

The background features a 3D bar chart with five bars of varying heights, overlaid on a world map. The entire scene is rendered in a monochromatic blue color scheme. The IPREO logo and text are positioned in the upper left corner.

IPREO | Corporate Analytics

NORTH AMERICAN AND EUROPEAN NET ACTIVITY

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INTRODUCTION

While the increases and decreases of investment manager's... equity assets under management can be informative, those shifts are inclusive of asset performance and do not necessarily assess changes in capital deployment at each institution. The Net Activity metric, however, seeks to isolate the capital that each institutional investor has gained from contributions or lost to redemptions over a set period of time. By accounting for the value change of assets held, Net Activity removes investment performance from the equation to isolate true institutional buys and sells. The resulting figure provides us with a net inflow/outflow measure that indicates either the capital raising performance and/or the reallocation to equities by each institution, which consequently illustrates the changes in capital available to issuers. The tables within the study highlight changes in Net Activity over 2016 and the first half of 2017 among North American and European institutions.

NET ACTIVITY BY REGION AND ORIENTATION

Similar to 2016, during the first half of 2017, both North American and European investors experienced equity inflows (+\$257B and +\$117B, respectively). Additionally, H1 2017 net activity among North American investors is only \$10B less than that of North American net inflows over all of 2016. However, when assessing active institutions, North America conceded a net outflow of -\$133B, while active European firms allocated an additional +\$82B to equity. The trend of inflows into passive institutions continued, as these investors saw equity assets rise by +\$33B in Europe and +\$388B in North America over the first half of 2017.

BY REGION

Investor Region	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)
Europe	117,416.4	156,387.6
North America	257,401.9	267,751.4

BY ORIENTATION

Investor Orientation	Investor Region	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)
Active	Europe	82,258.8	107,889.4
	North America	-132,957.0	-420,177.9
Passive	Europe	32,603.4	46,918.9
	North America	387,713.9	688,440.6

NET ACTIVITY BY INVESTMENT STYLE

Investor Style	Investor Region	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)
Agg. Growth	Europe	24.4	6.0
	North America	-23,706.9	-45,258.6
Alternative	Europe	9,778.0	-6,611.5
	North America	35,768.5	-18,987.9
Deep Value	Europe	1,166.7	-970.7
	North America	-3,208.7	-30,732.5
GARP	Europe	7,283.8	7,246.6
	North America	5,385.2	-18,581.4
Growth	Europe	13,133.0	59,035.8
	North America	-49,379.8	-90,778.3
Index	Europe	28,081.5	53,052.0
	North America	333,273.8	589,195.3
Other	Europe	3,532.0	-9,436.4
	North America	-4,580.9	-38,234.6
Value	Europe	57,168.1	38,283.9
	North America	-35,193.5	-71,378.8
Yield	Europe	-2,751.2	15,781.9
	North America	-955.8	-7,491.6

The increase of allocation to equities by European institutions over H1 2017 can largely be attributed to value-oriented investors (+\$57B). Additionally, North American and European hedge funds reversed the outflows of 2016 (-\$19B and -\$7B, respectively) and added to their equity allocations (+\$36B and +\$10B, respectively) over the first half of 2017.

TOP 10 GREATEST INCREASES IN ACTIVE EQUITY ASSETS BY CITY

Investor City	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)
London	46,084.1	-30,194.6
Oslo	14,948.2	19,270.7
New York	13,108.8	-178,384.4
Frankfurt	9,801.2	22,365.8
Omaha	7,569.7	6,103.9
Toronto	7,341.5	32,692.5
Rotterdam	6,422.9	5,940.5
Madison	5,949.6	-6,186.0
Madrid	5,130.2	2,956.6
Geneva	4,192.8	3,152.0

When planning for outreach in 2018, one aspect to consider is which cities have been adding active capital to equity in 2017. Notably, several cities in Europe have increased allocations to equity during H1 2017. For example, Frankfurt experienced an inflow to equity over the first half of the year as a continuation of steady inflows from 2016. This increase can largely be attributed to **Deutsche Asset Management Investment** (+\$9B) and **Deka Investment** (+\$3B). While the two institutions manage a diverse set of strategies, each firm employs value as its dominant investment style and both firms are known to meet with issuers, making Frankfurt an opportune destination for companies with value-oriented investment stories.

