 when North America was selling other major European markets.

▶ The **SMI** top 20 is the only market to have seen an overall decrease in North American ownership since 2011. North American investors reached their peak in Q2 2014, reducing exposure by **4%** by Q4 2016. Outflows from North American investors could be tied to the SNB currency ceiling announced in January 2015.

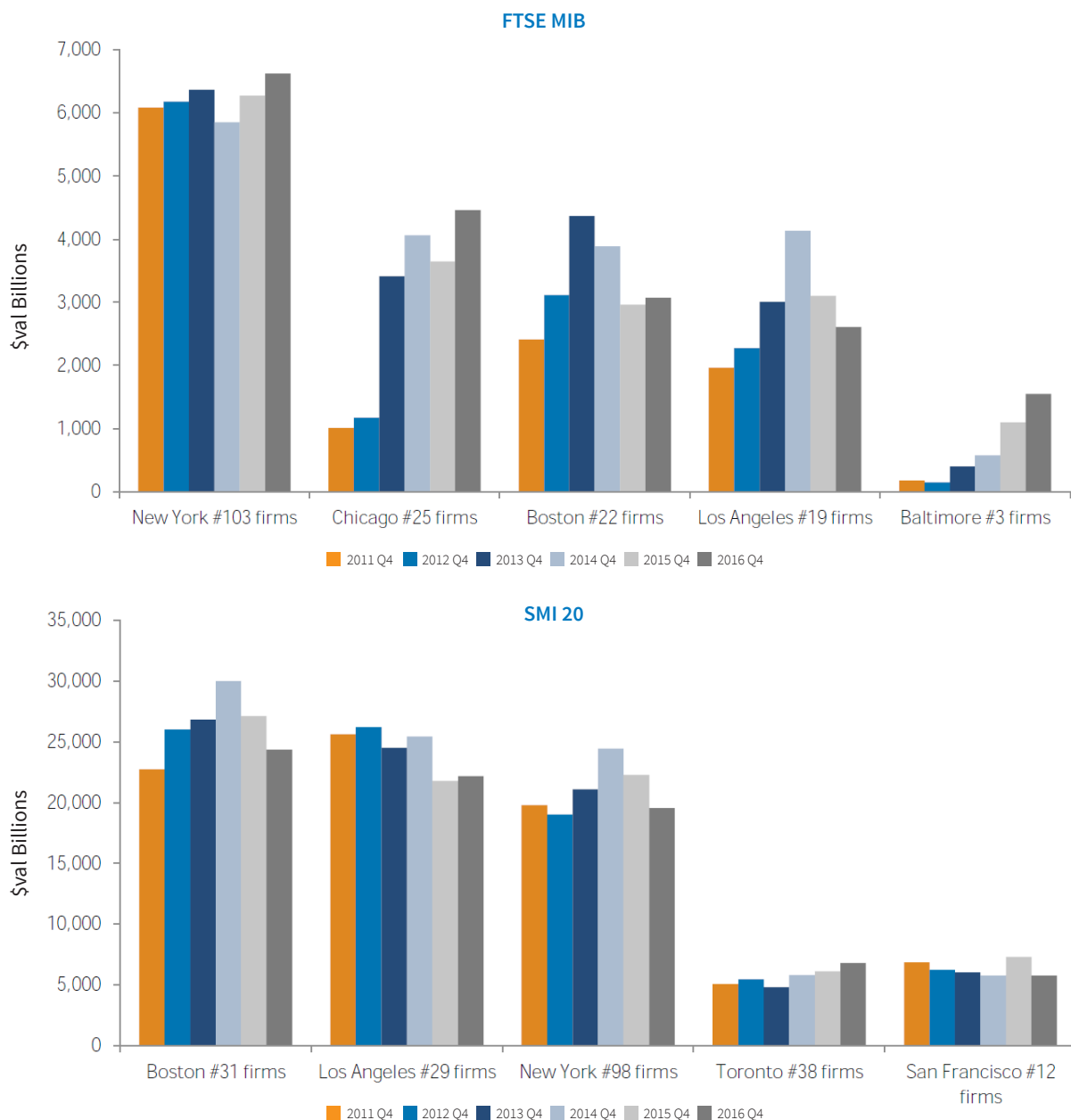
MAIN FINDINGS

- ▶ The results show the Northeast heavily invested in all four indices (led by New York and Boston), while the Pacific Coast (led by Los Angeles and San Francisco) experienced declines with the **Capital Group Companies** reducing their exposure, overall.
- ▶ Index fund giants **Vanguard** and **BlackRock** now control 55% of the global ETF market between them — up from 52% at the end of 2012. Vanguard’s ETF inflows rose by **\$97B** in 2016, BlackRock’s iShares by **\$140B**, State Street’s by **\$60B**, while Deutsche Asset Management saw outflows of **\$12B**. Due to the increasing appetite for ETFs and passively managed funds, index investment has noticeably increased in all four indices. As a result, index style is ranked second overall in 2016 in all indices except DAX where it is the largest style identified.
- ▶ Hedge funds are for the most part based in New York with **AQR Capital Management** being heavily invested in all four indices.
- ▶ **CalPERS** and **Franklin Mutual** are the top engaged investors invested in all four indices except SMI 20. Investor engagement has increased since 2011 and is of high importance to issuers, currently.

NORTH AMERICAN INSTITUTIONAL OWNERSHIP BY CITY IN CAC 40, DAX 30, FTSE MIB & SMI 20



NORTH AMERICAN INSTITUTIONAL OWNERSHIP BY CITY IN CAC 40, DAX 30, FTSE MIB & SMI 20



► The Northeast led by New York and Boston is heavily invested in the **CAC 40** since 2011, followed by the Pacific Coast with Los Angeles and San Francisco. Boston overtook Los Angeles in 2013 (largely due to a major one third divestment from **Capital World Investors**) and has since remained the second largest city invested in the CAC 40, with **\$25B** in 2016, just behind New York with **\$34B**.

