

IPREO REGIONAL FLOW OF FUNDS SERIES

**Austria**

**Q1-2017**

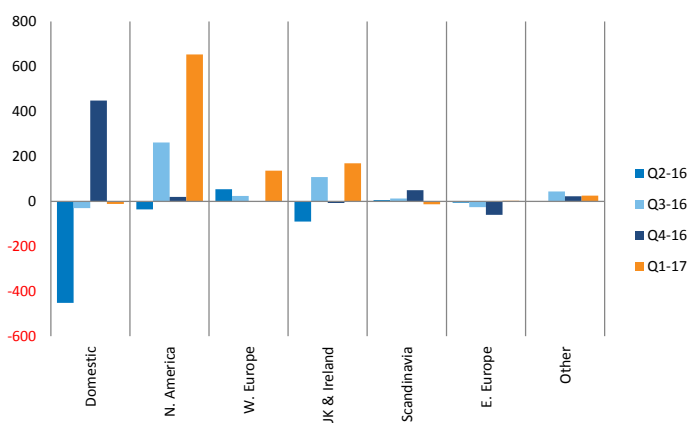
## Market Overview

- Q1 2107 was a very good quarter for equities across developed and emerging markets with substantial inflows across the globe, i.e. into **North America (+\$68B)**, **Western Europe (+\$20B)** and **Austria (+\$987M)**. These inflows into **Europe** were massively driven by **Index** investors that outweighed heavy selling from active investors.
- While allocations into **North American (NA)** equities reached lowest levels in a decade due to increasingly unattractive valuations, **Eurozone** and **Emerging Market** equities were beneficiaries: “Investors are showing love for Europe and scrambling out of US equities, as the majority find US stock overvalued and perceive a risk of delayed US tax reform”, said **Michael Hartnett**, chief investment strategist at BofA. **Eurozone** equity allocations rose from net 27% to 48% overweight and **Emerging Market** allocations rose even more sharply from 18% underweight in March to 44% overweight in April 2017.
- In **WEU**, buying was dominated by **Index** investment (+\$30B) while **Growth** investors continued their selling trend for the 4<sup>th</sup> consecutive quarter (-\$5B), followed by **Value** investors that turned negative in Q1 pulling -\$5B out of the market.
- On a regional level, the bulk of inflows into **WEU** came from **NA (+\$13B)**, **UK & Ireland (+\$3B)** and **WEU (+\$2B)**.
- The **ATX** rose by 6.6% in Q1 2017. Similar to **WEU** equities, two thirds of inflows into **Austria** came from **NA** institutions (+\$654M), followed by **UK & Ireland (+\$170M)** and **WEU (+\$137M)**. **Growth** investment, the historically most significant investment style, registered the largest inflows (+\$420M) led by **T.Rowe Price Associates**, **J.P.Morgan Asset Management** and **Investec Asset Management**. In accordance with the wider **European** trend, **Index** investment increased by +\$104M, while **Value** investors, such as **Northern Cross**, **EARNEST Partners** and **First Eagle Investment Management**, were amongst the largest sellers (collectively -\$221M) of **Austrian** equities in the current quarter.

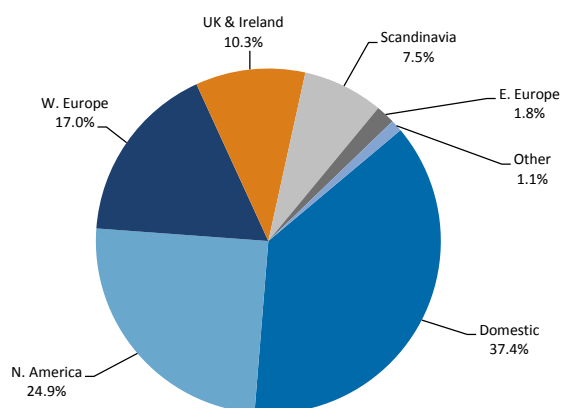
Please also see the latest **Ipreo study** commissioned by Vienna Stock Exchange: <https://www.wienerborse.at/news/wiener-boerse-news/news/wiener-boerse-starke-internationale-investoren-nachfrage-nach-rot-weiss->