While Oslo is among the top capital gainers, it is largely due to the disproportionate representation of **Norges Bank Investment Management's** (+14B) respective to its city's inflows. However, keep in mind, Norges primarily meets with U.S. issuers out of their London and New York offices. Furthermore, as a reversal of the -\$30B of equity outflows during 2016, London added the most new capital to equities (+\$46B) of all cities during H1 of 2017.

NET ACTIVITY INCREASES AND DECREASES IN NORTH AMERICA AND EUROPE

Seven of the top twenty European net increases were active management institutions in London. **BlackRock Investment Management (U.K.)** reversed negative 2016 flows (-\$28M) and added +15B over H1 2017. While **J.P. Morgan Investment Management** in New York removed -\$8B in equity from the market over the first half of 2017, **J.P. Morgan Asset Management (U.K.)** in London added +\$10B to its equity portfolio. If your management team hasn't visited London in quite some time, now would be a great time to consider planning a roadshow.

In North America, the **CPP Investment Board** in Toronto added the most to its equity portfolio among the actively managed institutions. The city itself experienced a net inflow of +\$7B in equity assets, while CPP added +\$13B to its equity allocation over H1 2017, already surpassing all of its 2016 net activity.

The greatest decreases in equity assets under management came from primarily active institutions. Notably, **Fidelity Management & Research Company** continued its 2016 trend and reduced equity exposure by -\$21B over H1 2017. Among Canadian institutions, **TD Asset Management** removed -\$14B from its equity investments thus far this year, a reversal from its addition of +\$7B during 2016.

NORTH AMERICA

TOP 20 GREATEST INCREASES IN NET ACTIVITY

Institution	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)	Orientation	Institution Type	Country
The Vanguard Group, Inc.	152,194.6	365,172.4	Passive	Investment Advisor-Mutual Fund	United States
BlackRock Fund Advisors	110,633.5	122,619.4	Passive	Investment Advisor-Mutual Fund	United States
Geode Capital Management, LLC	28,822.0	30,119.9	Passive	Investment Advisor-Mutual Fund	United States
Dimensional Fund Advisors, L.P. (U.S.)	15,857.2	33,006.6	Passive	Investment Advisor-Mutual Fund	United States
Charles Schwab Investment Management, Inc.	15,389.5	14,721.1	Passive	Investment Advisor-Mutual Fund	United States
CPP Investment Board	13,241.5	9,073.8	Active	Pension Fund-State/Government	Canada
Renaissance Technologies, LLC	11,151.7	13,372.2	Passive	Hedge Fund	United States
Citadel Advisors, LLC	10,257.6	-13,622.4	Active	Hedge Fund	United States
Northern Trust Investments, Inc.	8,856.4	6,518.5	Passive	Investment Advisor-Mutual Fund	United States
Berkshire Hathaway, Inc.	7,396.8	5,311.5	Active	Investment Advisor	United States
U.S. Trust, Bank of America Private Wealth Management	7,012.4	11,068.4	Active	Investment Advisor	United States
Envestnet Asset Management, Inc.	6,750.4	4,413.3	Passive	Investment Advisor	United States
State of Wisconsin Investment Board	6,465.7	-6,096.8	Active	Pension Fund-State/Government	United States
Manulife Asset Management, LTD	6,395.2	-3,153.3	Active	Investment Advisor-Mutual Fund	Canada
Parametric Portfolio Associates, LLC	6,327.8	6,215.4	Passive	Investment Advisor-Mutual Fund	United States
BMO Asset Management, Inc.	6,222.7	7,111.9	Active	Investment Advisor-Mutual Fund	Canada
UBS Asset Management (Americas) Inc.	5,929.2	-3,235.7	Active	Investment Advisor-Mutual Fund	United States
Charles Schwab Investment Advisory, Inc	5,520.3	5,556.3	Passive	Investment Advisor	United States
ClearBridge Investments, LLC	4,409.0	-2,189.8	Active	Investment Advisor-Mutual Fund	United States
Balyasny Asset Management, L.P. (U.S.)	4,184.8	1,832.3	Active	Hedge Fund	United States