► Amongst the top 50 US cities of **DAX** ownership **Los Angeles** showed the most drastic decline over the past five years (**-44.6%**), particularly in Q4 2015 where the city lost **41.1%** of its DAX investment. This is mainly due to the **Capital Group** heavily selling the DAX between 2014 and 2015 across its entities **Capital Research Global Investors** and **Capital World Investors**. Although the holdings of the Capital Group are allocated to Los Angeles, the investment group usually meets European issuers in London or New York.

► The dramatic increase in assets from **Chicago** firms in the **FTSE MIB** has been led by value investor **Harris Associates** (FTSE MIB investment up from below **\$1B** in 2011 to **\$3.8B** today, a far larger increase in the FTSE MIB than in any of the other indices in this report) and on a smaller scale real estate specialist **RREEF America, LLC** whose FTSE MIB investment has grown from close to zero in 2011 to over **\$440M** in 2016. Baltimore's increase is largely down to **T. Rowe Price Associates, Inc.**'s increased investment in the market.

► Amongst the top 10 North American cities in the **SMI 20**, **San Francisco** showed the largest decline since 2015, reducing **21%** driven by **BlackRock Fund Advisors** and **Dodge & Cox**, while Toronto posted increases of **11%** with **CPP Investment Board** leading the buying. **Los Angeles** and **New York** now have a smaller exposure to the SMI 20 than they had in 2011. **Boston** and **Los Angeles** lead both in terms of overall investment in the SMI 20 and number of investors.

TOP NORTH AMERICAN HOLDERS, BUYERS & SELLERS (ACTIVE AND PASSIVE INVESTORS) IN CAC 40, DAX 30, FTSE MIB & SMI 20

France CAC 40

NA Regions
■ Northeast ■ Pacific ■ Midwest ■ South ■ Canada

Top Holders	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,242,055.3	24,878.9	12.59%	20,199.7	4,679.2	Index	Philadelphia PA
BlackRock Fund Advisors	1,544,097.8	13,758.0	6.96%	14,740.6	-982.6	Index	San Francisco CA
Capital World Investors (U.S.)	580,577.8	13,063.7	6.61%	10,691.9	2,371.8	Value	Los Angeles CA
MFS Investment Management	253,499.9	7,818.0	3.96%	7,904.6	-86.6	Value	Boston MA
Dodge & Cox	162,511.8	7,617.6	3.86%	7,054.0	563.6	Value	San Francisco CA
Total:		67,136.2	33.98%	60,590.8	6,545.4		

Top Buyers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,242,055.3	0.1	12.59%	20,199.7	4,679.2	Index	Philadelphia PA
Capital Research Global Investors (U.S.)	410,191.3	7,048.9	3.57%	4,329.0	2,719.9	GARP	Los Angeles CA
Capital World Investors (U.S.)	580,577.8	13,063.7	6.61%	10,691.9	2,371.8	Value	Los Angeles CA
T. Rowe Price Associates, Inc.	544,870.8	3,637.4	1.84%	2,505.0	1,132.4	Growth	Baltimore MD
Wellington Management Company, LLP	442,061.3	3,194.5	1.62%	2,419.6	774.9	Value	Boston MA
Total:		26,944.6	26.23%	40,145.2	11,678.2		

Top Sellers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
Northern Cross, LLC	36,231.8	6,255.5	3.17%	8,723.4	-2,467.9	Value	Boston MA
Mellon Capital Management Corporation	167,578.5	3,260.9	1.65%	5,230.3	-1,969.4	Index	San Francisco CA
BlackRock Fund Advisors	1,544,097.8	13,758.0	6.96%	14,740.6	-982.6	Index	San Francisco CA
Grantham Mayo Van Otterloo & Co., LLC	42,851.1	1,164.2	0.59%	1,951.4	-787.2	Value	Boston MA
Harris Associates, L.P.	88,387.2	4,905.5	2.48%	5,675.0	-769.5	Value	Chicago IL
Total:		29,344.1	14.85%	36,320.7	-6,976.6		

Germany DAX 30

Top Holders	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,256,808.4	22,151.5	16.28%	18,122.8	4,028.7	Index	Philadelphia PA
BlackRock Fund Advisors	1,550,235.7	15,969.7	11.74%	17,920.2	-1,950.5	Index	San Francisco CA
Capital World Investors (U.S.)	581,051.6	7,957.7	5.85%	6,234.1	1,723.6	Value	Los Angeles CA
MFS Investment Management	253,495.2	6,460.1	4.75%	5,518.9	941.3	Value	Boston MA
Fidelity Management & Research Company	801,643.7	5,473.1	4.02%	3,579.1	1,894.0	Growth	Boston MA
Total:		58,012.1	42.63%	51,375.1	6,637.1		

Top Buyers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,256,808.4	22,151.5	16.28%	18,122.8	4,028.7	Index	Philadelphia PA
Fidelity Management & Research Company	801,643.7	5,473.1	4.02%	3,579.1	1,894.0	Growth	Boston MA
Capital World Investors (U.S.)	581,051.6	7,957.7	5.85%	6,234.1	1,723.6	Value	Los Angeles CA
Franklin Advisers, Inc.	101,245.0	2,165.5	1.59%	797.9	1,367.6	Value	San Francisco CA
Wellington Management Company, LLP	443,521.3	1,921.2	1.41%	853.4	1,067.8	Value	Boston MA
Total:		39,669.0	29.15%	29,587.3	10,081.8		

Top Sellers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
Mellon Capital Management Corporation	168,051.8	3,095.9	2.27%	5,354.6	-2,258.7	Index	San Francisco CA
BlackRock Fund Advisors	1,550,235.7	15,969.7	11.74%	17,920.2	-1,950.5	Index	San Francisco CA
Capital Research Global Investors (U.S.)	409,951.7	1,417.6	1.04%	2,752.2	-1,334.6	GARP	Los Angeles CA
Southeastern Asset Management, Inc.	14,450.4	0.0	0.00%	997.5	-997.5	Deep Value	Memphis TN
Dodge & Cox	162,685.1	3,560.5	2.62%	4,286.8	-726.3	Value	San Francisco CA
Total:		24,043.6	17.67%	31,311.3	-7,267.7		

► Capital Group Companies via **Capital World Investors** and **Capital Research Global Investors** returned into positive territory in 2016 (+\$2.4B and +\$2.7B respectively) albeit having sold the **CAC 40** since 2011. Index investors **The Vanguard Group** and **BlackRock Fund Advisors** dominate the top five holders with a combined **\$38.6B** in 2016 thus showing appetite from global passive funds in the CAC 40.

