



European Bank
for Reconstruction and Development



The Investor Base of Securities Markets in the EBRD Regions

March 2020 | Second Edition



CONTENTS

05	INTRODUCTION
06	METHODOLOGY
08	EXECUTIVE SUMMARY
16	OVERVIEW: INSTITUTIONAL INVESTMENT IN Q2 2019 VERSUS Q2 2017
17	OVERVIEW: INSTITUTIONAL OWNERSHIP IN THE EBRD REGIONS
20	OVERVIEW: INSTITUTIONAL FLOW OF FUNDS TO ALL EBRD REGIONS
23	TOP INVESTORS BY INVESTOR REGION
26	TOP INVESTORS BY INVESTMENT STYLE
30	Central Asia
33	Kazakhstan
36	Kyrgyz Republic
37	Mongolia
40	Tajikistan
40	Turkmenistan
40	Uzbekistan
41	Central Europe and the Baltic states
44	Croatia
47	Estonia
50	Hungary
53	Latvia
56	Lithuania
59	Poland
62	Slovak Republic
65	Slovenia
69	Eastern Europe and the Caucasus
72	Armenia
72	Azerbaijan
72	Belarus
73	Georgia
76	Moldova
79	Ukraine

82 “Other” economies: Russia and Turkey

85 Russia

89 Turkey

93 South-eastern Europe

96 Albania

97 Bosnia and Herzegovina

100 Bulgaria

104 Cyprus

107 Greece

111 Kosovo

112 Montenegro

113 North Macedonia

116 Romania

119 Serbia

122 Southern and eastern Mediterranean

125 Egypt

128 Jordan

131 Lebanon

134 Morocco

137 Tunisia

140 West Bank and Gaza

143 INVESTOR PROFILES

169 GLOSSARY AND ACRONYMS

INTRODUCTION



Capital markets – The engine rooms of modern economies

Capital markets are a central element of economic growth, wealth creation, employment, dynamic business development and location policy. Liquid capital markets can help to mobilise investment and support the efficient allocation of financial resources.

Therefore, it is important to recognise the value of local as well as regional capital markets, support their development and set a framework that makes globalisation work for all, especially for emerging markets and developing economies. To achieve this requires a broad, diversified and balanced investor base.

However, data on the investor base of some of the economies where the EBRD invests is not readily available. The EBRD has appointed IHS Markit, a global leader in intelligence and analytics, to prepare this investor base study, which is based on data for the second quarter of 2019.

This report is the second edition of our first-of-a-kind-study on the investor base of the equity markets in the EBRD regions. As the investor base of any equity market is subject to change, this report not only illustrates the current landscape but also give insight into recent equity market developments and trends by providing a comparison with the first edition. The heightened interest of institutional investors in the equity markets of the EBRD regions has manifested itself in a growth of net investment as well as in a high number of new investors relative to 2017. This trend is a clear signal that the positive transition impact achieved by the EBRD and similar institutions is generating growing investment flows into these economies. It also means that more attention must be paid to investor sentiment: the impediments that institutional investors face when they enter new markets, their growing interest in ESG and their overall perception of regions and specific economies.

The findings of this study will aid policymakers, issuers and investors as they become acquainted with the investor base of these equity markets. In the economies where the EBRD invests, which range from central Europe to Central Asia and the southern and eastern Mediterranean region, local capital markets offer a variety of opportunities for issuers and, most importantly, investors.

Alain Pilloux

EBRD Vice President, Banking

METHODOLOGY

This report provides a comprehensive examination of global investor and institutional ownership of public equities domiciled in the economies where the EBRD invests. From July to November 2019, IHS Markit (the new parent company of Ipreo, which conducted the previous, initial analysis) conducted in-depth analysis of proprietary and publicly available information from various sources, including IHS Markit's proprietary Factset database, Morningstar and information from the public websites of stock exchanges, clearing houses, institutional investor reports and share registries.

The research team requested disclosure from counterparties at a number of clearing houses, stock exchanges and central securities depositories, as well as market participants, in the EBRD's regions to cross-verify IHS Markit's internal data against counterparties' internal information on ownership of public equity. This cross-checking was undertaken in categories such as the number of issuers listed on regulated markets, total market capitalisation, the ownership percentages of strategic and institutional investors and retail investors, as well as the regional composition of those holdings. IHS Markit's global analytics team vetted the material and compiled this report using the best information available for all markets, and drawing also on direct insights from institutions and corporations, bearing in mind that rates of disclosure and market information varied significantly from economy to economy.

Public sources of ownership data included the comprehensive portfolios of global mutual funds, UK share registries, US Securities and Exchange Commission (SEC) filings, such as quarterly 13(f) filings, other global exchange declarations of large equity stakes, and single sources, such as annual reports from global sectors and companies. The report further provides a breakdown of institutional ownership by investor region, investment style, orientation and turnover. To ensure consistency and comparability between economies and regions, for all data and charts, IHS Markit refers to identified ownership, which should give the best indication of investment levels in each region. Identified ownership is also, indirectly, a valid measure for gauging transparency, cross-border investment, governance standards and the concerns of institutional investors. Institutional fund flows were based solely on publicly available data over a five-year period (where such data were available), providing a good indication of trends, especially institutional flows of money within the economies where the EBRD invests.

All data points in the analysis reflect data as of the end of Q2 2019. Please note that all value investment is calculated using the share price at quarter's end, multiplied by the number of shares on that date, then converted to US dollars using the exchange rate on that date. Percentage growth rates are calculated by taking the sum of the buying and selling activity over a given period, divided by the net investment at the beginning of that period. For example, if at the beginning of Q2 2017, a firm invested US\$ 100 in a country and, over the past two years invested an additional US\$ 50, growth would be 50 per cent. However, because of the price performance of a country's equities and its changing exchange rate, the current investment might be worth more or less than US\$ 150 in Q2 2019. To gauge true investor sentiment, we calculated the change over time, taking into account the buying and selling activity, rather than the investment as of Q2 2019 minus the investment as of Q2 2017. Net investment is defined as the investor's total investment in a country or region as of the quarter end date, based on what the investor filed for as of that date.

Note that data may reflect different net investment than was reported in the Q2 2017 report. For each iteration of this report, data is refreshed at the time of the analysis, including historical data points. This is done because in the interim, companies have de-listed or changed their domicile, and investors have merged, divested or spun off. These changes account for differences between data in this and the previous report.

As a number of sources were used to determine retail investment for each economy, some economies had lower levels of disclosure than in the previous report for this data point. Note that the absence of retail data for a given economy does not mean that there is no retail investment but, rather, that those data points could not be determined and validated and hence were not included.

Lastly, IHS Markit's analytics and perception teams also interviewed a number of market participants and major investors to assess sentiment on the economies where the EBRD invests and to add qualitative input to the quantitative market intelligence. This qualitative feedback aims to measure how the sentiment of these global institutional investors has evolved since the previous study of the EBRD regions and, more specifically, to consider:

- attractive aspects and risks of investing in these economies
- the investment vehicles used
- the ease of trading compared with other emerging and frontier markets
- drivers of capital allocation
- attractive sectors
- the importance of environmental, social and governance (ESG) issues when investing.

METHODOLOGY

In August and September 2019, IHS Markit received comprehensive feedback from 27 buy-side investors at firms with equity assets under management (EAUM) ranging from US\$ 20 million to US\$ 300 billion, corresponding to total EAUM of US\$ 600 billion. In aggregate, the feedback spanned 35 economies in the EBRD regions, up from 26 in 2017.

IHS Markit conducted telephone interviews using a set of questions designed jointly by the firm and the EBRD. The questions were kept consistent with the 2017 study to make the results directly comparable. All participants were promised anonymity in exchange for candid feedback. The interviewees were selected using IHS Markit's data on fund-level ownership in the EBRD region. The questions were as follows:

1. Which of the EBRD's regions are you focused on?
2. What are the most attractive aspects of investing in these economies?
3. What are the greatest risks associated with investing in these economies?
4. What is your three-year outlook on these markets?
5. What are the investment vehicles you currently use to invest in these economies?
6. On a five-point scale (1=extremely difficult, 3=equivalent and 5=extremely easy), please rate the ease of trading in these economies compared with other emerging markets.
7. What will drive your allocation of capital to these markets (positively or negatively) in future?
8. What are the most attractive sectors in these markets? On a five-point scale (5=highest), please rate the ease of access to these sectors for institutional investors.
9. On a five-point scale (5=highest), please rate the importance of ESG factors when investing in these markets. In what instances would ESG serve as a hurdle to investing?

The result of the research is the second EBRD and IHS Markit joint cross-regional study of the investor base of securities markets in these regions. It can be used to help assess the evolution of investment flows, market developments and investor confidence, as well as future investor appetite.

The views and opinions expressed in the qualitative segment are the speakers' own and do not necessarily reflect the views of IHS Markit or of the EBRD.

EXECUTIVE SUMMARY

International institutional ownership can be considered a key measure and indication of the entrepreneurial health of a capital market. Institutional investors painstakingly analyse companies, market dynamics and how they affect a country's economic development, corporate governance, infrastructure and other risk factors associated with ease of investment before they allocate money to a given issuer or sector. In frontier and emerging markets, in particular, there are specialised institutional investors who spend countless hours poring over the risk-return profiles of potential portfolios or companies long before larger international funds or passive shareholders enter a developing market. Consequently, monitoring the investment flows in economies where the EBRD invests can serve as a good indicator of how certain markets are changing over time, whether investment projects to enhance market attractiveness have borne fruit or whether an economy or regions have reached a certain stage of economic development.

Several factors make up the “attractiveness” of a given market or country. For the majority of firms contemplating investment in a particular economy, the most important factors include market infrastructure and ease of trading, market capitalisation, the free-float and liquidity status of issuers, the number of listings and standards of corporate governance and transparency, as well as the wider political and economic context.

As the results of this second joint study underline, as of the second quarter (Q2) 2019, developed economies were, on average, home to larger, better-capitalised issuers that had higher free-float levels and were subject to less strategic or government control. In general, the more developed a market, the lower the sensitivity of investors to liquidity problems and the higher the turnover ratio for institutional investors. Another factor helping these economies is that they usually benefit from earlier inclusion in the frontier or emerging-market indices of MSCI, S&P, FTSE and other global index providers. This not only results in passive and index investments flowing into these economies, thereby increasing liquidity, but also attracts more actively managed money from global institutional investors, often giving smaller institutional investors the confidence to allocate resources and funds to some of these emerging economies.

What often follows, too, are the creation of alternative forms of security, such as depository receipts, to help circumvent some of the currency and political risks in various markets and attract investment from specialist investors.

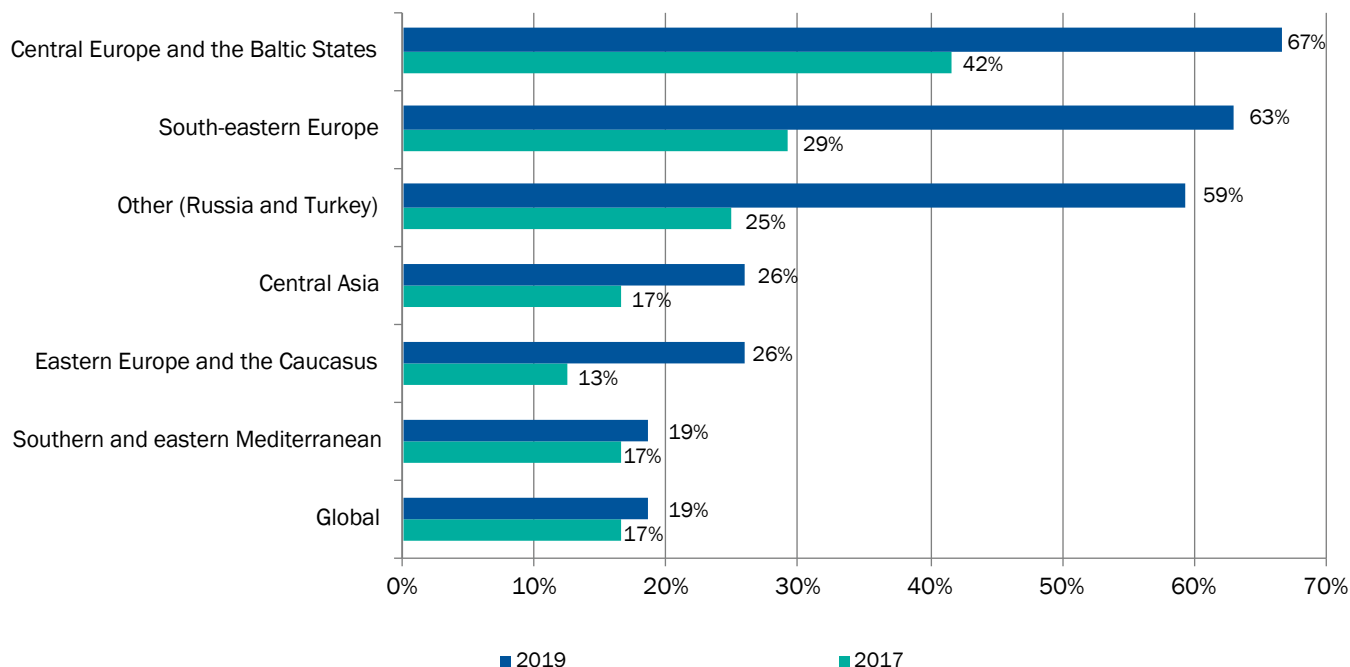
As in the first edition of this study, only a few of the largest global institutional investors, such as BlackRock, Schroders or J.P. Morgan Asset Management, were invested in all of the EBRD regions, though several other investors had equity allocations in five of the six regions. Most regions featured institutional investors that specialised in one or a few countries, where they continued to hold very concentrated positions for their own funds or to meet client mandates.

It was interesting to witness increased investment activity in many countries. In total, net investment in the economies in which the EBRD invests rose from US\$ 222.0 billion (managed by 1,748 unique firms) in 2017 to US\$ 249.3 billion (managed by 2,208 unique firms). Firms moved US\$ 10.8 billion into the EBRD regions over the two years to Q2 2019 and investor exposure to them increased 16.0 per cent. Regionally, Russia and Turkey (categorised in this study as the “Other” region) saw most inflows (predominantly Russia), while eastern Europe and the Caucasus (EEC) saw an 8.4 per cent rise in investment from Q2 2017. Central Asia, in contrast, saw an outflow of investor funds. A closer look at country-level changes gives greater insight into economic developments and potential changes in investment attractiveness.

This report discusses the findings for all economies in which the EBRD invests, looking at market challenges, qualitative investor views, investment flows, opportunities and risks. It further provides economic snapshots outlining the situation in each market, which will act as a benchmark for future analysis of trends in the regions.

1. Regional commentary

Percentage of investors providing detailed feedback on a region



Note: Investors had the opportunity to discuss one or more regions.

Source: IHS Markit.

As in 2017, IHS Markit endeavoured to interview investors of varying scope, with mandates focusing on global, emerging and/or frontier markets, as well as regional specialists that could provide more granular comparisons of neighbouring markets. The investors allocated capital in multiple countries using various instruments, such as equity, debt, currencies and derivatives. They provided insight into how market conditions had evolved and what was likely to drive their allocation of capital in future.

We received commentary on all of the EBRD's regions, although few investors had in-depth knowledge of the smaller markets where there was less institutional activity. Notably, the team's telephone interviews with 2019 respondents were longer and more comprehensive than in 2017, suggesting a highly engaged set of buy-side participants behind the qualitative findings.

2. Attractiveness

Investors emphasised the importance of having a broad investment universe, so as to access more opportunities in the search for returns, particularly in a low-interest-rate environment. Study participants once again highlighted the idiosyncratic properties of different economies. Broadly speaking, as markets continued to open up and deepen, the number of attractive investable securities grew.

Diversification was highlighted as particularly relevant in 2019, with a number of investors concerned about a global macroeconomic slowdown and looking to enter new markets to hedge their portfolios or otherwise identify individual opportunities that were particularly resilient to or defensive against macroeconomic headwinds. Markets with global export sectors, perceived as removed from regional consumption trends, were particularly popular.

Respondents cited a number of topics that would increase the attractiveness of the EBRD regions. Interviewees noted that high growth rates in south-eastern Europe (SEE), reforms in Central Asia, the potential for "catch-up" in eastern Europe and low valuations in the southern and eastern Mediterranean (SEMED) region were key drivers. They also cited attractive demographic trends in Turkey (and in the wider BRICS countries – Brazil, Russia, India, China and South Africa), high dividends in Russia, the broadening of central European stock markets and the liberalisation of formerly closed-off economic systems across the EBRD's regions as key factors that would increase investment allure.

EXECUTIVE SUMMARY

Value-focused specialists invested in frontier markets tend to screen for out-of-favour stocks or are drawn to countries that still lack coverage by mainstream investors. Often, passive and quantitative institutional investors lead the charge in these frontier markets, paving the way for higher liquidity and greater investability, along with specialised frontier market-focused funds that help develop the market. Growth or momentum investment managers and analysts seek out economies that have seen a rise in foreign direct investment (FDI) and investment in human capital, both of which are leading indicators of higher gross domestic product (GDP) growth.