## Institutional Investment Flow Highlights

Net Change (\$M Value) by Region

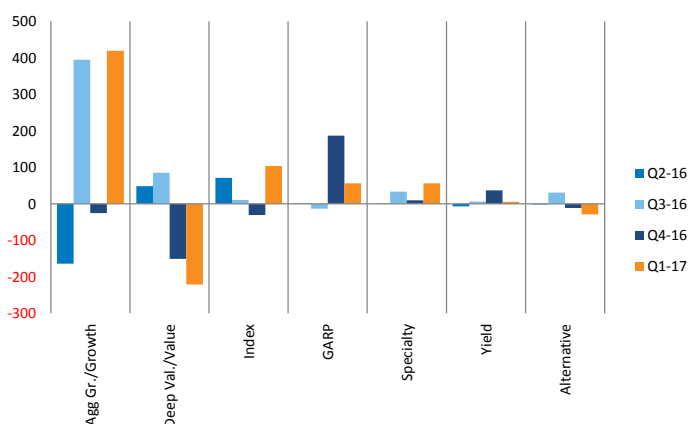


Ownership by Region

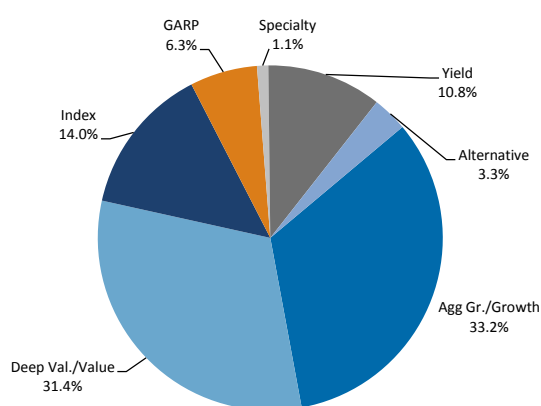


- After net outflows of -\$138M in Q4 2016, **Austrian** equities registered net inflows of +\$987M in Q1 2017. Admittedly, inflows were biased by the two most bought stocks in the quarter: the semiconductor manufacturer **Ams AG (+\$695M)** listed on the SIX and **Raiffeisen Bank International AG (+\$114M)**. **Ams's** stock rose more than 80.0% in Q1 after presentation of Q4 2016 revenues.
- Third largest buyer in **Austrian** equities, **UK Growth** investor **Investec Asset Management** added **RBI** as one of the largest purchases (as per January 31<sup>st</sup>) to its **Investec Global Strategic Equity Fund** managed by **Mark Breedon**, representing 0.7% of assets in the fund.

Net Change (\$M Value) by Style



Ownership by Style



- With all top five buyers as **Growth** investors, the investment style maintained its predominant position increasing exposure to **Austrian** equities by +\$420M in the current quarter. **Value** investors sold -\$220M after already pulling out -\$150 in Q4 2016 with top seller now and then, **Northern Cross**, accounting for -\$285M in outflows in the current quarter alone. The world's largest sovereign wealth fund, **Value** investor **Norges**, remained top holder in **Austrian** equities with a share of 7.1% in the **ATX Prime**. In February, **Norges** increased its maximum permitted equity exposure from 60% to 70% of total assets meaning another \$90B is available for investment in global stocks markets, reflecting the difficulty the fund has found in obtaining returns from bond markets in recent years.

## Top Invested Cities

Country / City	Most Invested		
	Total Equity Assets (\$M)	Value (\$M)	Activity (\$M)
Austria (Vienna)	12,869	<b>4,221</b>	-11
United Kingdom (London)	1,764,690	<b>2,774</b>	178
Norway (Oslo)	621,514	<b>2,149</b>	-21
United States (Boston)	1,930,280	<b>1,268</b>	-213
France (Paris)	330,582	<b>1,176</b>	93
United States (New York)	1,980,210	<b>1,009</b>	64
Germany (Frankfurt)	288,832	<b>786</b>	47
Netherlands (Amsterdam)	158,188	<b>622</b>	-9
Switzerland (Zürich)	252,437	<b>543</b>	5
Canada (Toronto)	532,296	<b>414</b>	2
<b>Excludes Passive/Index Investors</b>	<b>14,963</b>	<b>135</b>	<b>346</b>