► North American ownership in the **DAX** is mainly held across the **East** and **West** Coast, with **Vanguard** (\$22.2B as of Q4 2016) and **BlackRock Fund Advisors** (\$16.0B) being the largest institutional investors in the DAX. **Capital World** (\$8.0B), **MFS** (\$6.5B) and **FMR** (\$5.5B) also belong to the five largest US investors in the DAX. Amongst active US investors, **FMR** (+\$1.9B) was the largest buyer of German large caps in Q4 2016, while **Southeastern AM** (-\$1.0B) and **Dodge & Cox** (-\$0.7B) were the largest active sellers (the **Capital Group** saw net inflows of \$0.4B, with **Capital World** buying the DAX and **Capital Research** selling the same).

TOP NORTH AMERICAN HOLDERS, BUYERS & SELLERS (ACTIVE AND PASSIVE INVESTORS) IN CAC 40, DAX 30, FTSE MIB & SMI 20

Italy FTSE MIB

NA Regions

■ Northeast ■ Pacific ■ Midwest ■ South ■ Canada

Top Holders	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,246,670.7	6,165.1	14.23%	4,537.9	1,627.2	Index	Philadelphia PA
BlackRock Fund Advisors	1,559,470.4	4,769.5	11.01%	4,530.1	239.5	Index	San Francisco CA
Harris Associates, L.P.	90,536.0	3,790.6	8.75%	2,866.2	924.4	Value	Chicago IL
T. Rowe Price Associates, Inc.	545,503.9	1,544.4	3.56%	1,036.6	507.7	Growth	Baltimore MD
Dimensional Fund Advisors, L.P. (U.S.)	336,745.9	1,231.6	2.84%	927.6	304.0	Value	Los Angeles CA
Total:		17,501.2	40.39%	13,898.5	3,602.7		

Top Buyers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,246,670.7	6,165.1	14.23%	4,537.9	1,627.2	Index	Philadelphia PA
Harris Associates, L.P.	90,536.0	3,790.6	8.75%	2,866.2	924.4	Value	Chicago IL
T. Rowe Price Associates, Inc.	545,503.9	1,544.4	3.56%	1,036.6	507.7	Growth	Baltimore MD
MFS Investment Management	253,608.9	976.7	2.25%	482.7	494.1	Value	Boston MA
Tiger Global Management, LLC	9,885.1	482.0	1.11%	0.0	482.0	Alternative	New York NY
Total:		12,958.8	29.90%	8,923.5	4,035.3		

Top Sellers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
Capital World Investors (U.S.)	583,449.5	1,033.6	2.39%	1,478.4	-444.8	Value	Los Angeles CA
Grantham Mayo Van Otterloo & Co., LLC	42,915.4	252.7	0.58%	637.7	-384.9	Value	Boston MA
Fidelity Management & Research Company	801,855.6	707.1	1.63%	1,083.9	-376.8	Growth	Boston MA
Jennison Associates, LLC	92,819.9	51.8	0.12%	383.2	-331.4	Growth	New York NY
Mellon Capital Management Corporation	168,365.8	534.3	1.23%	794.1	-259.8	Index	San Francisco CA
Total:		2,579.6	5.95%	4,377.3	-1,797.6		

Switzerland SMI 20

Top Holders	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,246,670.7	23,181.9	14.30%	19,093.2	4,088.8	Index	Philadelphia PA
BlackRock Fund Advisors	1,559,470.4	12,851.6	7.93%	15,062.5	-2,210.8	Index	San Francisco CA
Capital Research Global Investors (U.S.)	411,252.9	9,039.4	5.58%	8,048.0	991.4	GARP	Los Angeles CA
Capital World Investors (U.S.)	583,449.5	8,612.7	5.31%	9,436.8	-824.1	Value	Los Angeles CA
MFS Investment Management	253,608.9	7,475.8	4.61%	6,881.2	594.7	Value	Boston MA
Total:		61,161.4	37.74%	58,521.5	2,639.9		