3. Risks

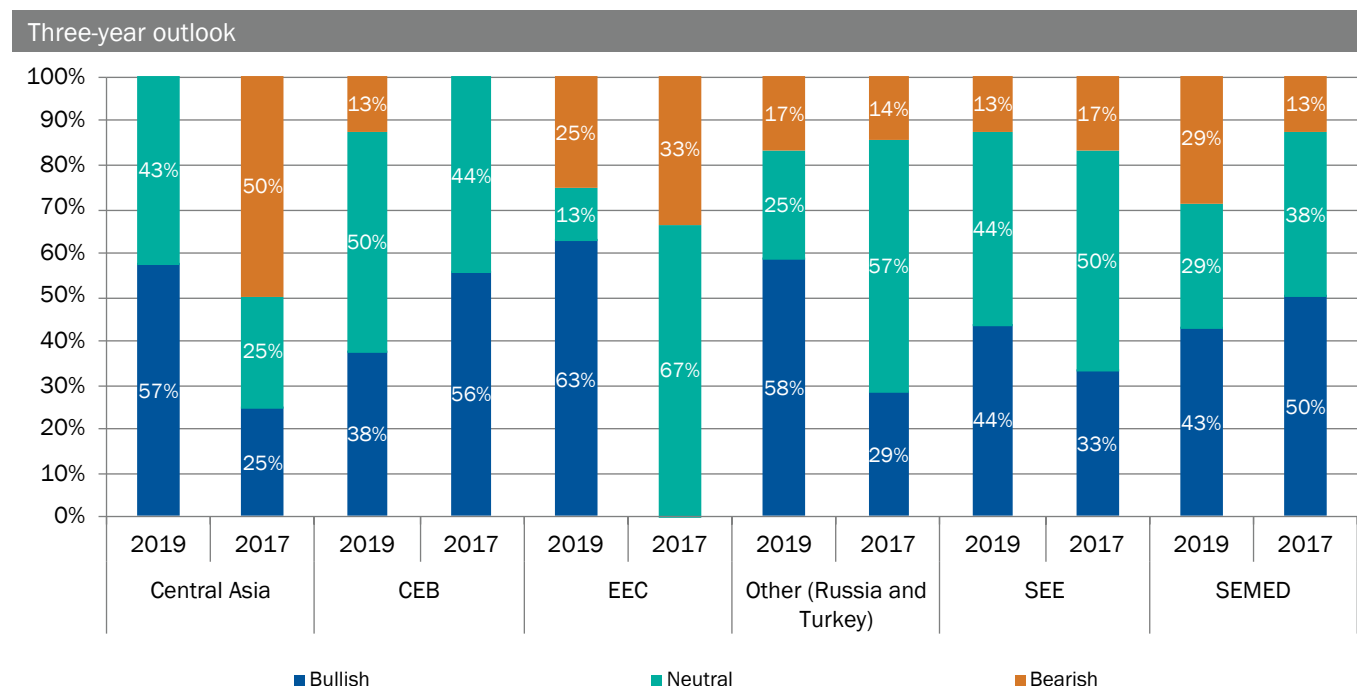
While investors described a multitude of positive changes, they also identified the risks they continue to face. Market participants remain concerned about regulation, corporate governance, freedom to conduct business, liquidity, political uncertainty, poor execution of intended reforms and a global macroeconomic slowdown (the latter arising from trade tensions, in particular). The investors said the integration of regional markets means a slowdown in major economies, such as Germany, could have knock-on effects on other markets and potentially trigger a broader event.

Investors also noted that political trends in Europe were fuelling ever more uncertainty. The potential for dramatic political shifts, be it to the left or the right, made it harder to ascertain the extent to which future governments might interfere in business. Investors said they were actively looking for markets where there was visibility as to the political and regulatory framework. Fear of Brexit-level upheaval (or military conflict in a worst-case scenario) was a deterrent to long-term investment. Uncertainty was most worrying when coupled with illiquidity, potentially trapping investors in positions when they most needed to exit.

Participants mentioned once again the risk of countries not completing planned reform packages and reverting to old ways. They voiced concern that certain administrations might roll back labour-market reforms or anti-corruption laws and lessen the independence of key institutions.

In addition, certain markets that were attractive in 2017, but which had performed very well since then, did not have the same abundance of attractively low valuations. Participants also alluded to concerns over sanctions and commodity price fluctuations, though mention was less frequent than in 2017.

4. Three-year outlook



Note: Investors had the option of providing an outlook on one or more regions.

Source: IHS Markit.

EXECUTIVE SUMMARY

Investor sentiment was largely more positive than in 2017. As the above chart indicates, more participants had a bullish three-year outlook than two years previously. Across the EBRD regions, investors were confident that low rates and political intervention would sustain economic expansion in the near term. After the next few years, however, some are sceptical that growth can be sustained.

Market participants said Central Asian countries were benefiting economically from stable oil prices and ongoing reforms, although their business models were still too commodity-centric. The region was viewed as a longer-term convergence play, but may also fare well because low interest rates are conducive to natural-resource projects.

Investors were marginally less positive on central Europe than in the previous study. In addition to the aforementioned political tumult, the bearishness arose from a belief that the region would suffer in a global recession as a result of its export exposure to western Europe and Asia.

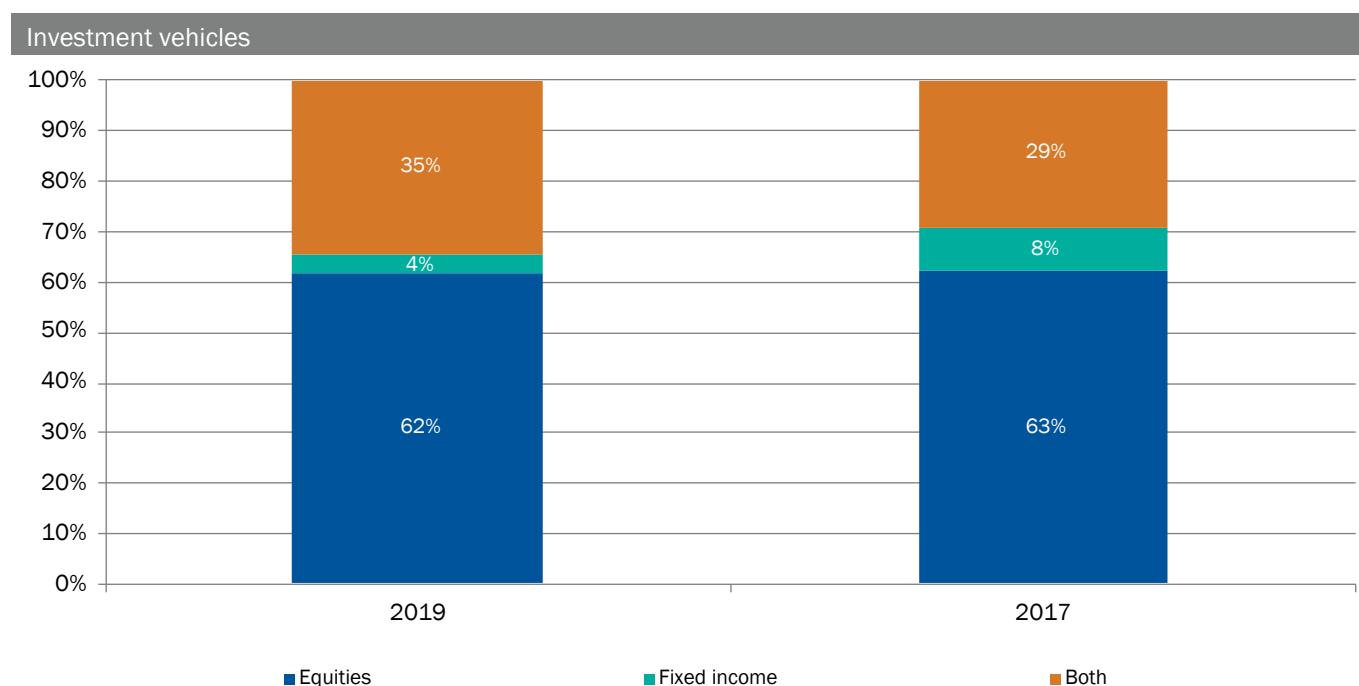
Of all the regions, EEC saw the most dramatic change in sentiment. More than 60 per cent of interviewees were bullish, compared with zero per cent in 2017. Even investors that were not actively buying there identified the region as the one that might benefit most from further market development. Standards of living were already improving, they said, in tandem with attractive growth rates.

Political and macroeconomic volatility were cited as negatives in Russia and Turkey, but interviewees no longer spoke as frequently of sanctions in relation to Russia. They continued to mention attractive dividends. As a lot of Turkey's institutional capital is perceived to have left the country, some investors said low valuations offered an opportunity for shrewd stock pickers.

Although SEE countries continued to grow at attractive rates, interviewees said that some of the region's stock markets had already performed very well, so were becoming less attractive. SEE is also heavily reliant on western Europe and Asia. Nonetheless, investors noted that these countries emerged from recession after the rest of Europe, so might have longer to run in terms of growth.

Participants emphasised the very different nature of the economies in SEMED. Morocco was still characterised by high valuations and low, but consistent growth. Egypt was considered higher growth, but potentially more cyclical. Other markets in the region, meanwhile, continued to face political difficulties.

5. Investment vehicles



Source: IHS Markit.

While unintentional, a similar investment mix to the 2017 study aided regional and national comparisons. A majority of those studied invested exclusively in equities, although some bought debt, primarily sovereign bonds, if they saw attractive opportunities or needed to hedge portfolio risk.

An equal number of fund managers described themselves as open-minded about what regions and markets were investible at any given time, saying they were largely agnostic about investment vehicles or security types. Investors said they would shift their allocation according to the catalysts they identified or the availability of securities in different markets. They also used derivatives and over-the-counter contracts, such as currency forwards and swaps, to gain specific exposure. As in 2017, a number of investors said they used American depository receipts (ADRs) and global depository receipts (GDRs) for corporate governance and liquidity reasons.

IHS Markit also conducted an analysis of the securities finance markets in all of the EBRD regions, including lending and shorting, as international investors regularly associate securities lending and short-selling capabilities with the health and development of a market. As of Q2 2019, only a few markets, including Greece, Hungary, Poland, Russia and Turkey, had the relevant data and international market development on the securities finance side, so a thorough comparison was not possible. IHS Markit will monitor this issue, as more investors cited the need for such data and comparisons in order to ascertain the status of capital market development.

6. Ease of trading

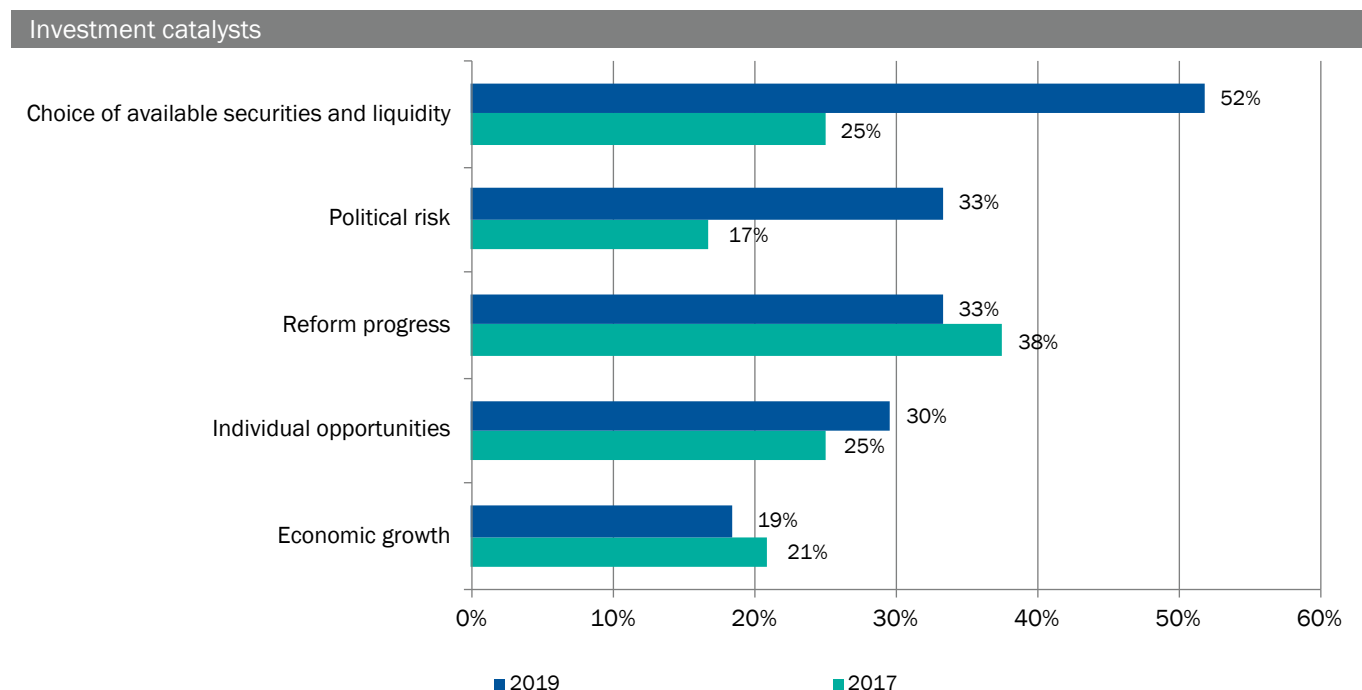
Sentiment suggested that ease of trading continued to improve in the EBRD regions, but there had been no dramatic change of view on any specific country. The largest markets, particularly the Russian and Turkish stock exchanges, were lauded once again for the breadth and depth of opportunities they provided. Poland was considered the next most attractive for trading due to the number of securities and liquidity available.

A lack of liquidity remained the main barrier to entry for many investors when it came to smaller or less developed markets. Knowing there is always a buyer for a security gives a fund manager confidence that he/she will not have to sell at a steep discount in an extreme scenario.

As a whole, central Europe was deemed easier to trade in than other emerging markets, such as India. Participants said they appreciated countries making efforts to update settlement standards and reduce counterparty risk. They also noted that some level of trading difficulties and approval processes are naturally to be expected in frontier markets, though this also deters some mainstream institutional funds, resulting in valuation opportunities. Investors noted that even smaller markets usually had some securities with sufficient daily trading volumes for most funds. One investor added that in some countries, such as in the Slovak Republic, where equity markets were too shallow for its holding size, there was always satisfactory liquidity in government bonds. Participants that traded in currencies noted that as the number of market makers increased, more opportunities became available.

Some investors lauded the EBRD for its efforts to promote investment in various markets. The EBRD was recognised for disseminating helpful information on macroeconomic events and specific regional investment opportunities, for partnering with other organisations to invest and for encouraging listed companies to adhere to high corporate governance standards. Having local sources, such as the EBRD, with an understanding of the peculiarities of a market can reduce the burden of extensive due diligence.

7. Investment catalysts



Note: Investors had the option of providing multiple responses.

Source: IHS Markit

In 2019, liquidity was cited as an investment catalyst even more frequently than in 2017. The greater focus on trading liquidity may have been linked to the rise in perceived political uncertainty and the fear of a global macroeconomic event, with some investors cognisant of the long duration of the current economic cycle. Portfolio managers may have required a higher trading-volume threshold to alleviate concerns about exiting positions should there be unforeseen geopolitical tensions or an economic downturn.

As in 2017, investors called for regional stock exchanges to host the listings of companies from numerous countries and broaden the choice and liquidity available to investors. Market participants also looked forward to more privatisation of state-owned companies. Investors recommended regional conferences to boost awareness of investment opportunities. However, they also noted that their allocation of capital was partly out of their control, due to the funds flowing into their total allocation and mandated weightings.

As politicians and local banks in the EBRD regions become more knowledgeable about the custodial needs of large institutional money managers, they can provide more support on operational efficiency from a trading and settlement perspective. For markets to attract more foreign capital, it is important to make them as accessible as possible. Investors have limited bandwidth to solve access problems and may not consider the effort worth their time. Being included in an index, such as the MSCI Frontier Markets Index or the FTSE Frontier Index, is a good way for smaller-capitalised companies in less developed markets to be discovered by larger and more active foreign investors.

Certainty as to future policymaking is also conducive to investment. Ideally, there should be no threat of conflict or political turmoil. Phenomena such as trade wars prompt companies to delay investment decisions and capital expenditure. Tax expectations also need to be steady. As markets are interconnected, if political certainty improves in one country, it can boost investment and liquidity in the region more broadly and perpetuate a virtuous cycle.

The impact of reforms can be beneficial and wide ranging, instilling confidence that shareholders' rights will be respected, for instance. Changes can also be technical. For example, investors may not believe that a country's currency peg is sustainable, deterring investment near term. More communication between investors, governments and firms improves visibility of regulation and helps coordinate activity across the corporate and investment landscape. In the 2019 study, companies being forced to do "national service" were particularly negatively perceived, even if they benefited in a unique way, because such arrangements can be unsustainable. Improvements in the rule of law, transparency and the alignment of management with shareholders were all considered paramount.

EXECUTIVE SUMMARY

Valuations and bottom-up stock-picking were highlighted, once again, as significant drivers of capital allocation. Individual opportunities can be flagged based on different factors, including commodity price movements or standout ESG practices. If a company's investment case is attractive enough, investors may be willing to overlook problems of illiquidity. Similarly, if an investor identifies an attractively mispriced bond issue with no secondary market, they may choose to hold the bond to maturity.

Lastly, participants said they allocated capital based on their expectations of future economic growth. These views are tied to interest rates, the US dollar exchange rate and previously mentioned factors, such as political risk.

8. Sectors

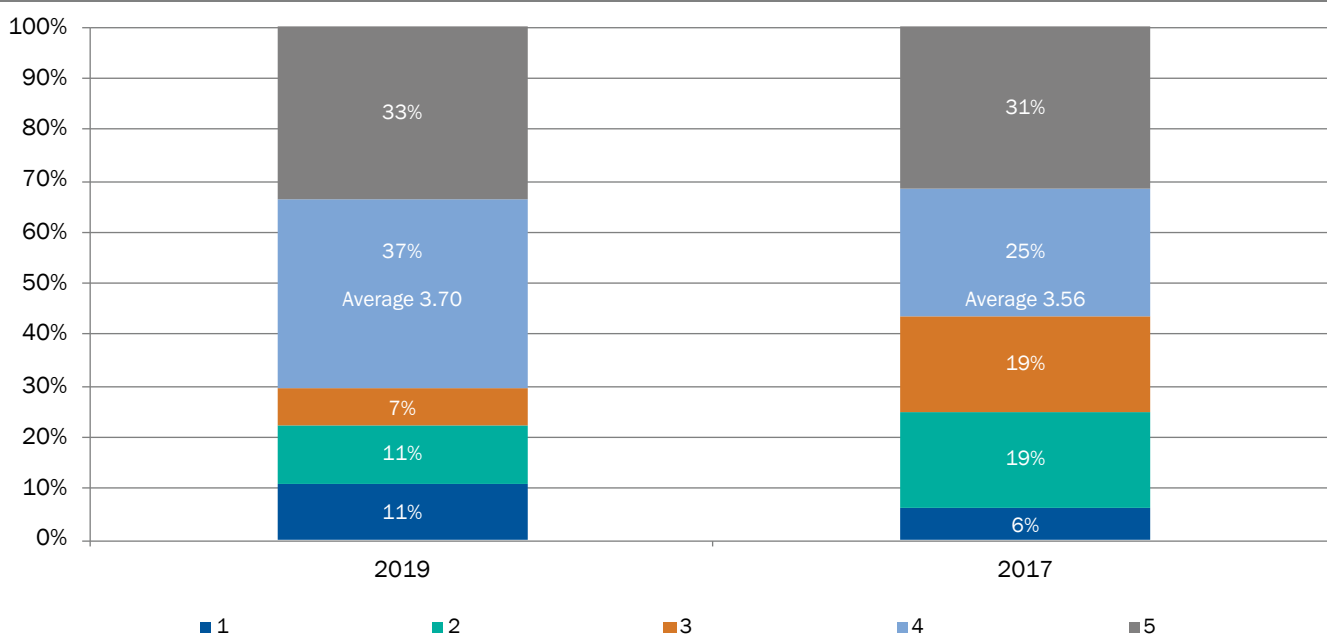
Investors generally avoid broad-based sector calls. Their sector preferences can be cyclical or vary significantly from country to country, even neighbouring ones. As in 2017, in the 2019 study, some investors said they were attracted to financials and telecommunications, which benefited from broader economic growth and were typically larger, with above-average liquidity. However, they also noted that technology and consumer staples were more in favour. As of Q2 2019, market participants particularly valued global sectors, such as payments, or defensive sectors, such as healthcare, to hedge exposure to any downturn. Above all, at a micro level, participants tried to identify liquid stocks with low valuations and strong corporate governance, irrespective of the sector they were in. Interestingly, investors said some sectors tended to see more government interference in certain countries.