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	Total Equity Assets (\$M)	Value (\$M)	Activity (\$M)
United Kingdom (London)	1,764,690	2,774	178
France (Paris)	330,582	1,176	93
United States (New York)	1,980,210	1,009	64
Spain (Madrid)	48,367	146	15
Switzerland (Zürich)	252,437	543	5
Poland (Warsaw)	37,037	408	-2
Austria (Vienna)	12,869	4,221	-11
Germany (Frankfurt)	288,832	786	47
Canada (Toronto)	532,296	414	2
Japan (Tokyo)	592,814	69	5
<b>Excludes Passive/Index Investors</b>	<b>11,547</b>	<b>395</b>	<b>397</b>

## Top Holders, Buyers & Sellers

Top Holders	Country	Style	Turnover	Equity Assets (\$M)	Value (\$M)	Change (\$M)	% Port.	% Port. Chg
Norges Bank Investment Management (Norway)	Norway	Value	Low	590,129	<b>2,101.8</b>	-4.2	0.4	-0.2
Wiener Städtische Versicherung AG	Austria	Yield	Unknown	2,018	<b>2,017.6</b>	0.0	100.0	0.0
Erste Asset Management GmbH	Austria	Growth	Medium	1,636	<b>1,072.5</b>	0.0	65.6	0.0
Fidelity Management & Research Company	United States	Growth	Low	842,171	<b>632.0</b>	54.1	0.1	9.4
APG Asset Management N.V.	Netherlands	Yield	Low	147,181	<b>570.1</b>	0.0	0.4	0.0
Lone Pine Capital, LLC (U.S.)	United States	Alternative	High	19,368	<b>388.3</b>	0.0	2.0	0.0
TIAA-CREF Investment Management, LLC	United States	Growth	Low	284,643	<b>327.7</b>	56.9	0.1	21.0
J.P. Morgan Asset Management (UK), LTD	United Kingdom	Growth	Medium	105,097	<b>293.8</b>	101.6	0.3	52.9
Capital Research Global Investors (U.S.)	United States	GARP	Low	423,035	<b>280.5</b>	0.0	0.1	0.0
Raiffeisen Kapitalanlagegesellschaft mbH	Austria	GARP	Medium	3,437	<b>261.6</b>	-16.3	7.6	-5.9
					<b>6,393.9</b>	50.0		

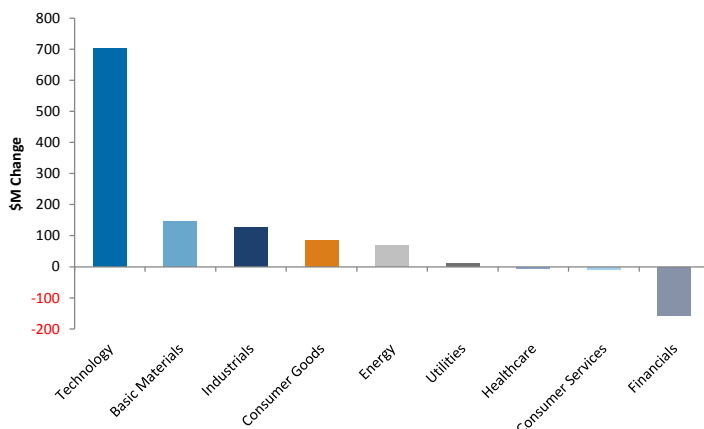
Top Buyers	Country	Style	Turnover	Equity Assets (\$M)	Value (\$M)	Change (\$M)	% Port.	% Port. Chg
T. Rowe Price Associates, Inc.	United States	Growth	Low	579,206	183.3	<b>175.1</b>	0.0	2,138.4
J.P. Morgan Asset Management (UK), LTD	United Kingdom	Growth	Medium	105,097	293.8	<b>101.6</b>	0.3	52.9
Investec Asset Management, LTD (U.K.)	United Kingdom	Growth	Medium	37,995	116.7	<b>70.4</b>	0.3	152.2
TIAA-CREF Investment Management, LLC	United States	Growth	Low	284,643	327.7	<b>56.9</b>	0.1	21.0
Fidelity Management & Research Company	United States	Growth	Low	842,171	632.0	<b>54.1</b>	0.1	9.4
Deutsche Asset Management Investment GmbH	Germany	Value	Low	114,066	146.7	<b>52.2</b>	0.1	55.3
Anima SGR S.p.A.	Italy	Value	High	12,728	57.4	<b>44.2</b>	0.5	334.5
Henderson Global Investors, LTD (U.K.)	United Kingdom	Growth	Medium	61,396	133.9	<b>33.8</b>	0.2	33.8
AllianceBernstein, L.P. (U.S.)	United States	Value	Medium	149,838	166.8	<b>32.2</b>	0.1	23.9
Schroder Investment Management, LTD	United Kingdom	GARP	Medium	101,579	193.0	<b>29.1</b>	0.2	17.7
					2,251.4	<b>649.6</b>		