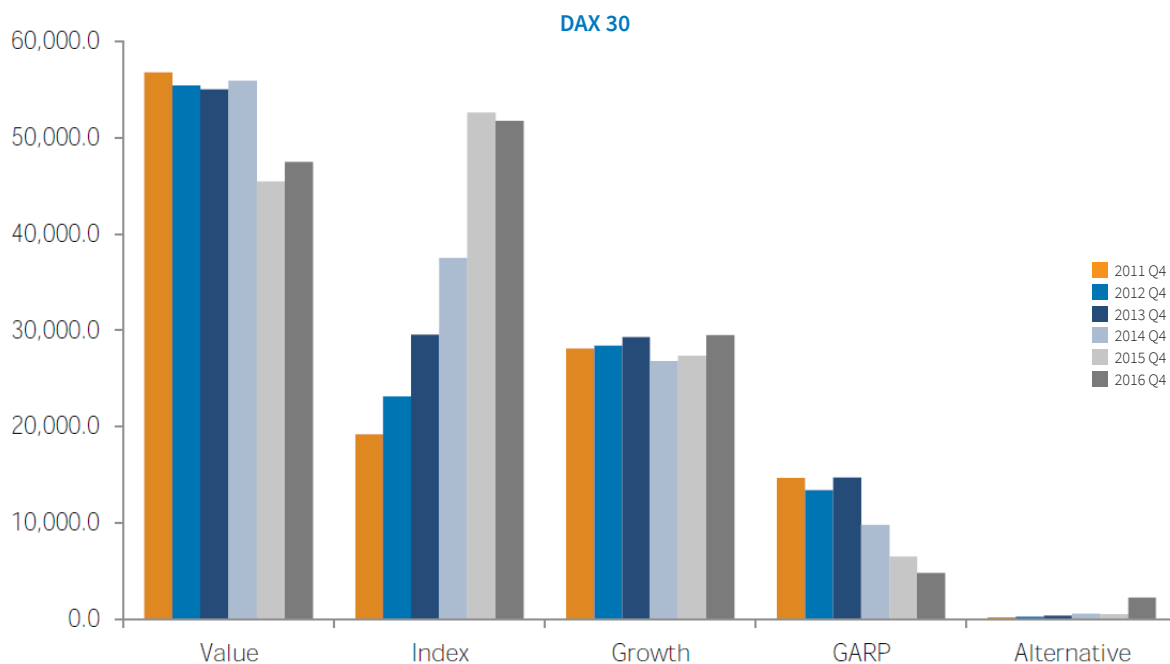
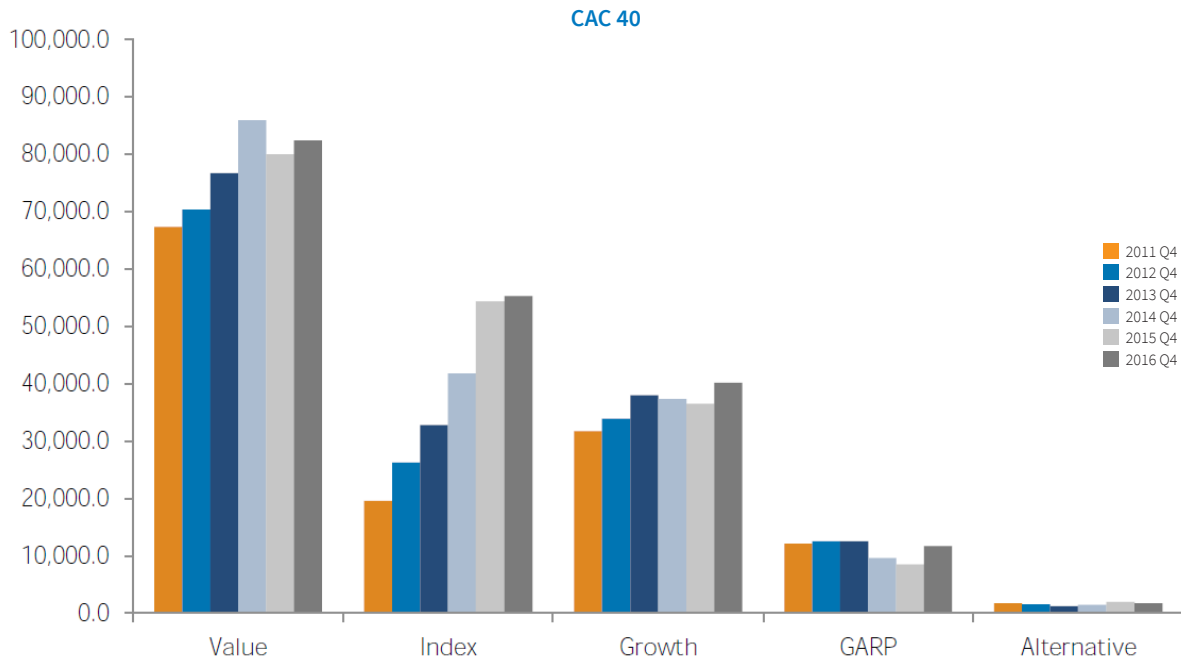
Top Buyers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
The Vanguard Group, Inc.	2,246,670.7	23,181.9	14.30%	19,093.2	4,088.8	Index	Philadelphia PA
Capital Research Global Investors (U.S.)	411,252.9	9,039.4	5.58%	8,048.0	991.4	GARP	Los Angeles CA
CPP Investment Board	62,279.2	2,210.4	1.36%	1,480.1	730.3	Growth	Toronto CAN
UBS Financial Services, Inc. (Investment Advisor)	141,467.5	2,245.1	1.39%	1,636.5	608.6	GARP	New York NY
MFS Investment Management	253,608.9	7,475.8	4.61%	6,881.2	594.7	Value	Boston MA
Total:		44,152.6	27.24%	37,138.9	7,013.8		

Top Sellers	\$M EUM	2016 Q4	% of NAM ownership	2015 Q4	Change	Style	Metro
Northern Cross, LLC	35,623.8	4,247.6	2.62%	6,681.3	-2,433.7	Value	Boston MA
BlackRock Fund Advisors	1,559,470.4	12,851.6	7.93%	15,062.5	-2,210.8	Index	San Francisco CA
Dodge & Cox	162,685.1	4,447.5	2.74%	5,924.8	-1,477.3	Value	San Francisco CA
Fidelity Management & Research Company	801,855.6	4,088.4	2.52%	5,204.5	-1,116.1	Growth	Boston MA
Artisan Partners, L.P.	77,384.4	3,915.1	2.42%	4,979.1	-1,064.0	Growth	Milwaukee WI
Total:		29,550.2	18.23%	37,852.2	-8,302.0		

► The sharpest year on year percentile increases in 2015 came from **MFS Investment Management**, whose **FTSE MIB** holdings doubled in 2015 and **T. Rowe Price Associates, Inc.**'s (up **49%**), along with **Tiger Capital Management** buying in from zero. **Capital World Investors**' exposure to the FTSE MIB has halved since a peak in 2014.