In some cases, a whole region can have a comparative advantage, leading to one conventional play, such as natural resources in Central Asia. As one sector in a country grows larger than others, it attracts fund managers with the promise of liquidity and disproportionate relative growth.

Interestingly, some countries were deemed attractive for their local dynamics (tourism in Croatia, for example), while in others, participants did not like the “domestic stories” and looked for companies with operations abroad. Similarly, if a company operated in an industry that had recently undergone consolidation, this suggested higher returns, which was appealing regardless of industry.

9. Environmental, social and governance (ESG)

Rating the importance of ESG in an investment decision



Note: 1=lowest, 5=highest.

Source: IHS Markit.

EXECUTIVE SUMMARY

The investment community's focus on environmental, social and (corporate) governance (ESG) issues continued to grow. As in 2017, the consequences of ESG practices were multidimensional. Survey participants cited strong awareness of corporate social responsibility as an indicator of management quality and business sustainability. The perception of poor ESG practices could weigh on a firm's reputation and prompt customers to look elsewhere, ultimately resulting in poor returns for investors. In addition, more and more clients were pressuring their asset managers to take ESG factors into account and to avoid firms that did not align with their principles. As of Q2 2019, an estimated 75 per cent of all asset managers had integrated some level of ESG-related metrics and policies into their decision-making processes and this was only set to increase.

New in 2019 was investors' mention of a more formalised approach to analysing sustainability practices. A number of companies were using dedicated teams to quantitatively and qualitatively assess ESG criteria. Elsewhere, portfolio managers or industry analysts were responsible for determining ESG-related opportunities and threats. Participants were positive on companies undertaking initiatives that would benefit all stakeholders, though environmental and social issues were also described as "hurdles to investing" in some cases. Investors expect corporate management and investor relations teams to be aware of ESG issues and be able engage with them on these matters.

Some uncertainty remained about the eventual importance of ESG factors. A few participants questioned whether it was just a transitory trend, but the vast majority perceived corporate social responsibility as an issue that was set to become increasingly ingrained in the investment process. Some said their investment approach had always taken ESG indicators into account for ethical or reputational reasons, but that it was only now being termed as such.

Turkey and Russia were two countries seen as having strong governance at corporate level, as demonstrated by their high dividends and proactive investor communications. Industry or company investment in cleaner technologies was deemed a positive indicator of business sustainability, contributing to higher-quality earnings. Participants urged companies to communicate their ESG efforts, as outlays on ESG practices were deemed an investment in the future.

Participants identified some countries as being broadly progressive in their approach to ESG, contrary to what less informed investors might typically expect, such as Egypt, Georgia, Morocco and Slovenia. However, participants also said it was unadvisable to generalise by country. They noted that there were standout positive and negative cases in all developed, emerging and frontier markets.

Investors were very much focused on issues such as management-board independence, remuneration, shareholders' rights and voting practices, investor-relations activities and engagement, the quality of ESG disclosure and financial transparency, and the reduction of related-party transactions. Eliminating negative practices, such as the use of child labour, inefficient fuel consumption, corruption scandals and opaque government interference, would help to improve investment appeal. Investors increasingly assessed corporations on extra-financial information, such as their supply chains and approach to climate issues.

OVERVIEW: INSTITUTIONAL INVESTMENT IN Q2 2019 VERSUS Q2 2017

OVERVIEW: INSTITUTIONAL INVESTMENT IN Q2 2019 VERSUS Q2 2017

Overall, there seemed to be a positive trend towards more investment activity and a shareholder focus on the economies in which the EBRD invests. According to the 2017 study, 1,748 individual firms had invested a net US\$ 222.8 billion in the EBRD regions, while the 2019 survey identified net investment of US\$ 249.5 billion, managed by 2,208 unique firms. Companies moved US\$ 10.8 billion into the economies where the EBRD invests over the past two years, while unique investor exposure increased 26.3 per cent.

Regionally, Russia and Turkey (the “Other” region) saw the greatest influx of US dollars, with global investors buying US\$ 6.2 billion in Russian and Turkish equities between Q2 2017 and Q2 2019. Percentage-wise, the EEC region saw a 7.9 per cent rise in investment during the period. Central Asia showed a clear outflow of investor money, posting a 12.6 per cent drop. At national level, Slovenia saw the greatest increase in investment, up 47.4 per cent from the previous analysis (excluding Moldova and Montenegro, which had attracted barely any investors as of the 2017 study, skewing their growth rates). Kazakhstan saw the greatest decrease, with firms reducing their exposure by 31.2 per cent since the previous study.

Moldova, which had just one registered investor in Q2 2017, was identified as having at least 16 institutional investors, with net investment of US\$ 32.5 million, as of Q2 2019. While Poland posted lower net investment than last time (US\$ 58.7 billion in Q2 2019 versus US\$ 59.6 billion in Q2 2017), this was down to exchange-rate fluctuations and price performance, as investors moved more money into the country (up US\$ 2.1 billion from Q2 2017). Poland also saw the greatest increase in investor numbers, with 148 more firms investing in the country than Q2 2017, slightly reducing the overall concentration of holdings in the top accounts. Mongolia saw the biggest fall in investor numbers (16 fewer than Q2 2017), though investment exposure increased 7.4 per cent from the prior analysis.

The following table shows the net investment and number of investors for each economy as of Q2 2019 compared with Q2 2017 and the percentage change.

Net investment in the EBRD regions in Q2 2019 versus Q2 2017 ranked by investment growth

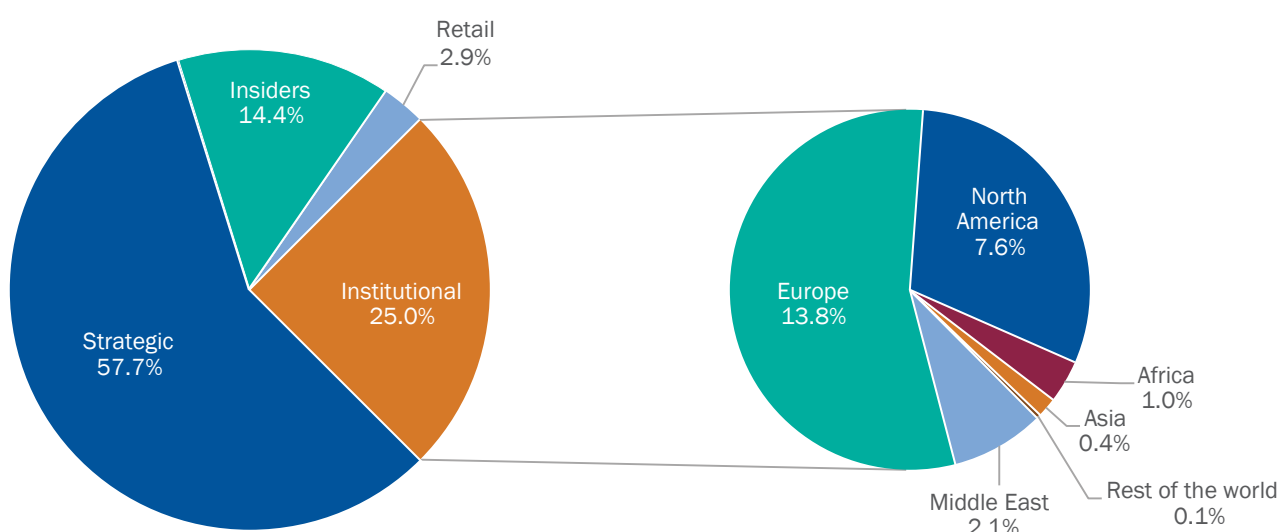
Economy	Q2 2019 net investment (US\$ million)	Q2 2019 number of investors	Q2 2017 net investment (US\$ million)	Q2 2017 number of investors	Investment growth (%)	Change in number of investors
Moldova	32.5	16	4.7	1	455.6%	+15
Montenegro	0.0	1	0.0	1	75.1%	0
Slovenia	1,473.3	117	863.7	74	47.4%	+43
Slovak Republic	90.1	4	32.8	2	35.3%	+2
Cyprus	4,555.6	498	3,359.4	397	31.1%	+101
Ukraine	938.3	123	1,006.8	126	10.1%	-3
West Bank and Gaza	173.4	6	192.1	6	9.2%	0
Kyrgyz Republic	3.7	1	184.0	1	9.1%	0
Egypt	7,563.5	323	6,045.1	277	8.3%	+46
North Macedonia	3.3	4	14.8	5	8.2%	-1
Mongolia	46.2	35	173.5	51	7.4%	-16
Turkey	25,121.5	659	38,762.2	645	6.9%	+14
Georgia	1,624.6	274	1,740.0	196	5.6%	+78
Russia	103,696.4	1038	66,641.1	991	5.2%	+47
Hungary	9,178.0	426	7,550.3	386	4.8%	+40
Poland	58,657.7	677	59,564.7	529	3.5%	+148
Greece	13,390.7	785	14,584.0	729	3.1%	+56
Bosnia and Herzegovina	0.6	4	0.6	3	2.9%	+1
Morocco	9,732.1	105	9,096.6	100	2.1%	+5
Estonia	530.3	59	398.4	49	2.0%	+10
Latvia	162.1	10	130.7	12	1.4%	-2
Croatia	2,331.9	61	2,122.8	58	0.7%	+3
Serbia	254.0	32	166.4	28	0.1%	+4
Armenia	5.0	1	23.5	1	0.0%	0
Belarus	8.3	1	17.1	1	0.0%	0
Tunisia	309.4	32	373.4	33	-2.4%	-1
Jordan	4,260.9	51	4,797.6	46	-4.4%	+5
Romania	4,067.9	169	4,011.7	174	-7.9%	-5
Lebanon	90.9	21	96.1	26	-8.2%	-5
Bulgaria	292.4	39	305.1	41	-9.9%	-2
Lithuania	225.1	29	153.4	26	-19.1%	+3
Kazakhstan	639.7	94	400.8	94	-31.2%	0
Albania	0.1	1	0.0	0	-	+1
Azerbaijan	0.0	0	0.0	0	-	0

OVERVIEW: INSTITUTIONAL OWNERSHIP IN THE EBRD REGIONS

OVERVIEW: INSTITUTIONAL OWNERSHIP IN THE EBRD REGIONS

Strategic investment accounted for 57.7 per cent of all identified ownership in the EBRD regions. Insiders accounted for 14.4 per cent, while retail investors accounted for 2.9 per cent. In 2017, strategic investors made up 67.0 per cent of holders, insiders 10.9 per cent and retail 5.6 per cent, while institutional investors accounted for the remaining 16.5 per cent. Institutions, mostly European and North American, owned precisely a quarter of all identified investments in the EBRD regions as of Q2 2019. European investors owned 55.3 per cent of all institutional investments identified, while North American firms owned 30.4 per cent. The top institutional investors were split between large global asset managers – both active and passive with large securities holdings – and domestic institutional investors, mostly sovereign wealth and pension funds that had concentrated their investments in local stocks.

Breakdown of investments in the EBRD regions, by investor and region, Q2 2019



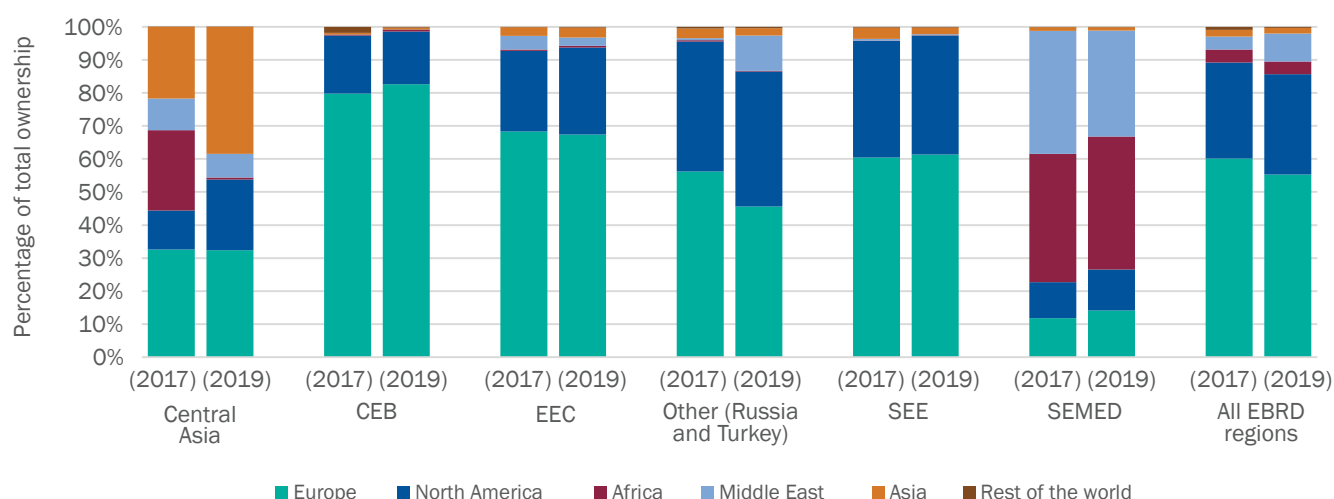
Top investors in the EBRD regions (percentage allocation of investments in the EBRD regions)

Top holders, Q2 2019	Investor location	Total investment in EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
The Vanguard Group	USA	13.6	-	18.6%	0.5%	71.7%	6.0%	3.3%
Qatar Investment Authority	QAT	13.2	-	-	-	100.0%	-	-
Nationale-Nederlanden PTE	POL	8.5	-	99.3%	0.3%	0.0%	0.3%	-
BlackRock Fund Advisors	USA	8.2	0.1%	21.7%	0.1%	69.7%	5.3%	3.1%
Norges Bank Investment Management	NOR	7.3	-	22.2%	2.0%	57.6%	11.1%	7.1%
Aviva Santander	POL	6.2	-	99.4%	0.6%	-	-	-
PTE PZU	POL	4.7	-	98.9%	1.0%	-	0.0%	-
Invesco Advisers	USA	4.6	-	3.0%	0.5%	88.8%	2.2%	5.6%
Schroder Investment Management	GBR	3.8	0.7%	18.4%	1.1%	58.1%	19.4%	2.3%
J.P. Morgan Asset Management (UK)	GBR	3.7	0.0%	13.5%	2.6%	75.4%	3.2%	5.3%

OVERVIEW: INSTITUTIONAL OWNERSHIP IN THE EBRD REGIONS

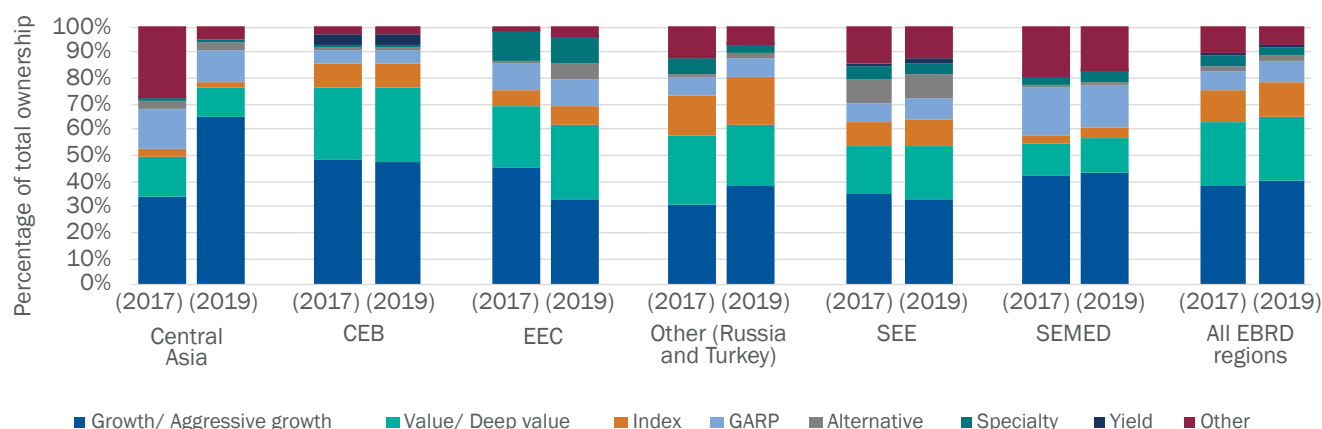
Europe and North America accounted for most of the investment in the EBRD regions, with the exception of SEMED, where African investors dominated. SEMED also boasted the highest level of investment by Middle Eastern firms, at 32.1 per cent. Central Asia showed the greatest proportion of investment by Asian investors, at 38.5 per cent of all institutional investment, followed by eastern Europe, with just 3.0 per cent.