NORTH AMERICA

TOP 20 GREATEST DECREASES IN NET ACTIVITY

Institution	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)	Orientation	Institution Type	Country
Fidelity Management & Research Company	-20,871.5	-35,741.3	Active	Investment Advisor-Mutual Fund	United States
TD Asset Management, Inc.	-13,519.4	7,427.0	Active	Investment Advisor-Mutual Fund	Canada
Capital Research Global Investors (U.S.)	-11,268.2	-1,717.3	Active	Investment Advisor-Mutual Fund	United States
Viking Global Investors, L.P.	-10,477.2	-4,316.8	Active	Hedge Fund	United States
Mellon Capital Management Corporation	-10,453.8	-25,071.1	Passive	Investment Advisor-Mutual Fund	United States
Capital World Investors (U.S.)	-9,999.4	14,054.0	Active	Investment Advisor-Mutual Fund	United States
1832 Asset Management, L.P.	-8,415.7	5,460.7	Active	Investment Advisor-Mutual Fund	Canada
Wells Capital Management, Inc.	-8,292.3	-14,148.4	Active	Investment Advisor-Mutual Fund	United States
J.P. Morgan Investment Management, Inc.	-8,193.8	-10,394.1	Active	Investment Advisor-Mutual Fund	United States
Jennison Associates, LLC	-8,088.9	-10,966.3	Active	Investment Advisor-Mutual Fund	United States
Wellington Management Company, LLP	-8,041.4	-3,279.6	Active	Investment Advisor-Mutual Fund	United States
Northern Cross, LLC	-7,912.3	-5,519.3	Active	Investment Advisor-Mutual Fund	United States
T. Rowe Price Associates, Inc.	-7,362.9	5,828.2	Active	Investment Advisor-Mutual Fund	United States
Grantham Mayo Van Otterloo & Co., LLC	-6,937.6	-13,882.1	Active	Investment Advisor-Mutual Fund	United States
Winslow Capital Management, LLC	-6,849.9	-5,267.8	Active	Investment Advisor-Mutual Fund	United States
Franklin Advisers, Inc.	-6,231.0	-9,990.1	Active	Investment Advisor-Mutual Fund	United States
Manning & Napier Advisors, LLC	-5,886.0	-3,770.0	Active	Investment Advisor-Mutual Fund	United States
Passport Capital, LLC	-5,567.4	2,455.2	Active	Hedge Fund	United States
Invesco Advisers, Inc.	-5,386.5	-12,856.1	Active	Investment Advisor-Mutual Fund	United States
California State Teachers Retirement System	-5,369.6	5,069.9	Passive	Pension Fund-State/Government	United States

EUROPE

TOP 20 GREATEST INCREASES IN NET ACTIVITY

Institution	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)	Orientation	Institution Type	Country
Schweizerische Nationalbank (Bank)	15,513.9	18,031.1	Passive	Bank-Central Bank	Switzerland
BlackRock Investment Management (U.K.), LTD	15,405.8	-27.7	Active	Investment Advisor-Mutual Fund	United Kingdom
Norges Bank Investment Management (Norway)	13,462.8	15,199.8	Active	Sovereign Wealth Fund	Norway
J.P. Morgan Asset Management (UK), LTD	9,622.4	113.3	Active	Investment Advisor-Mutual Fund	United Kingdom
Deutsche Asset Management Investment GmbH	9,437.9	8,604.5	Active	Investment Advisor-Mutual Fund	Germany
Robeco Institutional Asset Management BV	6,550.2	5,477.3	Active	Investment Advisor-Mutual Fund	Netherlands
INVESCO Asset Management, LTD (U.K.)	6,199.2	-14,102.2	Active	Investment Advisor-Mutual Fund	United Kingdom
HSBC Global Asset Management (U.K.), LTD	5,935.7	-653.8	Active	Investment Advisor-Mutual Fund	United Kingdom
Pictet Asset Management S.A.	5,295.4	2,498.9	Active	Investment Advisor-Mutual Fund	Switzerland
State Street Global Advisors, LTD	4,348.9	-1,067.3	Passive	Investment Advisor-Mutual Fund	United Kingdom
Northern Trust Global Investments, LTD	3,763.0	-701.0	Passive	Investment Advisor	United Kingdom
Woodford Investment Management, LTD	3,753.7	2,604.5	Active	Hedge Fund	United Kingdom
P-Solve Investments, LTD	3,738.3	-21.6	Passive	Investment Advisor-Fund of Funds	United Kingdom
Deka Investment GmbH	3,370.0	4,760.0	Active	Investment Advisor-Mutual Fund	Germany
Lyxor Asset Management SAS	3,323.9	1,826.7	Passive	Investment Advisor-Mutual Fund	France
MN Services N.V.	2,953.7	425.3	Active	Pension Fund-Corporate/Private	Netherlands
T. Rowe Price International, LTD	2,383.9	-85.9	Active	Investment Advisor-Mutual Fund	United Kingdom
UBS AG (Asset Management Switzerland)	2,321.1	-731.0	Active	Investment Advisor-Mutual Fund	Switzerland
C-QUADRAT Asset Management (UK), LLP	2,316.8	14.4	Passive	Investment Advisor-Mutual Fund	United Kingdom
Old Mutual Global Investors (UK), LTD	2,170.5	4,210.9	Active	Investment Advisor-Mutual Fund	United Kingdom