► Outside of Philadelphia (**Vanguard**), **SMI** ownership is held largely on the West Coast led by **BlackRock** and **Capital**. Boston investors were sellers over 2016, with **Northern Cross** selling across 8 of its ten holdings in the SMI 20. Outside of the US, **CPP** was a top buyer with buying across 12 of its 17 holdings in the index over the year.

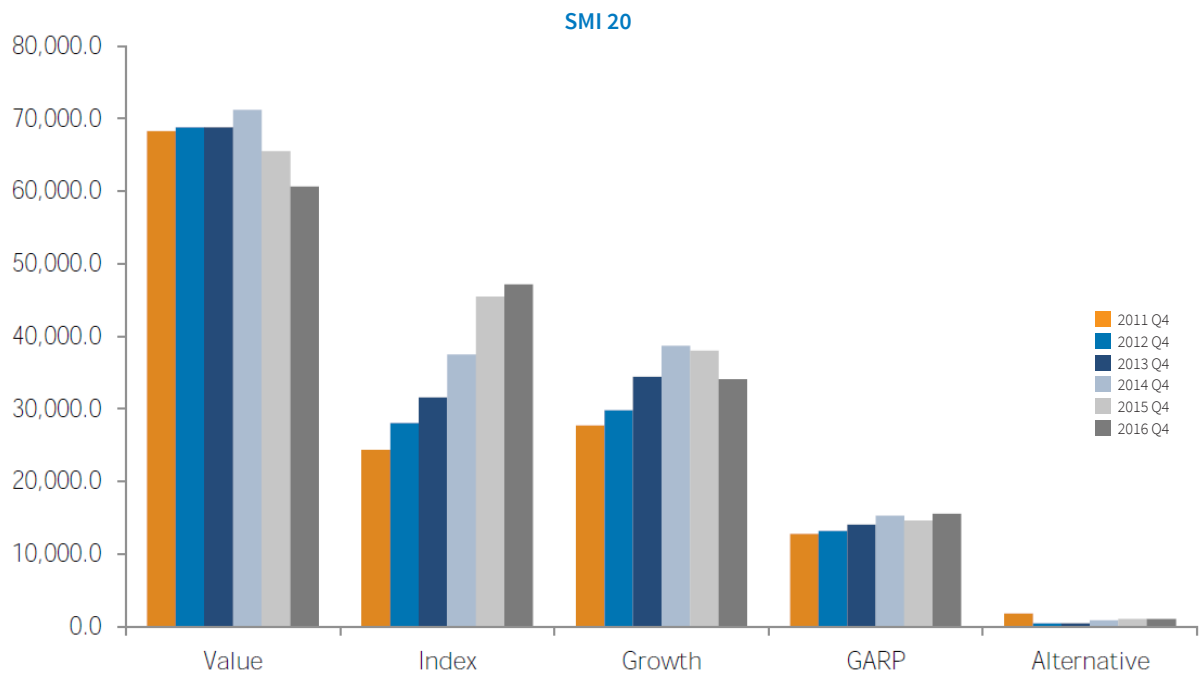
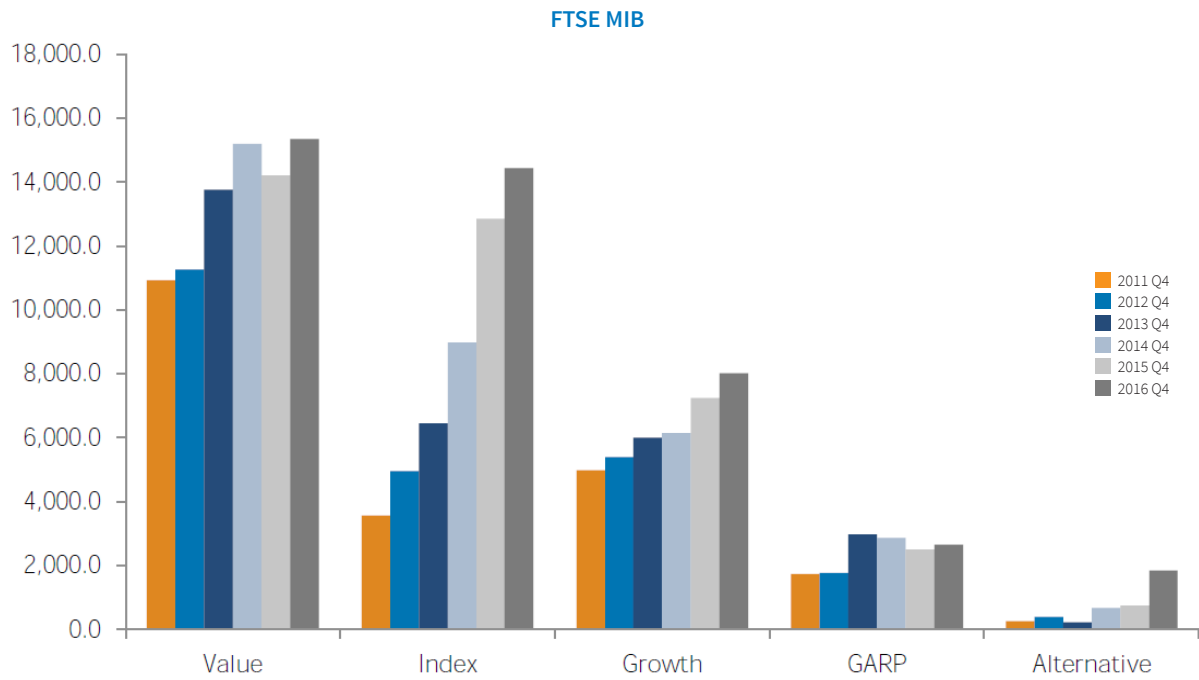
NORTH AMERICAN INSTITUTIONAL OWNERSHIP BY STYLE IN CAC 40, DAX 30, FTSE MIB & SMI 20



► Value, index and growth funds have dominated the French landscape since Q4 2013, and hold altogether more than **92.3%** of the total invested in the **CAC 40** in 2016. Index investors nearly doubled their exposure to the CAC 40 over a 5 year period, more than any other style, largely due to continuous buying from **The Vanguard Group (+\$17.5B)** and **BlackRock Fund Advisors** albeit selling from the latter between 2015 and 2016 (**-\$982M**).