Share of ownership by investor region, Q2 2017 vs Q2 2019



Growth (including aggressive growth) investors managed 40.7 per cent of identified assets in the EBRD regions, also accounting for the largest share of investment in each region. Most styles of investor invested a larger US dollar value in Russia and Turkey than in the other regions, apart from alternative firms (hedge funds), which tended to prefer SEE, and deep-value and yield-focused forms, which chose central Europe and the Baltic states. While the latter accounted for less than one-third (28.8 per cent) of all investment across the EBRD regions, as of Q2 2019, they had soaked up 55.7 per cent of investment by deep-value firms, or a net US\$ 4.7 billion. SEE accounted for 9.2 per cent of the market as of Q2 2019, but 39.6 per cent of alternative-style hedge-fund investment, totalling US\$ 2.1 billion.

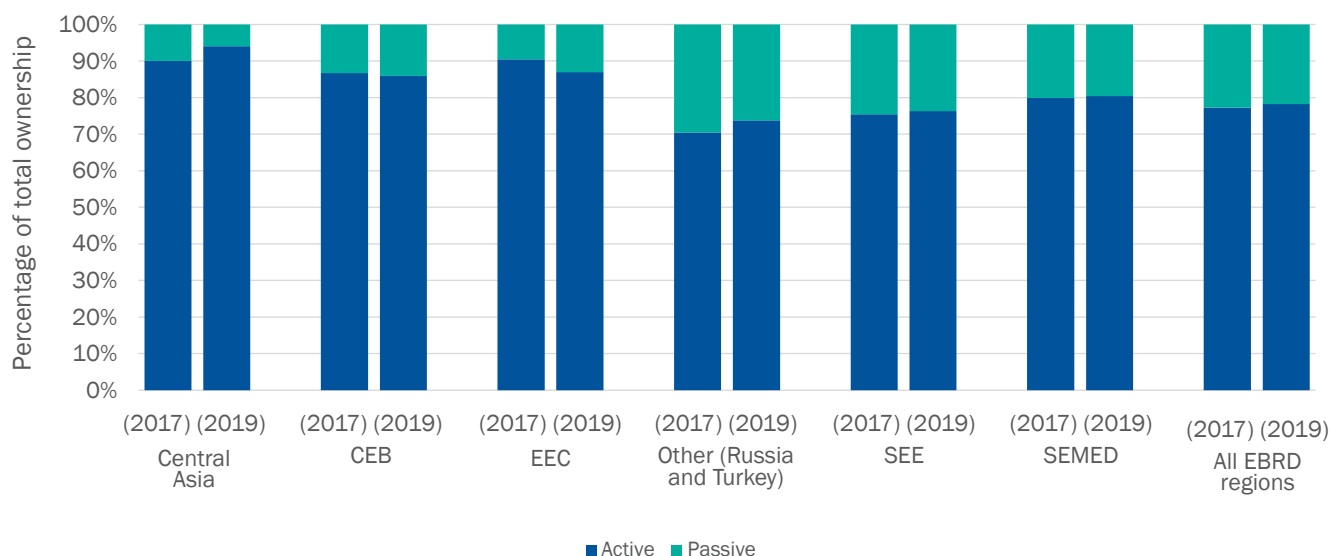
Share of ownership by investor style, Q2 2017 vs Q2 2019



OVERVIEW: INSTITUTIONAL OWNERSHIP IN THE EBRD REGIONS

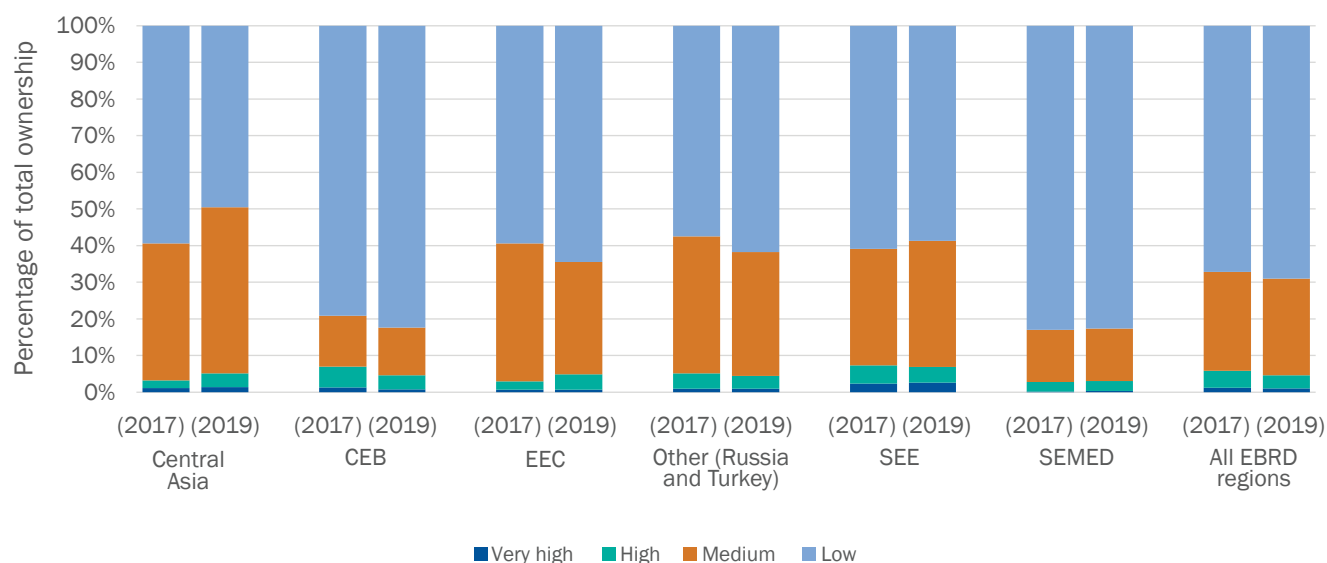
Net investment identified by active firms in the EBRD regions totalled US\$ 189.2 billion as of Q2 2019, while passive investment was less than a third of that (21.8 per cent of net investment), at US\$ 52.7 billion. Back in 2017, passive investment had totalled US\$ 49.4 billion and accounted for 22.8 per cent of institutional ownership. As of Q2 2019, index investment was highest in Russia and Turkey (the “Other” region), which also attracted the largest share of passive investment in the EBRD regions – at 26.2 per cent of total institutional investment. Central Asia had by far the lowest percentage of investment by passive firms, at 6.0 per cent; the next highest was EEC with 13.1 per cent. Central Asia recorded the lowest percentage of investment from index investors, which was unsurprising, as the region primarily appeals to active institutions.

Share of ownership by investor orientation, Q2 2017 vs Q2 2019



Across the EBRD regions, more than two-thirds of investment was managed by low-turnover investors, which accounted for 69.0 per cent of all identified holdings. Central Asia showed the lowest level of investment by low-turnover investors (49.5 per cent), probably as it had a higher number of active owners. All regions had comparable levels of investment by high-turnover firms, between 2.7 per cent and 4.3 per cent of total ownership. SEE had the greatest level of very-high-turnover investment (2.6 per cent), in line with its popularity among hedge funds. The region's allure for hedge-fund capital primarily stemmed from investment in Greece, which was home to US\$ 1.6 billion in alternative investments as of Q2 2019, little changed from the US\$ 1.7 billion recorded in Q2 2017.

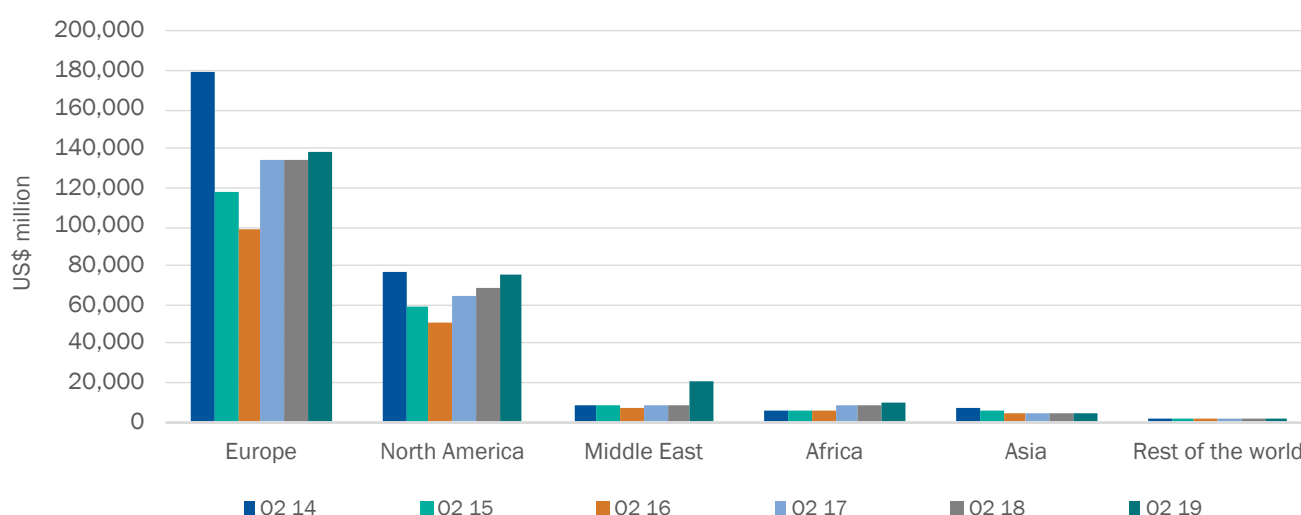
Share of ownership by investor orientation, Q2 2017 vs Q2 2019



OVERVIEW: INSTITUTIONAL FLOW OF FUNDS TO ALL EBRD REGIONS

Over the past five years, institutional investors have moved US\$ 35.9 billion into the economies where the EBRD invests. Institutions had invested a total US\$ 249.5 billion in those economies as of Q2 2019, compared with US\$ 222.8 billion in 2014. More recently, net investment in the economies where the EBRD invests is up 4.8 per cent from Q2 2017. This increase is the result of US\$ 10.8 billion in net inflows over the past two years. During this time, Asian and Middle Eastern investors, as well as firms headquartered in the “Rest of world” (including the Pacific, Central and South America and the Caribbean) have moved money out of the EBRD regions. The Middle East’s exposure has grown most dramatically during the period (jumping 142.9 per cent), but this is attributable to performance rather than an increase in investment. North American investment has increased significantly, too, with inflows growing 11.3 per cent. Both European and African investment show moderate growth over the past two years, at 4.1 per cent and 3.4 per cent, respectively.

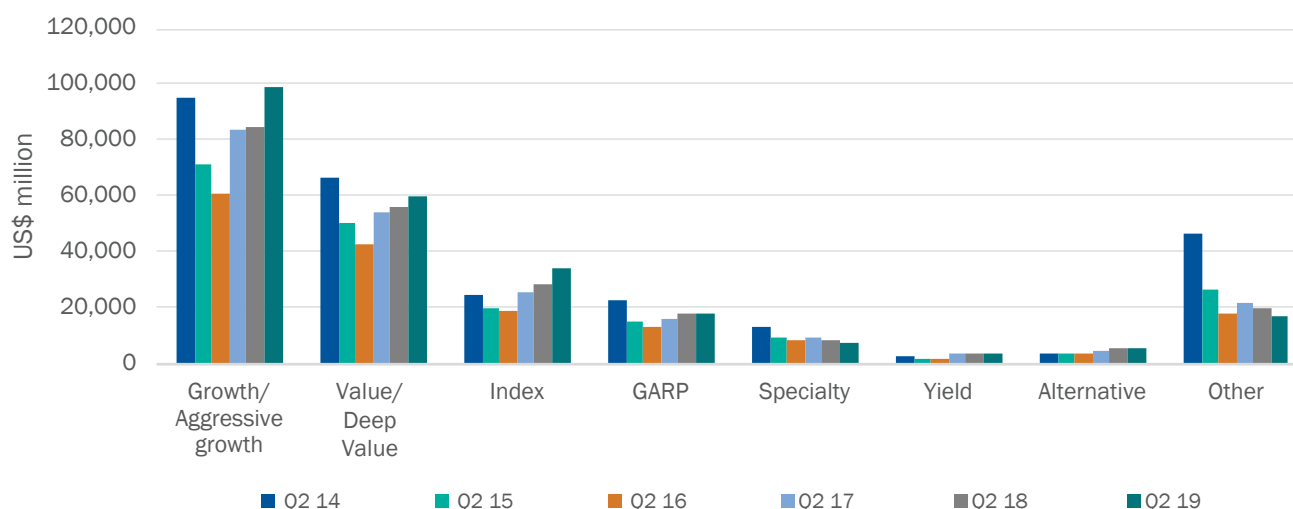
Ownership by investor region



From Q2 2017 to Q2 2019, most styles of investor increased their exposure to the EBRD regions. Most notably, deep-value and index investments grew 11.9 per cent and 19.9 per cent, respectively. Much of the heightened interest from deep-value firms was down to Poland and Turkey. US-based **Arrowstreet Capital**, for example, moved US\$ 221.9 million into Turkish equities during the two-year period, while Polish investor **PTE Allianz Polska** boosted investment in its home country by US\$ 197.2 million. The growth in index investment was attributed to the global rise in passive investment and larger-capitalised issuers, which appealed to passive strategies across the investment landscape. Passive investment in the EBRD regions grew 11.6 per cent from the previous analysis. In contrast, investment by aggressive growth firms was down significantly (14.6 per cent), though this style of investor had tended to account for very little investment in the EBRD regions anyway. As of Q2 2019, aggressive growth firms had steered just US\$ 658.0 million to the EBRD regions, less than any other investment style. And while growth investors accounted for most investment, their exposure rose just 2.4 per cent over the period.

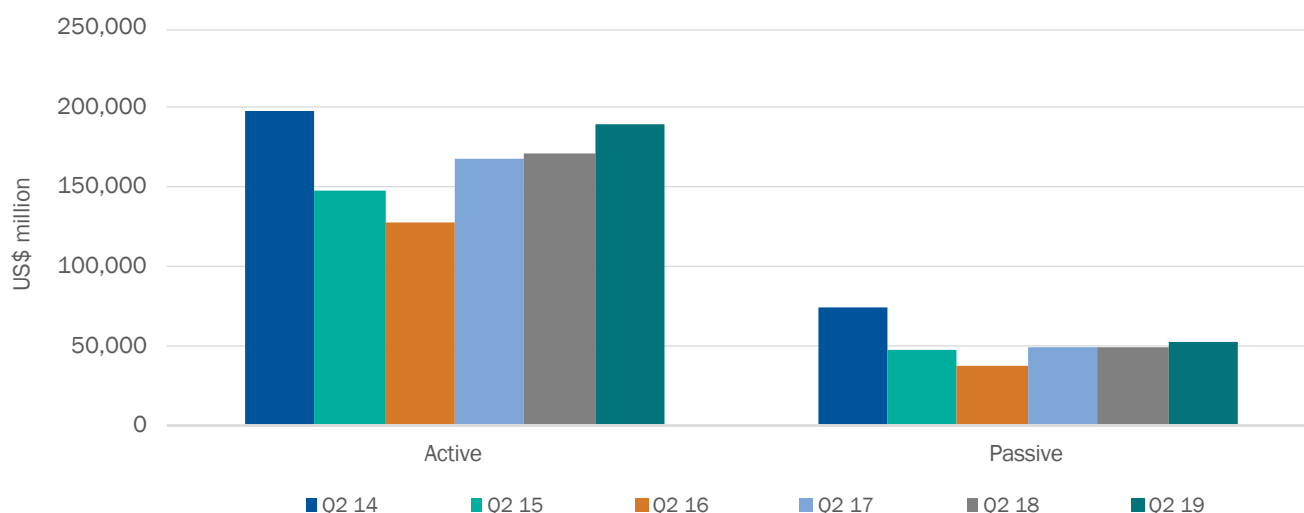
OVERVIEW: INSTITUTIONAL FLOW OF FUNDS TO ALL EBRD REGIONS

Ownership by investor style



Passive investment in the EBRD regions stood at US\$ 52.7 billion as of Q2 2019, corresponding to 21.8 per cent of total investment in those economies. The two largest passive investors were US-based **Vanguard Group** and **BlackRock Fund Advisors**, which had invested a cumulative US\$ 21.9 billion, or 41.5 per cent, of all passive investment in the EBRD regions. Outside the US, **Ordu Yardimlasma Kurumu** was the largest passive buyer, with US\$ 3.0 billion of investment. However, this Turkish pension fund only invested in domestic equities.

Ownership by investor orientation



Eaton Vance Management, the most regionally diverse investor in the 2017 study, held onto its top position in 2019, with US\$ 128.4 million invested in 22 countries. On a weighted average basis, companies invested in seven countries in the EBRD regions, or three countries each on a straight average basis. **BlackRock Fund Advisors** was the only passive firm with net investment of at least US\$ 1.0 billion that had allocations in each of the EBRD regions listed in this report.