Top Sellers	Country	Style	Turnover	Equity Assets (\$M)	Value (\$M)	Change (\$M)	% Port.	% Port. Chg
Northern Cross, LLC	United States	Value	Low	34,161	158.6	<b>-285.5</b>	0.5	-64.3
Fidelity International Limited - FIL Investment Service	United Kingdom	Growth	Medium	95,188	99.1	<b>-119.2</b>	0.1	-54.6
EARNEST Partners, LLC	United States	Value	Low	11,303	105.5	<b>-65.7</b>	0.9	-38.4
First Eagle Investment Management, LLC	United States	Value	Low	71,764	12.4	<b>-33.6</b>	0.0	-73.1
Capital World Investors (U.S.)	United States	Value	Low	610,973	0.0	<b>-25.3</b>	0.0	-100.0
Allianz Global Investors GmbH	Germany	Growth	Medium	69,735	232.5	<b>-20.0</b>	0.3	-7.9
Aberdeen Asset Managers, LTD (U.K.)	United Kingdom	Growth	Low	103,517	140.8	<b>-20.0</b>	0.1	-12.4
NNIP Advisors B.V.	Netherlands	Value	Medium	30,372	89.0	<b>-18.3</b>	0.3	-17.0
Raiffeisen Kapitalanlagegesellschaft mbH	Austria	GARP	Medium	3,437	261.6	<b>-16.3</b>	7.6	-5.9
BlackRock Advisors, LLC	United States	Value	Low	272,651	42.2	<b>-16.1</b>	0.0	-27.7
					1,141.8	<b>-620.0</b>		

- **Erste AM's Michael Kukacka**, manager of the **RT Österreich Aktienfonds**, notes (28 February): *"Im Berichtszeitraum haben sich vor allem Investitionen in zyklische Konsumwerte, Grundstoffe, Immobilien und Telekomwerte ausgezahlt. Als nachteilig erwiesen sich zu niedrige Investments im Energiesektor und Versorger. [...] Im Berichtszeitraum bauten wir vor allem Positionen bei Andritz, OMV, Voestalpine und Wienerberger auf. Hingegen reduzierten wir Positionen unter anderem bei Uniqa, Lenzing, Conwert und Immofinanz."*

## Most Bought & Sold Stocks

### Most Bought & Sold Sectors



BOUGHT Securities	Industry	Change (\$M)
Ams AG	Technology	694.7
Raiffeisen Bank International A	Financials	114.2
Wienerberger AG	Industrials	107.7
Lenzing AG	Basic Materials	101.7
OMV AG	Energy	68.7

SOLD Securities	Industry	Change (\$M)
Conwert Immobilien Invest SE	Financials	-344.4
Oesterreichische Post AG	Industrials	-20.7
CA Immobilien Anlagen AG	Financials	-15.0
UNIQA Insurance Group AG	Financials	-13.6
DO & CO AG	Consumer Services	-10.2

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