► Due to the increasing popularity of ETF and passively managed funds, North American index investors have almost tripled their investments in the **DAX** over the past five years and now make up the largest proportion of **DAX** investments. Particularly **Vanguard** benefitted from its favourable cost structure, and is now the largest investor in the DAX (according to recent public data). Long-term oriented value portfolios are the second largest invested group within the DAX, despite having experienced outflows of **\$9.3B** or **16.4%** over the past five years (the DAX advanced over 75% during the same period).

NORTH AMERICAN INSTITUTIONAL OWNERSHIP BY STYLE IN CAC 40, DAX 30, FTSE MIB & SMI 20

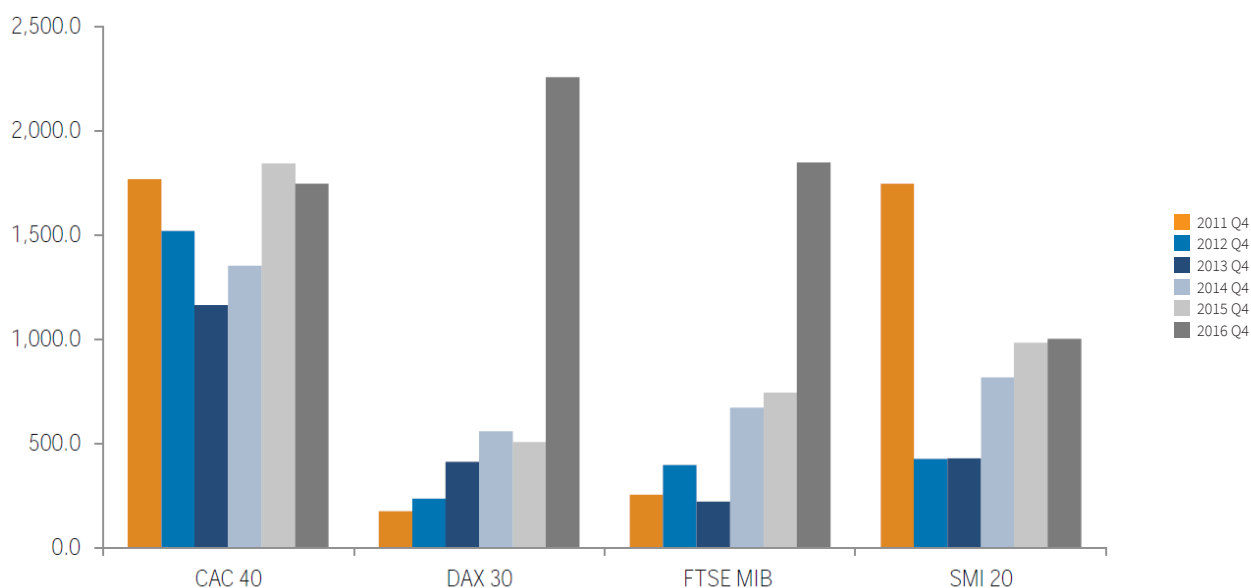


► Italy has seen much more evenly distributed growth across all major styles than any other market – where North American investment in the DAX 30 has been confined to index investment, in Italy it has been shared across value, growth and GARP, with growth investment (led by **T. Rowe Price Associates** and **TIAA-CREF Investment Management**) rising year on year as steadily, if not as spectacularly, as index investment.

► Investment in the **SMI** top 20 is led by Index investors **Vanguard** and **BlackRock Fund Advisors**. The Vanguard Group was the bestselling fund manager of 2016 with inflows of nearly **\$200B** over the year. North American Value and Growth investors have steadily reduced their exposure to the SMI 20 since their peak in Q2 2014 as Index has risen. The success of passive strategies has led to North American Index investment to represent **29.8%** of North American ownership in the SMI 20.

NORTH AMERICAN HEDGE FUND OWNERSHIP BY STYLE IN CAC 40, DAX 30, FTSE MIB & SMI 20

Historical North American Hedge Fund Investments



TOP NORTH AMERICAN HEDGE FUND HOLDERS IN CAC 40, DAX 30, FTSE MIB & SMI 20

NA Regions

■ Northeast ■ Pacific ■ Midwest ■ South ■ Canada

France CAC 40

Top Holding Hedge Funds	\$M EUM	2016 Q4	% of NAM HF ownership	2015 Q4	Change	Style	Metro
AQR Capital Management, LLC	83,789.6	408.2	23.38%	339.4	68.8	Alternative	New York NY
Mason Capital Management, LLC	1,415.0	279.1	15.99%	279.1	0.0	Alternative	New York NY
D.E. Shaw & Company, L.P.	44,601.3	200.5	11.49%	124.6	75.9	Alternative	New York NY
Pine River Capital Management, L.P.	1,487.1	145.7	8.35%	38.5	107.2	Alternative	Minneapolis MN
Arrowgrass Capital Partners (U.S.), L.P.	3,265.4	95.8	5.49%	0.0	95.8	Alternative	New York NY
Total:		1,129.2	64.69%	781.5	347.7		