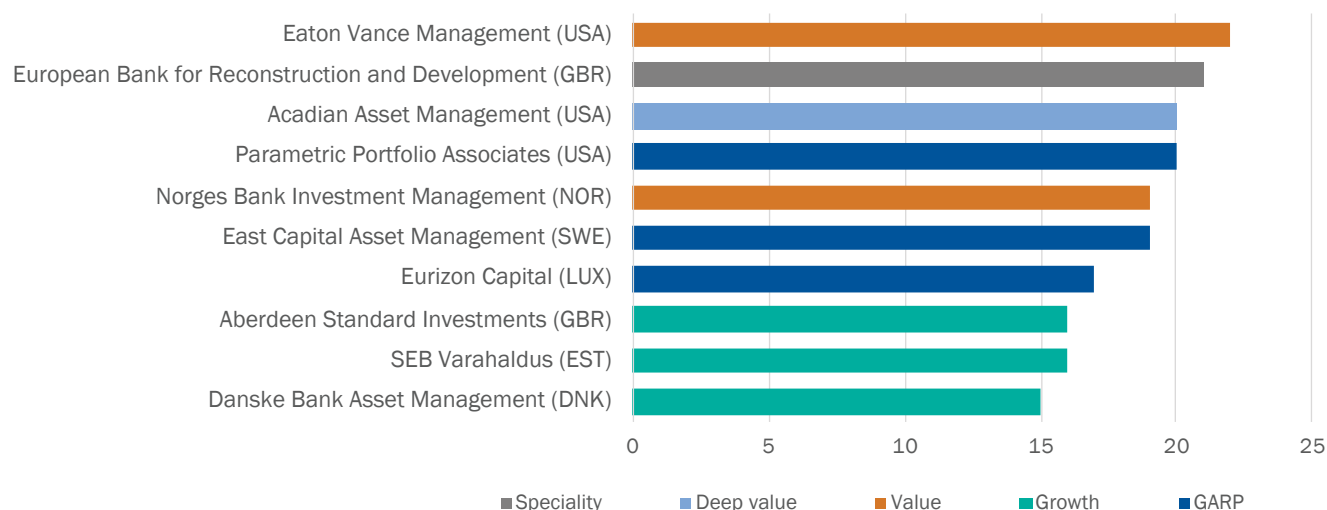
OVERVIEW: INSTITUTIONAL FLOW OF FUNDS TO ALL EBRD REGIONS

Top firms with more than US\$ 1.0 billion invested with holdings in all EBRD regions

Top holders, Q2 2019	Investor location	Investment style	Orientation	Investment (US\$ billion)
BlackRock Fund Advisors	USA	Index	Passive	8.2
Schroder Investment Management	GBR	GARP	Active	3.8
J.P. Morgan Asset Management (UK)	GBR	Growth	Active	3.7
BlackRock Investment Management (UK)	GBR	Growth	Active	2.8
European Bank for Reconstruction and Development	GBR	Specialty	Active	2.1
Fidelity International Limited (UK)	GBR	Growth	Active	1.8
Swedbank Robur Fonder	SWE	Growth	Active	1.5
Van Eck Associates Corporation	USA	Value	Active	1.5
Harding Loevner	USA	GARP	Active	1.5
T. Rowe Price International	GBR	Growth	Active	1.3

Investors with the greatest geographical diversity in the EBRD regions, Q2 2019

Number of economies in which firms held investments in Q2 2019



TOP INVESTORS BY INVESTOR REGION

The top African investors as of Q2 2019 were all based in Morocco and invested exclusively in companies in the SEMED region, apart from South Africa-based **Coronation Asset Management**, which invested in four of the six regions and held more of its net assets in Russia and Turkey. The top 10 African investors remained unchanged from the 2017 analysis, aside from slight adjustments in order.

Top 10 African investors in the EBRD regions, Q2 2019

Top African holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Caisse de Dépôt et de Gestion des Fonds au Maroc	MAR	3.1	-	-	-	-	-	100.0%
Caisse Interprofessionnelle Marocaine de Retraites	MAR	1.6	-	-	-	-	-	100.0%
Caisse Marocaine des Retraites	MAR	0.7	-	-	-	-	-	100.0%
Banque Populaire de Fès-Taza	MAR	0.6	-	-	-	-	-	100.0%
Coronation Asset Management	ZAF	0.5	-	17.4%	0.1%	44.9%	-	37.6%
Banque Populaire du Centre Sud	MAR	0.3	-	-	-	-	-	100.0%
Banque Populaire de Rabat-Kénitra	MAR	0.3	-	-	-	-	-	100.0%
Banque Populaire de Nador-Al Hoceima	MAR	0.3	-	-	-	-	-	100.0%
Banque Populaire de Tanger-Tétouan	MAR	0.3	-	-	-	-	-	100.0%
Banque Populaire d'Oujda	MAR	0.3	-	-	-	-	-	100.0%

The top Asian investors held assets across the EBRD regions, but their focus was heavily on Russia and Turkey as two of the more developed markets. Only one of the top investors as of Q2 2019 invested in each of the regions, namely, **Templeton Asset Management (Singapore)**. Net investment by the top 10 Asian investors totalled US\$ 2.9 billion, up slightly from US\$ 2.4 billion in Q2 2017. **Fidelity Management & Research (Hong Kong)** entered the top 10 list because the Fidelity Series Emerging Markets Opportunities Fund shifted its management base to Hong Kong.

Top 10 Asian investors in the EBRD regions, Q2 2019

Top Asian holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Fidelity Management & Research (Hong Kong)	HKG	1.1	-	2.5%	-	87.6%	9.6%	0.4%
Eastspring Investments	SGP	0.4	0.0%	8.9%	0.2%	88.0%	2.9%	-
Templeton Asset Management Singapore	SGP	0.4	1.9%	13.3%	13.1%	39.1%	9.9%	22.7%
Templeton Asset Management Hong Kong	HKG	0.2	-	21.5%	2.6%	60.7%	8.7%	6.5%
National Bank of Kazakhstan	KAZ	0.2	100.0%	-	-	-	-	-
State Oil Fund of the Republic of Azerbaijan	AZE	0.2	-	-	-	100.0%	-	-
GIC Asset Management	SGP	0.2	-	-	-	63.6%	36.4%	-
Goldman Sachs Asset Management (India)	IND	0.1	-	20.5%	4.1%	56.0%	13.1%	6.4%
CSAM Asset Management	SGP	0.1	-	100.0%	-	-	-	-
Capital International (Singapore)	SGP	0.1	-	-	-	100.0%	-	-
Capital International Singapore	SGP	0.1	-	-	-	100.0%	-	-

TOP INVESTORS BY INVESTOR REGION

The top 10 European investors had spread US\$ 46.1 billion in net investment across the EBRD regions as of Q2 2019, down from US\$ 48.6 billion in Q2 2017. Central Europe and the Baltic states, Russia and Turkey were the main recipients, accounting for investment of US\$ 26.0 billion and US\$ 16.6 billion, respectively. **Schroder Investment Management** entered the list of top European shareholders with a net US\$ 3.8 billion exposure, up from US\$ 2.8 billion in 2017.

Top 10 European investors in the EBRD regions, Q2 2019

Top European holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Nationale-Nederlanden PTE	POL	8.5	-	99.3%	0.3%	0.0%	0.3%	-
Norges Bank Investment Management	NOR	7.3	-	22.2%	2.0%	57.6%	11.1%	7.1%
Aviva Santander	POL	6.2	-	99.4%	0.6%	-	-	-
PTE PZU	POL	4.7	-	98.9%	1.0%	-	0.0%	-
Schroder Investment Management	GBR	3.8	0.7%	18.4%	1.1%	58.1%	19.4%	2.3%
J.P. Morgan Asset Management (UK)	GBR	3.7	0.0%	13.5%	2.6%	75.4%	3.2%	5.3%
APG Asset Management	NLD	3.3	-	16.0%	0.1%	74.6%	7.2%	2.1%
Ordu Yardimlasma Kurumu	TUR	3.0	-	-	-	100.0%	-	-
Aegon PTE	POL	2.9	-	99.6%	0.4%	-	-	-
BlackRock Investment Management (UK)	GBR	2.8	0.7%	21.1%	1.3%	68.2%	6.7%	1.9%

Middle Eastern investors, much like African investors, also focused primarily on SEMED equities; only the **Qatar Investment Authority** and **Mayhoola for Investments** refrained. Both put 100 per cent of their investments in Russia and Turkey. The **Qatar Investment Authority**, the top Middle Eastern investor, had no investments in the EBRD regions at the time of the previous report.

Top 10 Middle Eastern investors in the EBRD regions, Q2 2019

Top Middle Eastern holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Qatar Investment Authority	QAT	13.2	-	-	-	100.0%	-	-
Jordan Social Security Investment Fund	JOR	2.4	-	-	-	-	-	100.0%
Kuwait Investment Authority	KWT	0.7	-	1.7%	-	-	4.6%	93.7%
Abraaj Capital	ARE	0.5	-	-	-	-	-	100.0%
Abu Dhabi Investment Authority	ARE	0.4	-	-	-	-	-	100.0%
Misr Insurance Company	EGY	0.4	-	-	-	-	-	100.0%
Schroder Investment Management (Dubai)	ARE	0.3	13.8%	2.2%	19.2%	2.8%	7.8%	54.3%
Zahid Group	SAU	0.3	-	-	-	-	-	100.0%
Abdul Hameed Shoman Foundation	JOR	0.3	-	-	-	-	-	100.0%
Mayhoola for Investments	QAT	0.3	-	-	-	100.0%	-	-

Much like European investors, North American investors concentrated their investments in Russia, Turkey and central Europe and the Baltic states. However, the top 10 North American firms invested far more in the former (US\$ 31.2 billion) than the latter region (US\$ 5.6 billion). Each of the top investors had some level of engagement in Russia, Turkey and SEE, while just three firms were invested in all EBRD regions – **BlackRock Fund Advisors**, **Van Eck Associates Corporation** and **Harding Loevner**.

TOP INVESTORS BY INVESTOR REGION

Top 10 North American investors in the EBRD regions, Q2 2019

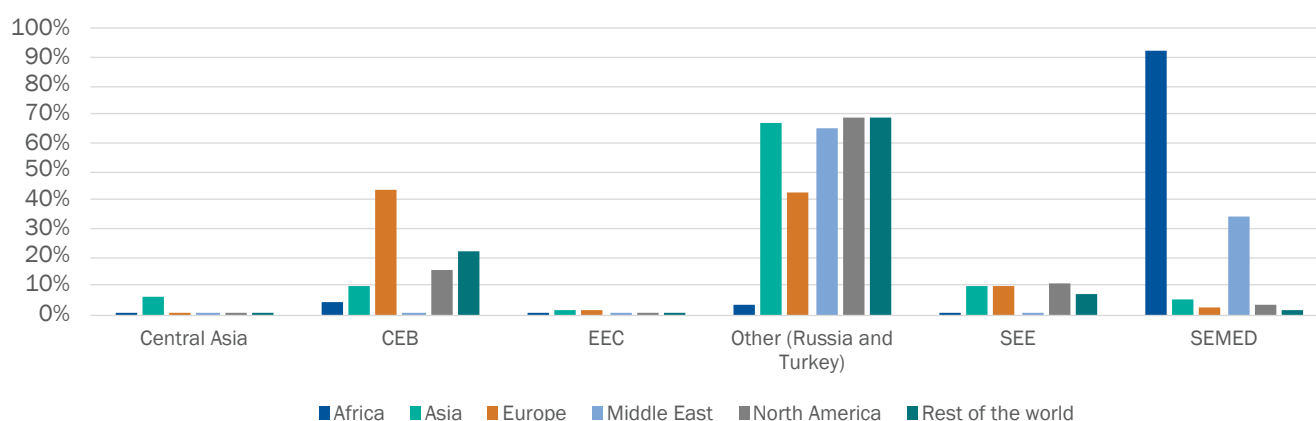
Top North America holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
The Vanguard Group	USA	13.6	-	18.6%	0.5%	71.7%	6.0%	3.3%
BlackRock Fund Advisors	USA	8.2	0.1%	21.7%	0.1%	69.7%	5.3%	3.1%
Invesco Advisers	USA	4.6	-	3.0%	0.5%	88.8%	2.2%	5.6%
Capital World Investors	USA	3.2	-	-	-	90.4%	9.6%	-
Lazard Asset Management	USA	2.7	-	8.4%	0.7%	82.5%	1.1%	7.3%
Grantham Mayo Van Otterloo & Co.)	USA	2.0	-	11.1%	0.2%	86.4%	2.2%	0.0%
CPP Investment Board	CAN	1.6	-	24.5%	-	69.4%	3.1%	3.0%
Van Eck Associates Corporation	USA	1.5	0.0%	2.4%	2.4%	86.8%	2.7%	5.7%
Capital Research Global Investors	USA	1.5	-	2.9%	1.9%	86.9%	8.3%	-
Harding Loevner	USA	1.5	0.0%	14.2%	3.3%	74.3%	0.7%	7.5%

There was minimal investment in the EBRD regions from the rest of the world, with the exposure of the top 10 institutions totalling just US\$ 0.6 million as of Q2 2019. Australia and New Zealand were home to seven of the top 10 investors outside the aforementioned regions.

Top 10 “Rest of the world” institutional investors in the EBRD regions, Q2 2019

Top holders, Rest of the world, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
RARE Infrastructure	AUS	0.1	-	-	-	100.0%	-	-
Packer & Company Investment Management	AUS	0.1	-	-	-	100.0%	-	-
Finaccess México	MEX	0.1	-	100.0%	-	-	-	-
Platinum Asset Management	AUS	0.1	-	-	-	38.4%	61.6%	-
Vanguard Investments Australia	AUS	0.1	-	22.3%	1.1%	69.9%	4.7%	2.1%
Operadora Inbursa de Sociedades de Inversión	MEX	0.0	-	-	-	100.0%	-	-
First Sentier Investors (Australia)	AUS	0.0	-	-	-	66.7%	-	33.3%
Templeton Global Advisors	BHS	0.0	-	-	-	100.0%	-	-
ANZ New Zealand Investments	NZL	0.0	-	4.9%	-	77.1%	18.0%	-
Schroder Investment Management (Australia)	AUS	0.0	-	-	-	100.0%	-	-

Average share of portfolio invested in the EBRD regions, by investor domicile



TOP INVESTORS BY INVESTMENT STYLE

While growth investors were collectively among the top investors in the EBRD regions as of Q2 2019, no aggressive growth investors made the top 10 list, due to their relatively low level of investment (US\$ 658.0 million). Only the internationally focused asset management arms of **J.P. Morgan Asset Management (UK)** and **BlackRock Investment Management (UK)** counted among the top firms invested in every EBRD region, probably as their global emerging-market funds were among the largest in terms of assets under management.

Top 10 growth/aggressive growth investors in the EBRD regions, Q2 2019

Top aggressive growth/ growth holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Qatar Investment Authority	QAT	13.2	-	-	-	100.0%	-	-
Nationale-Nederlanden PTE	POL	8.5	-	99.3%	0.3%	0.0%	0.3%	-
PTE PZU	POL	4.7	-	98.9%	1.0%	-	0.0%	-
Invesco Advisers	USA	4.6	-	3.0%	0.5%	88.8%	2.2%	5.6%
J.P. Morgan Asset Management (UK)	GBR	3.7	0.0%	13.5%	2.6%	75.4%	3.2%	5.3%
Caisse de Dépôt et de Gestion des Fonds au Maroc	MAR	3.1	-	-	-	-	-	100.0%
Aegon PTE	POL	2.9	-	99.6%	0.4%	-	-	-
BlackRock Investment Management (UK)	GBR	2.8	0.7%	21.1%	1.3%	68.2%	6.7%	1.9%
Aviva Investors Poland TFI	POL	2.2	-	99.9%	0.1%	-	-	-
Alfred Berg Asset Management	SWE	1.9	-	1.3%	1.6%	92.1%	5.1%	-

Alternative firms, largely hedge funds, accounted for net investment of US\$ 5.3 billion in the EBRD regions as of Q2 2019. This was a significant increase from the US\$ 4.6 billion reported in 2017. All but two of the top hedge funds were US-based and none were invested in all of the regions. The majority of hedge-fund investment was in SEE and a significant portion of that was in Greek securities. However, more hedge-fund investment was identified across the regions generally, suggesting greater investability even for alternative investors.

Top 10 alternative investors in the EBRD regions, Q2 2019

Top alternative holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Prosperity Capital Management	RUS	0.6	2.2%	-	4.5%	90.1%	3.2%	-
Paulson & Company	USA	0.4	-	-	-	-	100.0%	-
Kairos Investment Management	GBR	0.4	-	1.7%	15.7%	60.6%	22.0%	-
The Baupost Group	USA	0.4	-	-	-	-	100.0%	-
Renaissance Technologies	USA	0.3	-	-	-	81.0%	19.0%	-
AQR Capital Management	USA	0.3	-	16.2%	-	82.8%	1.0%	-
York Capital Management Global Advisors	USA	0.2	-	1.7%	-	-	98.3%	-
The Rohatyn Group	USA	0.2	-	100.0%	-	-	-	-
RWC Asset Advisors	USA	0.1	-	17.7%	-	55.3%	19.0%	8.0%
Anchorage Capital Group	USA	0.1	-	-	-	-	100.0%	-

TOP INVESTORS BY INVESTMENT STYLE

The top value and deep-value investors accounted for net investment of US\$ 29.8 billion in the EBRD regions as of Q2 2019. Polish pension funds **PKO BP Bankowy PTE** and **PTE Allianz Polska** were the only deep-value investors on the list, with a focus on domestic equities, while **Van Eck Associates Corporation** was the only top value investor with investments in each of the regions. Norges Bank Investment Management, Norway's sovereign wealth fund and the largest individual asset manager globally, remained the largest value investor in the EBRD regions. Apart from **Norges Bank Investment Management** and **Robeco Institutional Asset Management**, all of the top value and deep-value investors were based in the United States of America or Poland.

Top 10 value/deep-value investors in the EBRD regions, Q2 2019

Top deep-value/value holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Norges Bank Investment Management	NOR	7.3	-	22.2%	2.0%	57.6%	11.1%	7.1%
Aviva Santander	POL	6.2	-	99.4%	0.6%	-	-	-
Capital World Investors	USA	3.2	-	-	-	90.4%	9.6%	-
Lazard Asset Management	USA	2.7	-	8.4%	0.7%	82.5%	1.1%	7.3%
MetLife PTE	POL	2.6	-	99.8%	0.0%	-	0.2%	-
Grantham Mayo Van Otterloo & Co.	USA	2.0	-	11.1%	0.2%	86.4%	2.2%	0.0%
PKO BP Bankowy PTE	POL	1.5	-	99.5%	0.4%	0.1%	-	-
PTE Allianz Polska	POL	1.5	-	99.6%	0.4%	-	-	-
Van Eck Associates Corporation	USA	1.5	0.0%	2.4%	2.4%	86.8%	2.7%	5.7%
Robeco Institutional Asset Management	NLD	1.5	-	16.1%	0.0%	79.7%	3.6%	0.6%

The top "growth at a reasonable price" (GARP) firms in the EBRD regions invested diversely, with half of the top institutions invested in all regions. **Capital Research Global Investors** entered the top 10 due to its increased focus on Russia and Turkey, with a net US\$ 1.5 billion invested across four of the six EBRD regions.