EUROPE

TOP 20 GREATEST DECREASES IN NET ACTIVITY

Institution	Net Activity H1 2017 (\$MM)	Net Activity 2016 (\$MM)	Orientation	Institution Type	Country
Standard Life Investments, LTD (U.K.)	-10,461.5	4,034.3	Active	Investment Advisor-Mutual Fund	United Kingdom
Danske Capital (Denmark)	-5,488.7	564.5	Active	Investment Advisor-Mutual Fund	Denmark
APG Asset Management N.V.	-5,390.3	16,362.0	Active	Pension Fund-State/Government	Netherlands
State Street Global Advisors France S.A.	-3,486.0	-330.1	Passive	Investment Advisor-Mutual Fund	France
Aberdeen Asset Managers, LTD (U.K.)	-3,193.8	-6,958.6	Active	Investment Advisor-Mutual Fund	United Kingdom
Nordic Capital AB	-2,996.1	-231.7	Active	Venture Capital	Sweden
AEGON Asset Management N.V. (Netherlands)	-2,889.5	-3,857.8	Active	Investment Advisor-Mutual Fund	Netherlands
Carmignac Gestion	-2,539.7	3,247.9	Active	Investment Advisor-Mutual Fund	France
Aberdeen Asset Investments, LTD	-2,365.7	-3,342.2	Passive	Investment Advisor-Mutual Fund	United Kingdom
Baillie Gifford & Company, LTD	-2,180.4	7,242.8	Active	Investment Advisor-Mutual Fund	United Kingdom
Aviva Investors Global Services, LTD (U.K.)	-2,050.9	10,401.5	Active	Investment Advisor-Mutual Fund	United Kingdom
Amundi Asset Management S.A.	-2,012.9	4,637.3	Active	Investment Advisor-Mutual Fund	France
Fidelity International Limited - FIL Investment Services (U.K.), LTD	-1,928.6	-733.8	Active	Investment Advisor-Mutual Fund	United Kingdom
MFS International (U.K.), LTD	-1,864.9	-4,748.1	Active	Investment Advisor-Mutual Fund	United Kingdom
Natixis Asset Management	-1,757.9	6,975.2	Active	Investment Advisor-Mutual Fund	France
Columbia Threadneedle Investments (U.K.)	-1,529.8	-4,437.4	Active	Investment Advisor-Mutual Fund	United Kingdom
Sarasin & Partners, LLP	-1,529.4	-708.8	Active	Investment Advisor-Mutual Fund	United Kingdom
Silchester International Investors, LLP	-1,467.1	2,253.9	Active	Investment Advisor	United Kingdom
Union Investment Privatfonds GmbH	-1,347.7	5,993.1	Active	Investment Advisor-Mutual Fund	Germany
Fundacion Bancaria Caixa d'Estalvis i Pensions de Barcelona	-1,303.0	-3,445.6	Passive	Endowment/Foundation-Private	Spain

The following firms were excluded due to 13F filing inconsistencies; **Barclays Bank PLC (Wealth and Investment Management), Henderson Global Investors (U.K.), INTECH Investment Management, Janus Capital International, Legal & General Investment Management, Perkins Capital Management.

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