Germany DAX 30

Top Holding Hedge Funds	\$M EUM	2016 Q4	% of NAM HF ownership	2015 Q4	Change	Style	Metro
Lone Pine Capital, LLC (U.S.)	19,633.2	991.0	43.92%	0.0	991.0	Alternative	New York NY
AQR Capital Management, LLC	84,006.0	354.3	15.70%	240.4	113.9	Alternative	New York NY
Viking Global Investors, L.P.	22,339.1	285.4	12.65%	0.0	285.4	Alternative	New York NY
York Capital Management Global Advisors, LLC	4,203.6	160.9	7.13%	1.9	159.0	Alternative	New York NY
P. Schoenfeld Asset Management, L.P.	1,115.6	88.1	3.91%	17.1	71.0	Alternative	New York NY
Total:		1,879.7	83.31%	259.4	1,620.3		

NORTH AMERICAN HEDGE FUND HOLDERS IN CAC 40, DAX 30, FTSE MIB & SMI 20

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Italy FTSE MIB

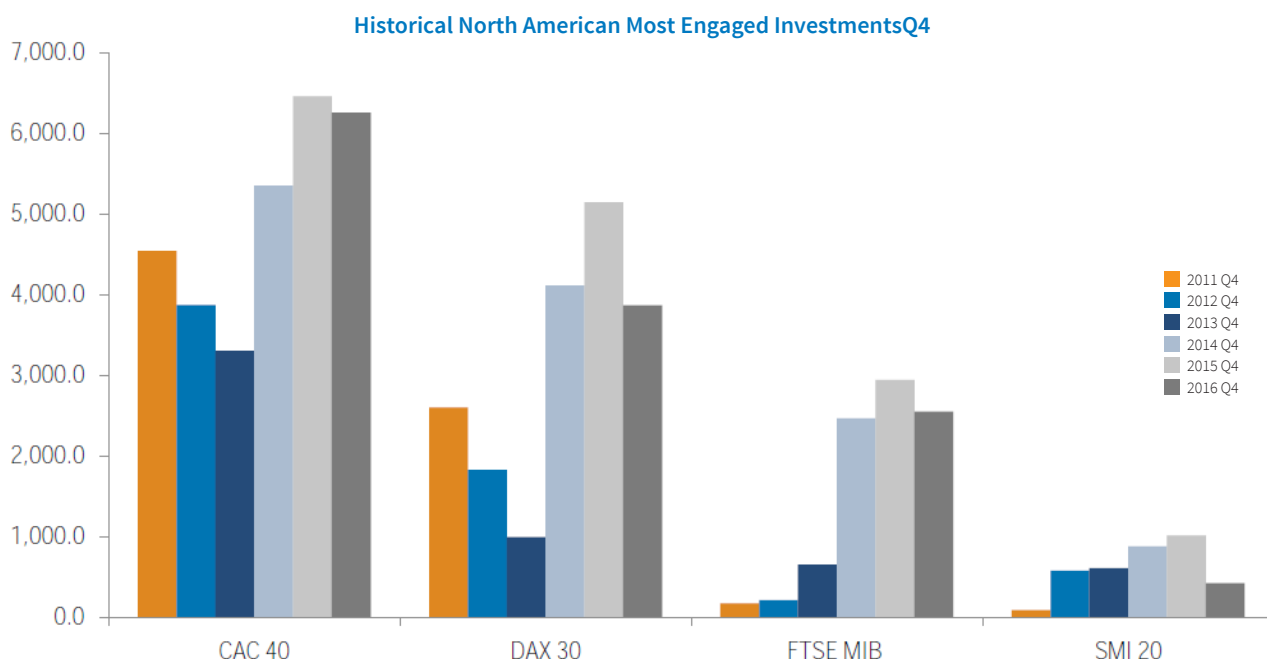
Top Holding Hedge Funds	\$M EUM	2016 Q4	% of NAM HF ownership	2015 Q4	Change	Style	Metro
Tiger Global Management, LLC	9,885.1	482.0	26.10%	0.0	482.0	Alternative	New York NY
AQR Capital Management, LLC	84,009.9	408.6	22.12%	179.2	229.3	Alternative	New York NY
Pabrai Investment Funds	372.6	132.6	7.18%	126.0	6.6	Alternative	Los Angeles, CA
Amber Capital, L.P. (U.S.)	235.0	116.0	6.28%	116.0	0.0	Alternative	New York, NY
PointState Capital, L.P.	6,142.1	102.4	5.54%	0.0	102.4	Alternative	New York, NY
Total:		1,241.6	67.23%	421.2	820.3		

Switzerland SMI 20

Top Holding Hedge Funds	\$M EUM	2016 Q4	% of NAM HF ownership	2015 Q4	Change	Style	Metro
AQR Capital Management, LLC	84,009.9	629.5	62.80%	525.0	104.4	Alternative	New York NY
Select Equity Group, L.P.	13,710.5	112.6	11.24%	101.2	11.5	Alternative	New York NY
OrbiMed Advisors, LLC	8,367.5	96.8	9.66%	161.6	-64.8	Alternative	New York, NY
Sirios Capital Management, L.P.	2,238.0	39.6	3.95%	0.0	39.6	Alternative	Boston, MA
Midocean Credit Partners	618.3	32.9	3.29%	3.5	29.5	Alternative	New York, NY
Total:		911.5	90.93%	791.3	120.2		

- ▶ Hedge fund ownership in the **CAC 40** remained more stable between 2011 and 2016 than in other markets. **AQR Capital Management** is the largest hedge fund invested in the CAC 40 with **\$408M** in 2016, with fairly large holdings in Peugeot, BNP Paribas, Michelin, Société Générale and Valeo, amongst others.
- ▶ Investments in the DAX by US hedge funds only accounts for **1.7%** of the overall North American **DAX** ownership, led by **Lone Pine Capital** with a current investment of **\$1B**. The New York-based hedge fund bought **3.01%** of **Adidas** in August 2016 (its sole investment in the DAX), a position which was later reduced to below 3%. In contrast to Lone Pine's investment, **AQR**, the second largest hedge fund across the DAX, holds every DAX issuer with the exception of **Deutsche Börse**.
- ▶ **Tiger Global Management** bought in a large position in Fiat Chrysler, its only declared Italian holding, in contrast to **AQR Capital Management** which has a much wider portfolio and corresponding presence in all four indices.
- ▶ Hedge Fund investment in the **SMI 20** is dominated by New York, with **93.4%** of total North American hedge fund investment, led by **AQR** and **Select Equity Group**. **AQR** holds **63%** of all identified US hedge fund exposure with investments in every single SMI 20 stock. **OrbiMed's** presence in the top 5 is weighted by its exposure to the Swiss Healthcare sector with large holdings in Roche, Novartis and Actelion.