Top 10 GARP investors in the EBRD regions, Q2 2019

Top GARP holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
Schroder Investment Management	GBR	3.8	0.7%	18.4%	1.1%	58.1%	19.4%	2.3%
Jordan Social Security Investment Fund	JOR	2.4	-	-	-	-	-	100.0%
Capital Research Global Investors	USA	1.5	-	2.9%	1.9%	86.9%	8.3%	-
Harding Loevner	USA	1.5	0.0%	14.2%	3.3%	74.3%	0.7%	7.5%
Baring Asset Management	GBR	1.1	0.1%	19.4%	0.6%	68.0%	11.7%	0.2%
East Capital Asset Management	SWE	1.0	1.7%	10.7%	1.7%	67.7%	16.2%	2.1%
Parametric Portfolio Associates	USA	0.9	2.1%	31.3%	0.0%	39.3%	15.1%	12.2%
Raiffeisen KAG	AUT	0.6	0.1%	16.7%	-	77.5%	5.8%	-
Santander TFI	POL	0.5	-	93.5%	1.8%	4.7%	0.0%	-
Pictet Asset Management (Switzerland)	CHE	0.5	-	23.0%	-	61.1%	14.8%	1.1%

TOP INVESTORS BY INVESTMENT STYLE

In tandem with the global increase in passive investment, the EBRD regions saw a US\$ 5.7 billion rise in investment by index firms since the 2017 analysis. Eight of the top 10 index firms investing in the EBRD regions were based in the United States of America, while the other two were based in the United Kingdom. The bottom four investors on the list were new entries. While all of the top index investors had exposure in at least four of the EBRD's regions, their focus was on Russia and Turkey, which attracted an average 71.1 per cent of their net investment.

Top 10 index investors in the EBRD regions, Q2 2019

Top index holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
The Vanguard Group	USA	13.6	-	18.6%	0.5%	71.7%	6.0%	3.3%
BlackRock Fund Advisors	USA	8.2	0.1%	21.7%	0.1%	69.7%	5.3%	3.1%
BlackRock Advisors (UK)	GBR	2.1	-	19.5%	0.5%	75.3%	3.3%	1.4%
Charles Schwab Investment Management	USA	1.2	-	13.5%	0.4%	80.1%	5.2%	0.8%
California Public Employees' Retirement System	USA	0.9	-	27.9%	0.4%	61.3%	6.7%	3.7%
State Street Global Advisors	USA	0.8	0.0%	15.6%	0.9%	75.6%	5.2%	2.6%
Geode Capital Management	USA	0.7	-	21.8%	0.1%	70.6%	5.3%	2.1%
Legal & General Investment Management	GBR	0.5	0.0%	50.4%	8.1%	36.7%	3.7%	1.1%
Northern Trust Investments	USA	0.5	0.0%	11.5%	0.8%	83.1%	2.9%	1.6%
Research Affiliates	USA	0.5	-	6.9%	0.0%	86.4%	6.7%	-

Speciality investors, typically investors with a focus on a particular sector, such as real estate or infrastructure, had invested a net US\$ 7.5 billion across the EBRD regions, although nearly half of that was attributable to **APG Asset Management**. The firm was not on the top 10 list of yield-seeking firms in 2017, but was subsequently reclassified as a specialty investor. Only one of the top 10 speciality investors was invested in Central Asia, **Ashmore Investment Management**.

Top 10 specialty investors in the EBRD regions, Q2 2019

Top specialty holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
APG Asset Management	NLD	3.3	-	16.0%	0.1%	74.6%	7.2%	2.1%
European Bank for Reconstruction and Development	GBR	2.1	0.0%	26.0%	11.2%	24.0%	34.1%	4.7%
Onexim Group	RUS	1.1	-	-	-	100.0%	-	-
IFC Asset Management Company	USA	0.5	-	-	8.0%	8.7%	30.1%	53.3%
TOBAM	FRA	0.2	-	16.7%	-	49.3%	34.1%	-
Banque Populaire de Laâyoune	MAR	0.1	-	-	-	-	-	100.0%
EOS Russia	SWE	0.1	-	-	-	100.0%	-	-
Ashmore Investment Management	GBR	0.1	10.3%	2.8%	11.6%	17.1%	13.7%	44.6%
Robert Bosch Stiftung	DEU	0.1	-	-	-	100.0%	-	-
Emirates International Investment Company	ARE	0.0	-	-	-	-	-	100.0%

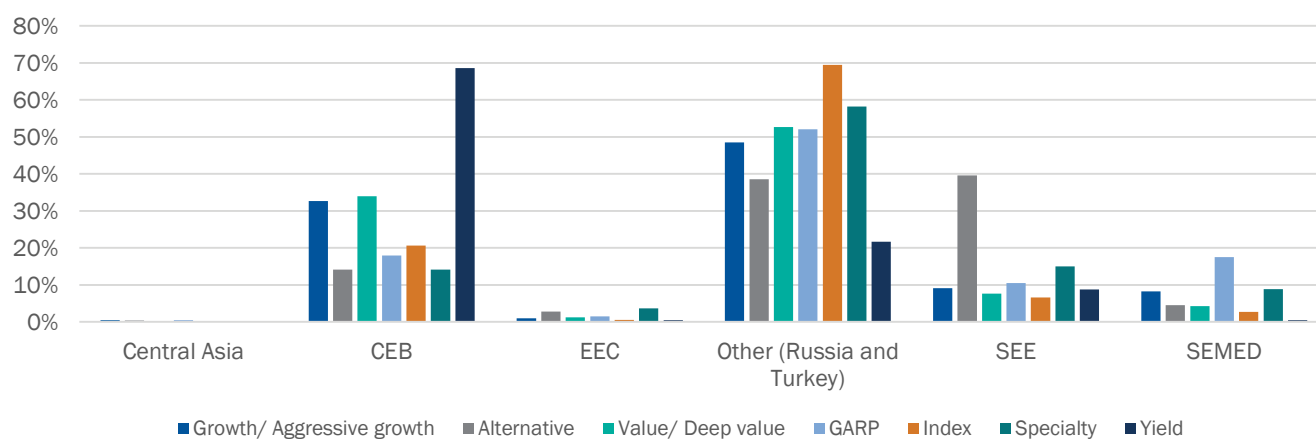
TOP INVESTORS BY INVESTMENT STYLE

Yield investment in the EBRD regions stemmed from a variety of different sources, with the top 10 investors located in eight different countries. Yield investment was heavily focused on central Europe and the Baltic states, with Poland the recipient of more yield investment than any other country. Croatia boasted the highest percentage of yield-oriented institutional investors.

Top 10 yield investors in the EBRD regions, Q2 2019

Top yield holders, Q2 2019	Investor location	Total investment in the EBRD regions (US\$ billion)	Central Asia	CEB	EEC	Other (Russia and Turkey)	SEE	SEMED
PFR TFI	POL	1.0	-	100.0%	-	-	-	-
Mellon Investments Corporation	USA	0.7	-	11.3%	1.4%	85.6%	1.2%	0.5%
Allianz ZB (Croatia)	HRV	0.7	-	100.0%	-	-	-	-
Hrvatsko Mirovinsko Investicijsko Društvo	HRV	0.4	-	100.0%	-	-	-	-
SIF Banat-Crisana	ROM	0.3	-	-	-	-	100.0%	-
Sumitomo Mitsui Trust Asset Management Company	JPN	0.1	-	13.3%	0.9%	81.6%	2.9%	1.3%
Seafarer Capital Partners	USA	0.0	-	95.1%	1.2%	2.6%	1.1%	-
Eurizon Capital	ITA	0.0	-	4.0%	-	96.0%	-	-
PFA Asset Management	DNK	0.0	-	28.8%	-	71.2%	-	-
HMG Finance	FRA	0.0	-	25.0%	-	35.2%	17.1%	22.7%

Average percentage of portfolio invested in EBRD Regions, according to investment style



CENTRAL ASIA

Economy	Market capitalisation
Kazakhstan	US\$ 37.2 billion
Kyrgyz Republic	US\$ 0.4 billion
Mongolia	US\$ 1.1 billion
Tajikistan	Unavailable
Turkmenistan	Unavailable
Uzbekistan	US\$ 2.2 billion
Total	US\$ 40.9 billion

Qualitative sentiment – Central Asia

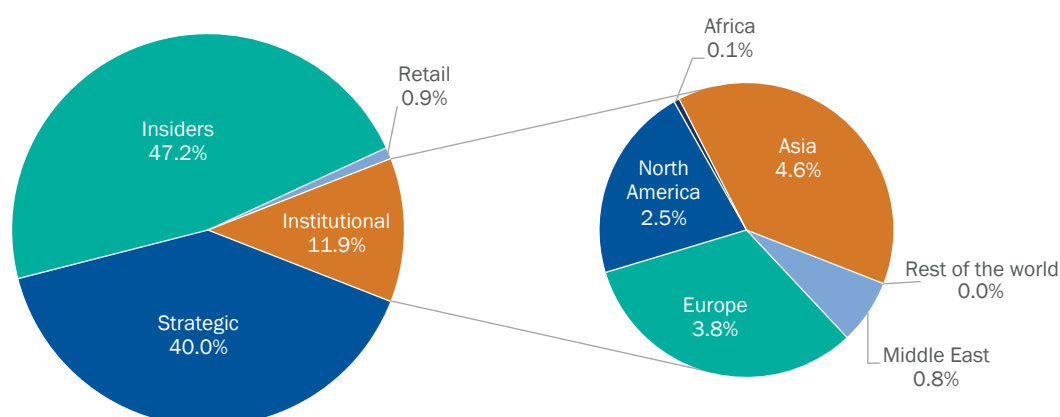
Participants in the sentiment study were increasingly bullish on the prospects for Central Asia. Kazakhstan, in particular, was praised for becoming more investor friendly, with companies attending conferences outside of the country to raise awareness of their investment stories. The region more broadly was seen as benefiting from stable oil prices, while low interest rates were conducive to developing large infrastructure and natural-resource projects.

Still, few of the investors interviewed had actively invested in the region. They said they were keeping a watchful eye on progress, but continued to see a dearth of liquid stocks in which to invest. Illiquidity may also cause investors to exit positions as a precaution during “risk-off” moments. They said that when they did take a position in Central Asia, it was typically through depositary receipts.

Identified ownership structure

Just three of the six countries in Central Asia had identified institutional ownership: Kazakhstan, Mongolia and the Kyrgyz Republic. The latter had just one identified institutional shareholder. Kazakhstan accounts for the majority of investment in Central Asia, so its investor breakdown looks very similar to that of the entire region. As of Q2 2019, ownership was split primarily between insiders and strategic investors, which held 47.2 per cent and 40.0 per cent of the market, respectively. Retail investors held 0.9 per cent, while institutional investors accounted for the remaining 11.9 per cent. Institutional investment in Kazakhstan totalled US\$ 639.7 million, equivalent to 93.3 per cent of all institutional ownership in the Central Asian region. Asian investors held 38.5 per cent of investment in the region, European investors owned 32.3 per cent and North American investors held 21.5 per cent.

Investment in Central Asia by investor type and institutional investment by investor region, Q2 2019



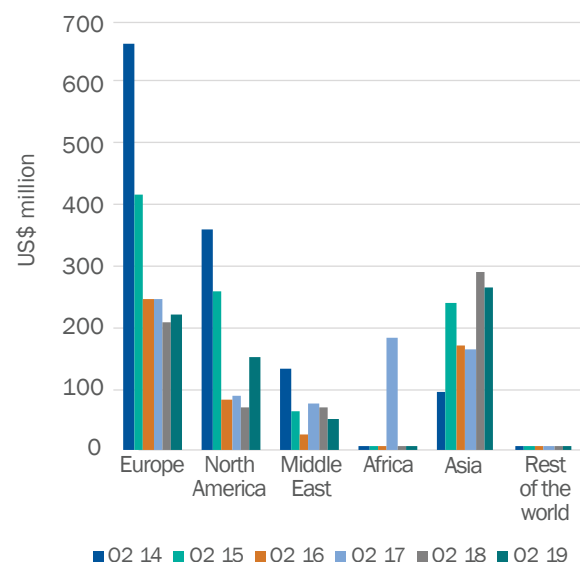
Top investors in Central Asia, Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in EBRD regions (US\$ million)	Value of holdings in Central Asia (US\$ million)
National Bank of Kazakhstan	Unknown	KAZ	Active	Regional	210.2	210.2
T. Rowe Price Associates	Low	USA	Active	Global	420.2	56.7
Schroder Investment Management (Dubai)	Medium	ARE	Active	Global	349.8	48.1
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	25.3
SEB Varahaldus	Medium	EST	Active	Global	646.2	21.8
Wellington Management Company	Low	USA	Active	Global	440.9	21.1
BlackRock Investment Management (UK)	Low	GBR	Active	Global	2,833.0	20.6
Baring Private Equity Asia	Low	HKG	Active	Global	20.2	20.2
Parametric Portfolio Associates	Low	USA	Passive	Global	898.8	19.2
East Capital Asset Management	Medium	SWE	Active	Global	1,031.3	17.5

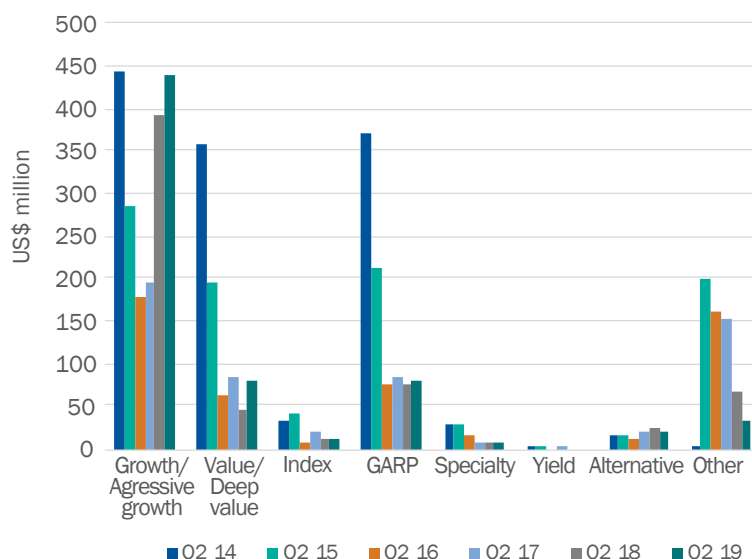
Identified institutional flows

Investors in Central Asian securities have moved 12.6 per cent of investment out of the region since Q2 2017. While North American investment has remained relatively flat over the past two years, two of the top investors in the region are US firms that were not in the top ten list in Q2 2017, **T. Rowe Price Associates** and **Wellington Management Company**. The **National Bank of Kazakhstan** accounts for the majority of investment in the Central Asian region. The firm manages the Unified Accumulative Pension Fund of Kazakhstan. Hedge funds have increased the net value of their investments in Central Asian securities over the past five years, but as alternative investors only moved US\$ 0.5 million into the region during this period, this was probably driven by equity price performance. The hedge-fund investors, based in the USA and Europe, may have bought through the dual listings of a number of issuers in the region.

Ownership by investor region



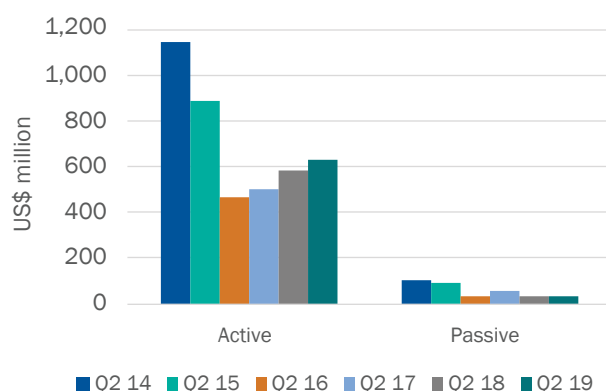
Ownership by investor style



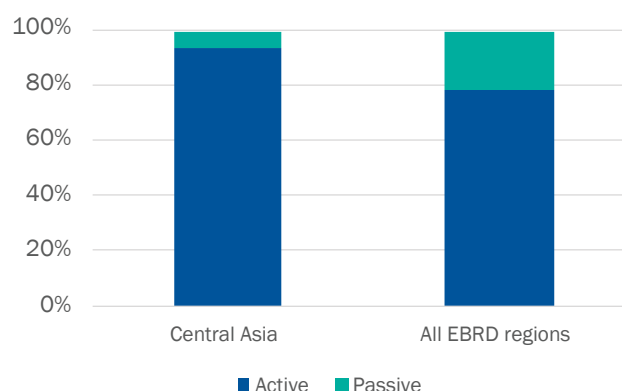
CENTRAL ASIA

Active ownership in Central Asia peaked in 2014, with investors moving US\$ 351.3 million out of the region from then to Q2 2019. Passive investment outflows totalled US\$ 36.1 million between Q2 2017 and Q2 2019 (a decline of 64.2 per cent) and passive capital accounted for just 6.0 per cent of total institutional ownership in Central Asia as of Q2 2019, in contrast to 21.8 per cent across all of the EBRD regions.

Ownership by investor orientation

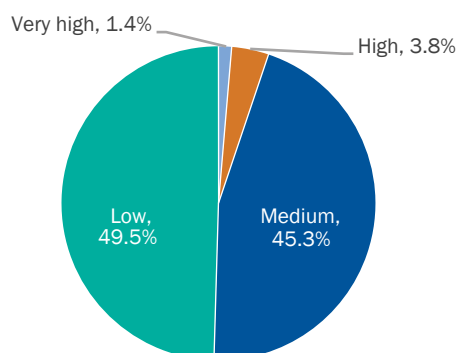


Ownership by investor orientation compared to EBRD regions



In terms of portfolio turnover, institutional investment was dominated by firms with long-term strategies. Some 49.5 per cent of investment stemmed from low-turnover investors, while 45.3 per cent was from medium-turnover institutions.

Ownership by investor portfolio turnover



KAZAKHSTAN

Stock exchange:	Kazakhstan Stock Exchange (KASE)
Established:	17 November 1993
Market capitalisation:	US\$ 36.3 billion
Number of stocks:	122

Stock exchange:	Astana International Exchange (AIX)
Established:	2017
Market capitalisation:	US\$ 92.7 million
Number of stocks:	7

MSCI market classification:	Frontier Markets
FTSE classification of equity market:	Frontier

Kazakhstan's Astana International Exchange was established in 2017 and saw seven stocks listed as of Q2 2019, all of them in 2018 or 2019. They included National Atomic Co. Kazatomprom, which dual-listed on the London Stock Exchange in 2019. Its initial public offering (IPO) was 70 per cent oversubscribed and more than half of its stock placed with international investors, albeit at a lower-than-expected price. The Kazakh government has said it intends to conduct further initial offerings and sell shares in Air Astana, Kazakhtelecom and the national oil and gas giant, Kazmunaygas. The global oil price is likely to play a decisive role in the timing, though the transfer of presidential power from Nursultan Nazarbayev to Kassym Jomart-Tokayev may cause delays to the IPO schedule.

Verbatim investor commentary – Kazakhstan

"I run a frontier markets fund, so these markets, such as Kazakhstan, are a core part of the investible universe. We invest in Kazakhstan because it is one of the investible places within the global universe ... Kazakhstan is reforming slowly. It is an oil market. It has some well-run businesses and it is very cheap ... We are reasonably bullish on Central Asia. We do think they are making some sensible changes. There has been a change in leadership in Kazakhstan and the understanding is that the new leader is more markets focused and positive to some reform. The oil price looks reasonably good and stable, so we feel OK given that valuations are cheap ... These companies should interact with investors more, come to London and New York. The countries should IPO more businesses in a clearer, arms-length, transparent manner so that people want to take a look ... There is not always much choice between sectors. In Kazakhstan, it is banking or commodities that you can invest in. Commodities are the country's main feature. We like the quality privately-owned banking space. It is both because of their fundamentals and because they are easy to access for investors."

European mutual fund (>US\$ 500 million EAUM)

"Kazakhstan is very rich in resources, so we have exposure to the copper industry ... In this case, the company we are invested in is controlled by two individuals that have a large control of the company. In terms of corporate governance, it is very much dependent on them acting appropriately. It is just like any other market, but these risks are slightly more pronounced in these smaller markets ... In Kazakhstan, privatisation would bring more liquidity to the market. We would like more access to a broader part of the economy."

North American mutual Fund (>US\$ 1 billion EAUM)

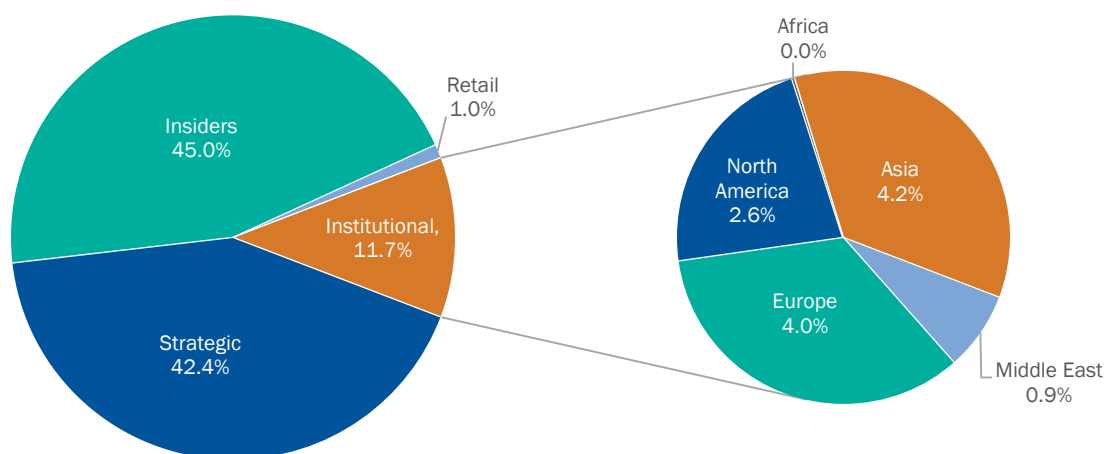
"These companies should interact with investors more, come to London and New York. The countries should IPO more businesses in a clearer, arms-length, transparent manner so that people want to take a look ... There is not always much choice between sectors. In Kazakhstan, it is banking or commodities that you can invest in. Commodities are the country's main feature. We like the quality privately-owned banking space. It is both because of their fundamentals and because they are easy to access for investors."

European Mutual Fund (>US\$ 500 million EAUM)

Identified ownership structure

Ownership of Kazakh equities was primarily split between strategic investors (42.4 per cent) and insiders (45.0 per cent), with 1.0 per cent owned by retail investors and the remaining 11.7 per cent held by institutional investors. The geographical split of investors was diverse, with 35.7 per cent of investments held by Asian investors, 34.3 per cent by European investors and 22.3 per cent by North American investors. **The National Bank of Kazakhstan** was the country's top investor as of Q2 2019, with US\$ 210.2 million invested. **T. Rowe Price Associates** entered the list of top shareholders, after initiating an investment in the country at the end of 2018.

Investment in Kazakhstan by investor type and institutional investment by investor region, Q2 2019



Top 10 investors in Kazakhstan, Q2 2019

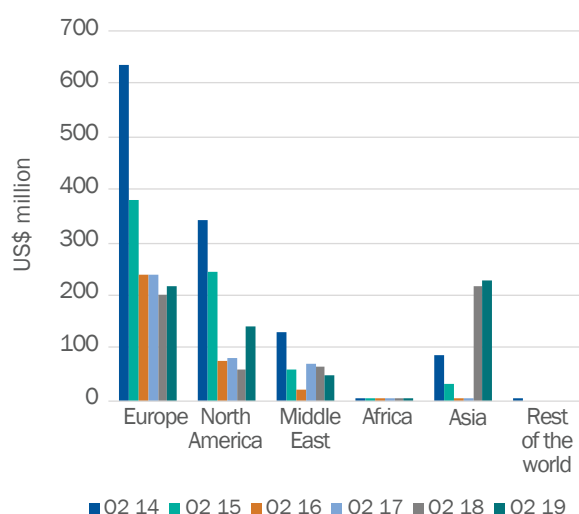
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in KAZ (US\$ million)
National Bank of Kazakhstan	Unknown	KAZ	Active	Regional	210.2	210.2
T. Rowe Price Associates	Low	USA	Active	Global	420.2	56.7
Schroder Investment Management (Dubai)	Medium	ARE	Active	Global	349.8	48.1
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	25.3
SEB Varahaldus	Medium	EST	Active	Global	646.2	21.8
Wellington Management Company	Low	USA	Active	Global	440.9	20.8
BlackRock Investment Management (UK)	Low	GBR	Active	Global	2,833.0	20.6
Parametric Portfolio Associates	Low	USA	Passive	Global	898.8	19.2
East Capital Asset Management	Medium	SWE	Active	Global	1,031.3	17.5
Kopernik Global Investors	Medium	USA	Active	Global	440.1	16.5

Institutional flows

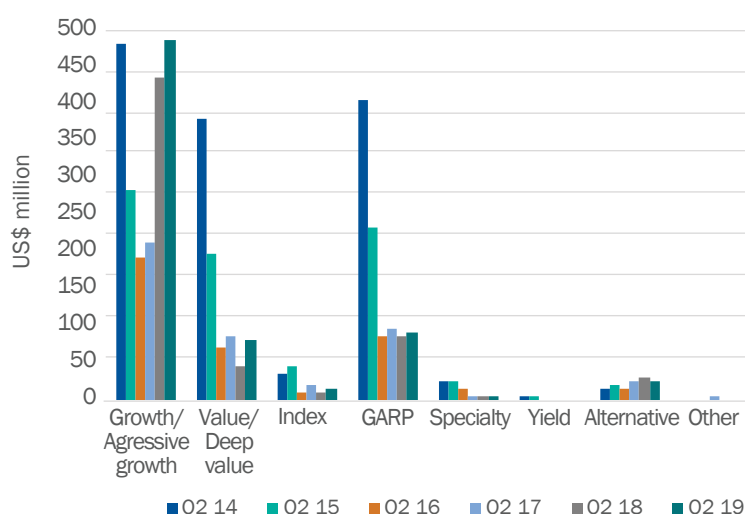
Investment flows into Kazakhstan fell 34.1 per cent between Q2 2014 and Q2 2019 and were down 31.2 per cent from Q2 2017. Since 2017, however, when the Astana International Exchange opened, the value of total investment increased 59.6 per cent, suggesting positive price performance, favourable exchange rates, or both. North American firms net moved out of Kazakhstani equities, decreasing their investment by US\$ 6.7 million over the two-year period. The largest US buyer in the region was **T. Rowe Price Associates**, which took a position in Kazatomprom on its London listing. Kazakh equities saw significant investment from growth-oriented firms, with eight of the top 10 investors either growth or GARP-focused institutions. While Middle Eastern investment in Kazakhstan was down in the five years to Q2 2019, **Schroder Investment Management (Dubai)** was still a top holder. **Franklin Templeton Investments (ME)** also moved back into the country in the year to Q2 2019.

CENTRAL ASIA - KAZAKHSTAN

Ownership by investor region

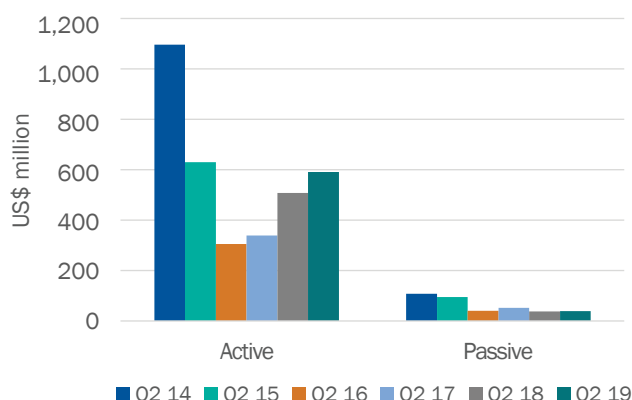


Ownership by investor style

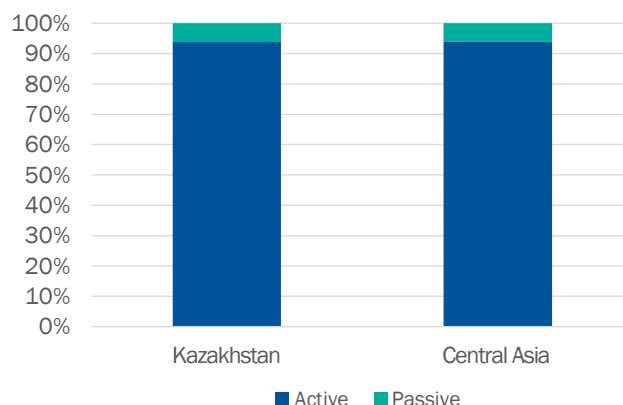


Passive investment saw a decline in the five years to Q2 2019, with passive firms moving out US\$ 28.8 million during the period. Active investment was down 34.6 per cent between Q2 2014 and Q2 2019 and down 24.9 per cent between Q2 2017 and Q2 2019. Active investment stood at 93.8 per cent of institutional ownership as of Q2 2019.

Ownership by investor orientation

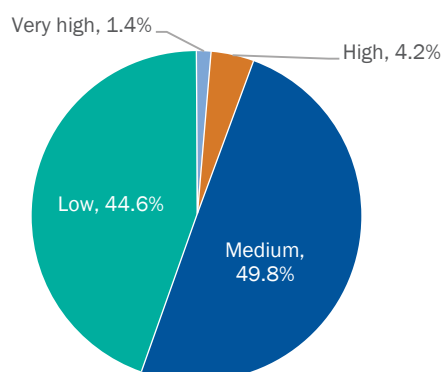


Ownership by investor orientation compared to region



Kazakhstan's institutional ownership was largely split between medium- (49.8 per cent) and low-turnover (44.6 per cent) firms. As Kazakhstan's institutional ownership accounted for 93.3 per cent of all institutional ownership in Central Asia, the regional split was similar.

Ownership by investor portfolio turnover



KYRGYZ REPUBLIC

Stock exchange:	Kyrgyz Stock Exchange (KSE)
Established:	1994
Market capitalisation:	US\$ 396.2 million
Number of stocks:	19
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

Verbatim investor commentary – Kyrgyz Republic

“In the other countries in Central Asia, the financial markets are much less developed than in Kazakhstan. We have not been that active there and our knowledge is also lacking because it has not been in our focus. That is partly because of a lack of public market development and investment opportunities there for active funds. The base for them is very low, so if one looks for a long-term convergence story ... there are opportunities there as well. That applies to Tajikistan, [the Kyrgyz Republic], and the others bucketed together.”

European mutual fund (>US\$ 100 million EAUM)

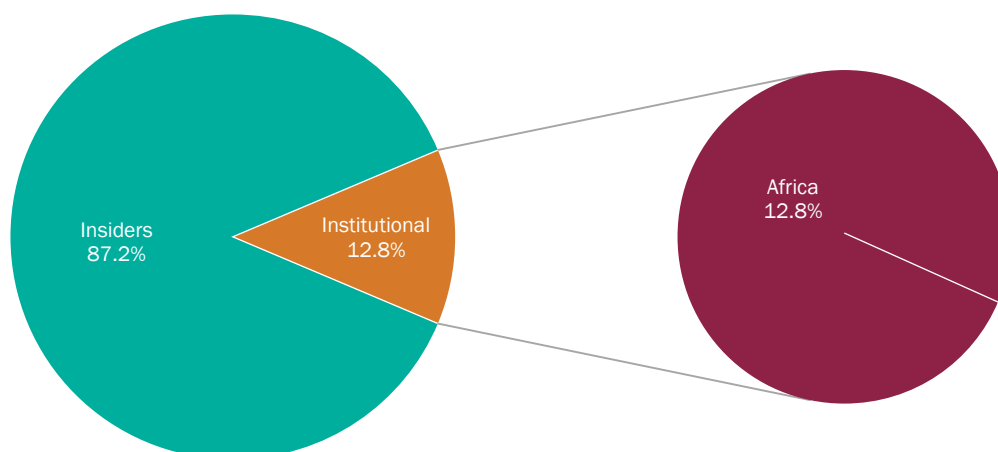
“From our point of view, markets like Tajikistan and [the Kyrgyz Republic] are not investible because we have daily trading funds. We are not private equity. We cannot risk being trapped in a liquidity situation.”

European mutual fund (>US\$ 100 million EAUM)

Identified ownership structure

Insiders accounted for the majority of identified investment in the Kyrgyz Republic, with an 87.2 per cent market share. The Kyrgyz Republic had one identified institutional investor, Africa-based venture capital firm **Spring Wood Ventures**, which had invested US\$ 3.7 million in the country, all of it in AB International Group Corporation.

Investment in the Kyrgyz Republic by investor type and institutional investment by investor region, Q2 2019



MONGOLIA

Stock exchange:	Mongolian Stock Exchange (MSE)
Established:	18 January 1991
Market capitalisation:	US\$ 1.1 billion
Number of stocks:	197

Stock exchange:	Mongol Securities Exchange (MSX)
Established:	1 May 2015
Market capitalisation:	US\$ 0.9 million
Number of stocks:	1

MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

The Mongolian Stock Exchange saw eight new listings between Q2 2017 and Q2 2019, according to its website. At the time of writing, the only company on the Mongol Securities Exchange was And Energi, which floated in November 2017.

Verbatim investor commentary – Mongolia

“We used to follow a company in Mongolia many years ago, but I have not looked at it recently. You can always find good companies, either just a single one or a handful in each market. From an international capital markets point of view, if these companies become public, liquidity becomes the top priority.”

European mutual fund (>US\$ 100 million EAUM)

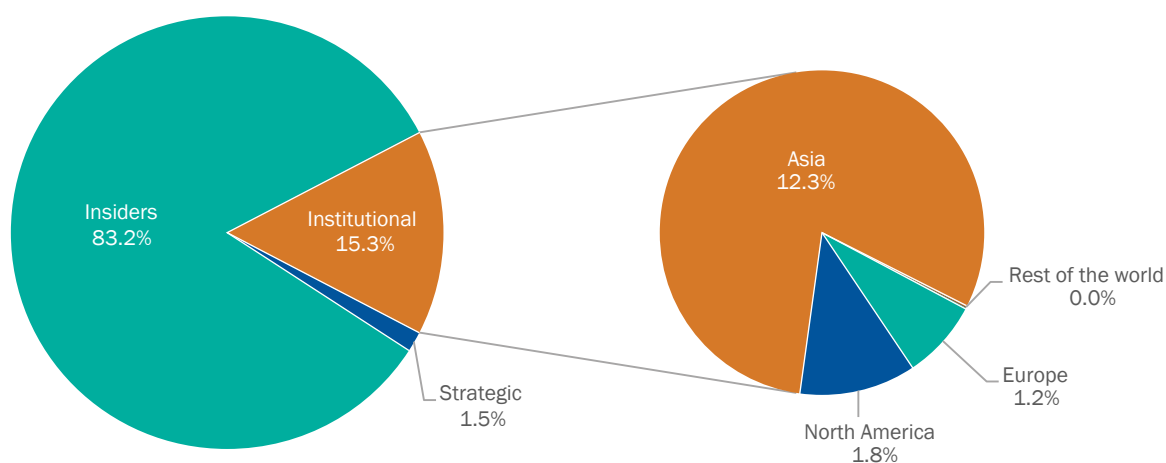
“We do not have any exposure to Mongolia right now, but we would look to invest in that country if there were opportunities. The depth of the market is crucial. We just do not currently have the liquidity in a market like that.”

North American mutual fund (>US\$ 1 billion EAUM)

Identified ownership structure

Insiders controlled the majority of Mongolian ownership as of 30 June 2019, at 83.2 per cent. Strategic investors owned 1.5 per cent. There was no retail investment and institutional investment stood at 15.3 per cent. The country had just 35 investors, with the top 10 shareholders accounting for 96.4 per cent of all institutional ownership. **Eaton Vance Management** entered the top 10 list after taking a position in 2018. While there were just six Asian investors in Mongolian equities, the country boasted the greatest share of Asian investment as a percentage of total ownership across the EBRD regions, at 80.3 per cent.