NORTH AMERICAN MOST ENGAGED OWNERSHIP BY STYLE IN CAC 40, DAX 30, FTSE MIB & SMI 20



NORTH AMERICAN MOST ENGAGED OWNERSHIP BY STYLE IN CAC 40, DAX 30, FTSE MIB & SMI 20

NA Regions
■ Northeast ■ Pacific ■ Midwest ■ South ■ Canada

France CAC 40

Top Holding Engaged Investors	\$M EUM	2016 Q4	% of NAM Engaged ownership	2015 Q4	Change	Style	Metro
California Public Employees Retirement System	108,501.6	2,846.8	45.52%	2,943.7	-96.9	Index	San Francisco, CA
Franklin Mutual Advisers, LLC	50,697.5	2,220.5	35.51%	2,301.4	-80.9	Value	New York NY
Mason Capital Management, LLC	1,415.0	279.1	4.46%	279.1	0.0	Alternative	New York NY
Southeastern Asset Management, Inc.	15,685.2	267.2	4.27%	343.8	-76.5	Deep Value	Memphis, TN
D.E. Shaw & Company, L.P.	44,601.3	200.5	3.21%	124.6	75.9	Alternative	New York NY
Total:		5,814.0	92.97%	5,992.5	-178.4		

Germany DAX 30

Top Holding Engaged Investors	\$M EUM	2016 Q4	% of NAM Engaged ownership	2015 Q4	Change	Style	Metro
California Public Employees Retirement System	108,501.3	2,442.2	63.15%	2,574.0	-131.8	Index	San Francisco, CA
Franklin Mutual Advisers, LLC	51,641.6	1,108.9	28.67%	1,540.5	-431.7	Value	New York NY
York Capital Management Global Advisors, LLC	4,203.6	160.9	4.16%	1.9	159.0	Alternative	New York NY
P. Schoenfeld Asset Management, L.P.	1,115.6	88.1	2.28%	17.1	71.0	Alternative	New York, NY
Tontine Asset Management, LLC	849.8	33.4	0.86%	0.0	33.4	Alternative	New York NY
Total:		3,833.6	99.13%	4,133.6	-300.1		

Italy FTSE MIB

Top Holding Engaged Investors	\$M EUM	2016 Q4	% of NAM Engaged ownership	2015 Q4	Change	Style	Metro
Franklin Mutual Advisers, LLC	51,669.5	779.7	30.59%	929.6	-149.9	Value	New York NY
California Public Employees Retirement System	108,518.9	762.1	29.90%	778.6	-16.5	Index	San Francisco CA
Southeastern Asset Management, Inc.	14,450.6	715.1	28.06%	888.0	-172.9	Deep Value	Memphis TN
GAMCO Asset Management, Inc.	18,054.8	210.0	8.24%	188.9	21.1	Value	New York NY
Gabelli Funds, LLC	16,858.0	44.1	1.73%	36.9	7.2	Value	New York NY
Total:		2,511.0	98.53%	2,822.0	-311.0		

Switzerland SMI 20

Top Holding Engaged Investors	\$M EUM	2016 Q4	% of NAM Engaged ownership	2015 Q4	Change	Style	Metro
Deutsche Bank Trust Company Americas	48,439.9	96.4	22.73%	100.9	-4.4	Value	New York NY
J.P. Morgan Private Bank	82,380.5	76.9	18.12%	138.5	-61.6	GARP	New York NY
Managed Account Advisors, LLC	142,749.0	49.8	11.73%	427.6	-377.9	Specialty	New York NY
General American Investors Co., Inc.	1,073.9	34.7	8.19%	34.7	0.0	Growth	New York NY
DSM Capital Partners, LLC	6,035.0	19.8	4.66%	17.7	2.1	Growth	New York NY
Total:		277.6	65.42%	719.5	-441.8		

▶ Engaged investors increased more than a third over a five year period, with **CalPERS** and **Franklin Mutual** being the top two investors in 2016 with common fairly large holdings in **BNP Paribas**, **Société Générale** and **LafargeHolcim**, amongst other stocks.

▶ Investor engagement is becoming increasingly important for issuers. Across the **DAX** investment of highly engaged investors went up nearly **50%** over the past five years. **CalPERS** and **Franklin Mutual** are the top two engaged investors, accounting for over **90%** of DAX ownership held by engaged investors in North America.

▶ Top two engaged investors **Franklin Mutual** and **CalPERS** both increased their **FTSE MIB** exposure exponentially in 2014; **Franklin Mutual** and 3rd largest holder **Southeastern Asset Management's** exposure fell back sharply in 2016 from a 2015 peak, more sharply than Calpers' sales of the CAC 40 and DAX 30, Southeastern's very much in line with its CAC 40 sales.

▶ The top five engaged investors in the **SMI** top 20 are all New York based. After peaking in 2015, holdings of engaged investors have dramatically reduced, down by **58%** in 2016 to hold **\$424M** in the SMI top 20, representing only **7%** of total North American ownership in the SMI 20.

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 1,100 employees, supporting clients in every major financial hub around the world.

GET IN TOUCH

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