Investment in Mongolia by investor type and institutional investment by investor region, Q2 2019



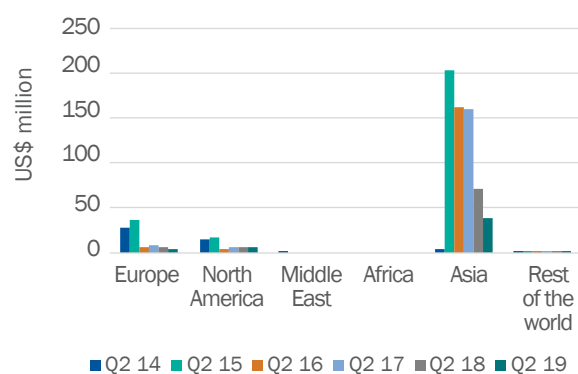
Top 10 investors in Mongolia as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in MNG (US\$ million)
Baring Private Equity Asia	Low	HKG	Active	Global	20.2	20.2
Sequoia Capital China Advisors (Hong Kong)	Low	HKG	Active	Global	14.3	14.3
Eaton Vance Management	Low	USA	Active	Global	128.4	3.6
Value Partners	Low	HKG	Active	Global	2.1	2.1
Ashmore Investment Management	Medium	GBR	Active	Global	62.9	1.7
Dimensional Fund Advisors	Low	USA	Passive	Global	959.5	0.9
Cavendish Asset Management	Low	GBR	Active	Global	7.9	0.7
FIL Investment Management (Hong Kong)	Low	HKG	Active	Global	0.5	0.5
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	0.3
Wellington Management Company	Low	USA	Active	Global	440.9	0.3

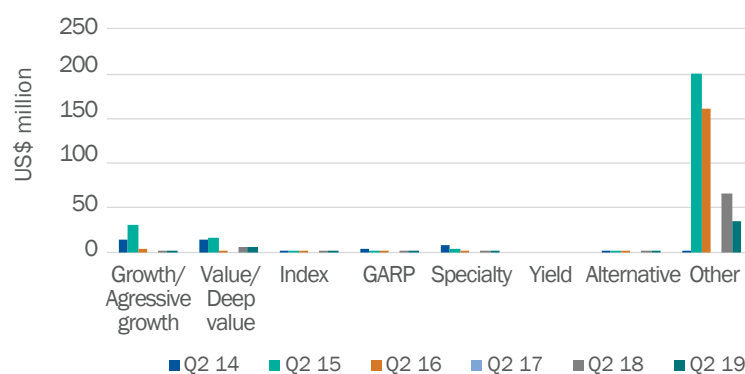
Identified institutional flows

Asian investors make up the institutional majority in Mongolia and investors had been net moving into the country since 2017. This was primarily attributable to **Baring Private Equity Asia**, which increased its investment in Mongolia by US\$ 6.4 million during the two-year period. As of Q2 2019, Asian investment stood at US\$ 37.1 million. While net ownership in Mongolia was less than it was in 2017, this was down to performance rather than selling activity, as investors had steered a net US\$ 12.9 million into the country in the two years to Q2 2019. Mongolia also boasted the greatest percentage of private-equity ownership of all the EBRD regions, at 74.7 per cent. Private equity is included in the “other” style of investing in the chart below.

Ownership by investor region



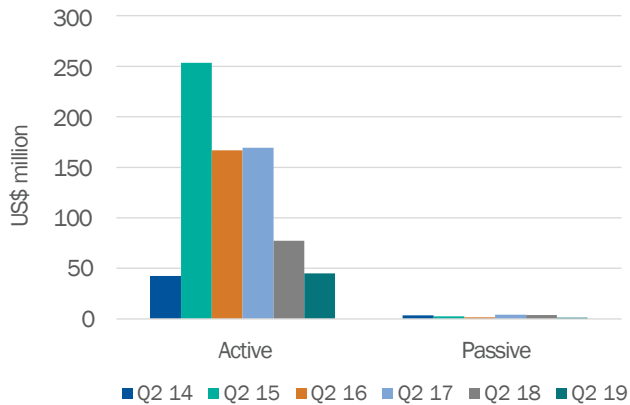
Ownership by investor style



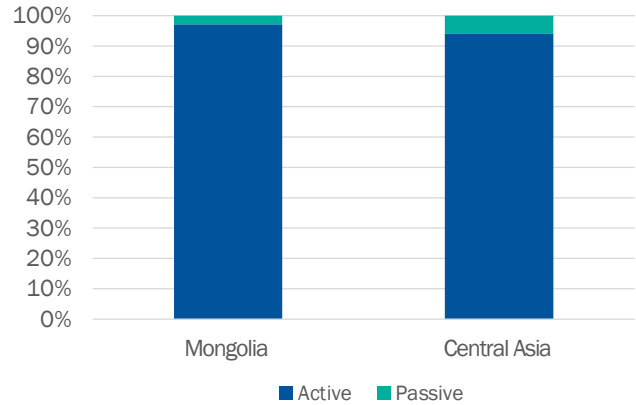
CENTRAL ASIA - MONGOLIA

Actively managed investments dominated Mongolian market ownership, as they did in Central Asia more broadly. Active investors increased their exposure to the country by 66.0 per cent in the five years to Q2 2019 and 6.0 per cent since the 2017 study. Passive investment increased more aggressively, rising 66.4 per cent in the two-year period.

Ownership by investor orientation

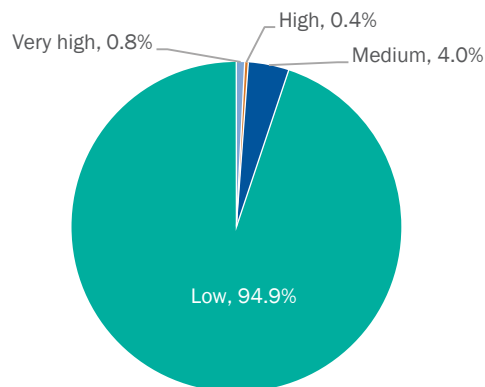


Ownership by investor orientation compared to region



Nine of Mongolia's top 10 investors were low-turnover firms. High- and very-high-turnover firms made up a combined 1.2 per cent of institutional ownership.

Ownership by investor portfolio turnover



TAJIKISTAN

Stock exchange:	Central Asian Stock Exchange (CASE)
Established	April 2015
Market capitalisation:	Unavailable
Number of stocks:	Unavailable
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

As of Q2 2019, the Central Asian Stock Exchange had yet to list any equities.

TURKMENISTAN

Stock exchange:	Ashgabat Stock Exchange
Established:	2017
Market capitalisation	Unavailable
Number of stocks:	Unavailable
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

The Ashgabat Stock Exchange was founded in 2017, but no stocks were listed as of Q2 2019.

UZBEKISTAN

Stock exchange:	Tashkent Republican Stock Exchange
Established:	8 April 1994
Market capitalisation:	US\$ 2.2 billion
Number of stocks:	108
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

According to the Tashkent Republican Stock Exchange's website, 44 companies were listed between Q2 2017 and Q2 2019.

Identified ownership structure

No investment was identified in the country.

CENTRAL EUROPE AND THE BALTIC STATES

Economy	Market capitalisation
Croatia	US\$ 22.3 billion
Estonia	US\$ 2.9 billion
Hungary	US\$ 30.4 billion
Latvia	US\$ 0.9 billion
Lithuania	US\$ 3.9 billion
Poland	US\$ 296.0 billion
Slovak Republic	US\$ 4.8 billion
Slovenia	US\$ 7.3 billion
Total	US\$ 368.5 billion

Qualitative sentiment – Central Europe and the Baltic states

Views on central Europe and the Baltic states (CEB) remained fairly stable. Participants explained that over the years, these countries had instituted reforms, maintained prudent state finances and integrated into the broader European community, supporting economic growth and the “convergence story”.

In 2019, uncertainty over political developments was the primary issue weighing on sentiment. Destabilising events, such as Brexit and the rise to power of populist parties with unorthodox policies, were seen as having far-reaching consequences across borders, reducing visibility as to the future of regulatory frameworks. Investors feared the trajectory of the wider region could be impacted by diverse factors, such as the trade tensions between the USA and China, because of the region’s export exposure.

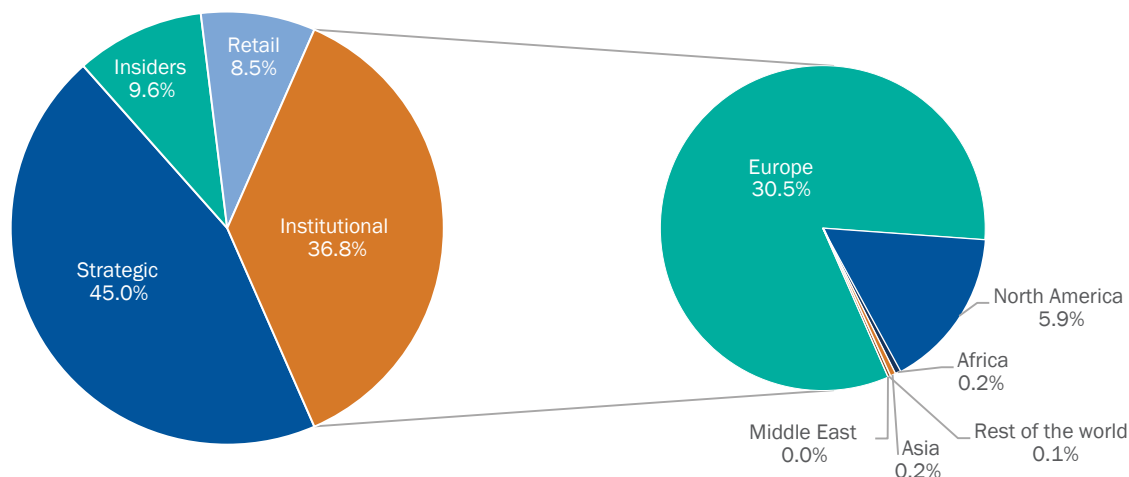
Participants did not forecast an imminent recession, however, as governments were in a position to implement growth-stimulating policies if need be. They also identified some exceptions to the bearish scenario. Poland, for example, continued to grow at a brisk pace despite the slowdown in western European economies. Awareness of best-in-class ESG practices had improved and many governments continued to focus on integration with their neighbouring countries. Central Europe was also seen as having some of the best liquidity of the EBRD regions, with markets becoming broader and deeper over time.

Identified ownership structure

Strategic and institutional investors were the main holders identified in central Europe and the Baltic states, with 45.0 per cent and 36.8 per cent of disclosed ownership, respectively. Retail accounted for 8.5 per cent, while insiders made up the remaining 9.6 per cent. European investors dominated institutional exposure, accounting for 82.7 per cent of the region’s net institutional investment as of 30 June 2019. **Norges Bank Investment Management** entered the list of top 10 shareholders, with US\$ 1.6 billion invested as of Q2 2019, up from US \$858.5 million in Q2 2017.

CENTRAL EUROPE AND THE BALTIC STATES

Investment in central Europe and the Baltic states by investor type and institutional investment by investor region, Q2 2019



Top 10 investors in central Europe and the Baltic states, Q2 2019

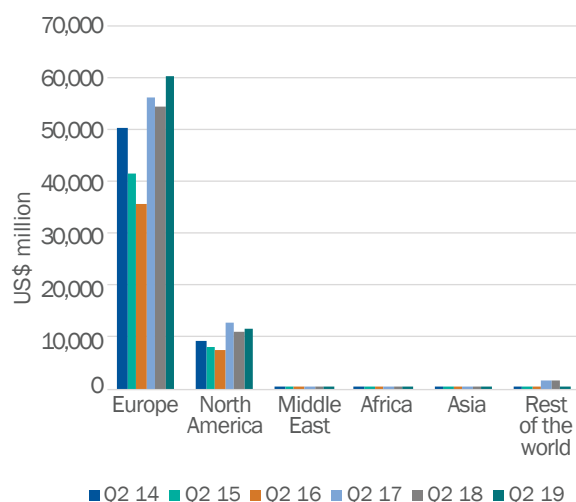
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in CEB (US\$ million)
Nationale-Nederlanden PTE	Low	POL	Active	Global	8,471.4	8,410.4
Aviva Santander	Low	POL	Active	Global	6,155.6	6,117.0
PTE PZU	Low	POL	Active	Global	4,712.2	4,661.8
Aegon PTE	Low	POL	Active	Regional	2,883.9	2,872.1
MetLife PTE	Low	POL	Active	Global	2,568.9	2,564.8
Vangaurd	Low	USA	Passive	Global	13,641.2	2,532.0
Aviva Investors Poland TFI	Low	POL	Active	Global	2,214.4	2,212.6
AXA PTE	Low	POL	Active	Regional	1,911.2	1,888.3
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	1,779.2
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	1,611.3

Identified institutional flows

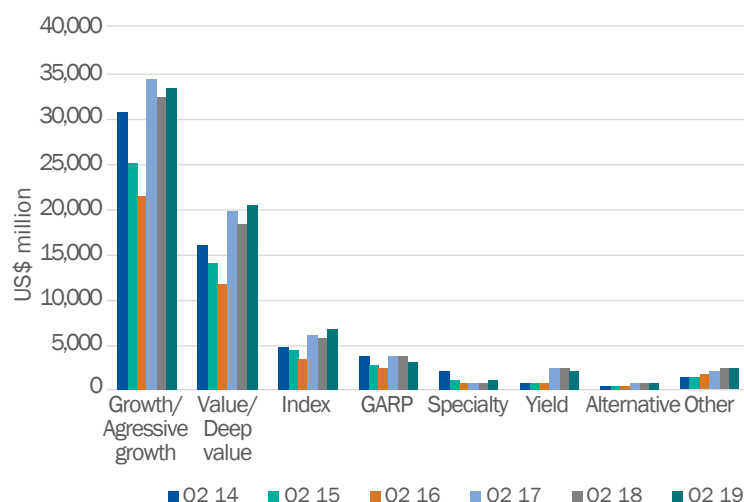
Net investment in central Europe and the Baltic states grew 23.4 per cent from Q2 2014 to Q2 2019 (up US\$ 14.0 billion) and totalled US\$ 72.6 billion at period end. Growth by investor region was mixed in the two years to June 2019: European firms dominated the space, moving US\$ 4.1 billion into the region's securities. North American firms, meanwhile, moved US\$ 130.0 million out of the region during the period. Polish investors skewed overall findings for the region, as the country's pension system invests heavily in domestic stocks, making it the leading investor in CEB. While African investors accounted for a minority of investment in the region, African institutions boosted their investment in the region by 324.5 per cent from 2014. This was, in part, down to **Public Investment Corporation** and **Coronation Asset Management** stepping up their investment in Polish securities. While growth firms dominated, deep-value and index firms increased their investment the most, by 52.6 per cent and 51.2 per cent, respectively, between Q2 2014 and Q2 2019.

CENTRAL EUROPE AND THE BALTIC STATES

Ownership by investor region

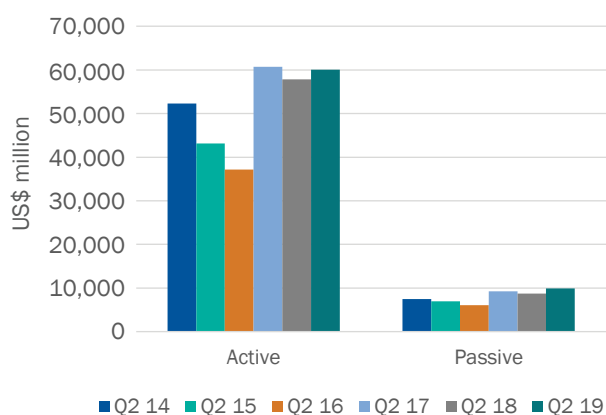


Ownership by investor style

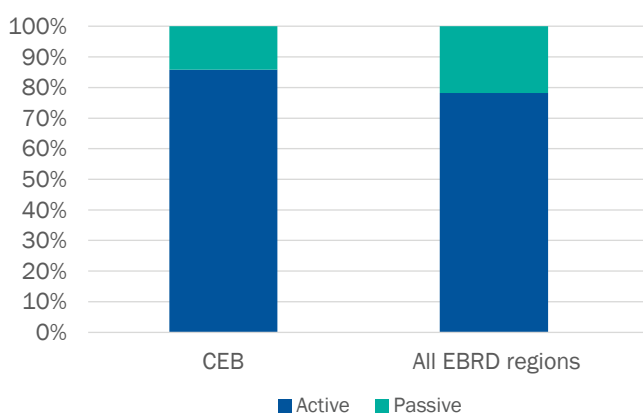


Active and passive investment both grew from 2014, though the ratio of active to passive investment was little changed. Passive investment stood at 14.1 per cent of institutional ownership as of Q2 2019, compared with a five-year average of 13.5 per cent and a broader EBRD region average of 21.8 percent.

Ownership by investor orientation

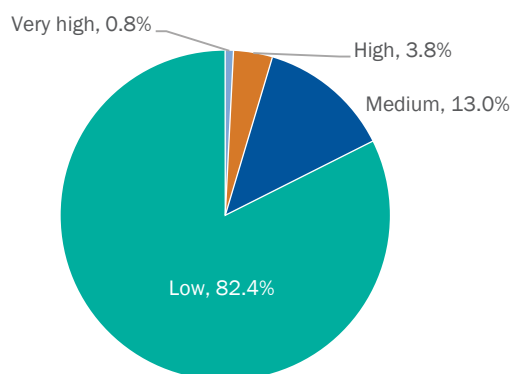


Ownership by investor orientation compared to EBRD regions



Most investment in central Europe and the Baltic states was by low-turnover investors, which accounted for 82.4 per cent of total institutional ownership as of Q2 2019.

Ownership by investor portfolio turnover



CROATIA

Stock exchange:	Zagreb Stock Exchange (ZSE)
Established:	5 July 1991
Market capitalisation:	US\$ 22.3 billion
Number of stocks:	124
MSCI market classification:	Frontier Markets
FTSE classification of equity market:	Frontier

The Zagreb Stock Exchange is part of the SEE link, along with the Athens Stock Exchange, Banja Luka Stock Exchange, BSE-Sofia, Belgrade Stock Exchange, Ljubljana Stock Exchange, Macedonian Stock Exchange and Sarajevo Stock Exchange, aimed at creating a regional infrastructure for trading securities on regional markets.

According to the Zagreb Stock Exchange's website, 16 companies listed (additional) shares on the exchange through IPOs and follow-ons between Q2 2017 and Q2 2019.

Verbatim investor commentary – Croatia

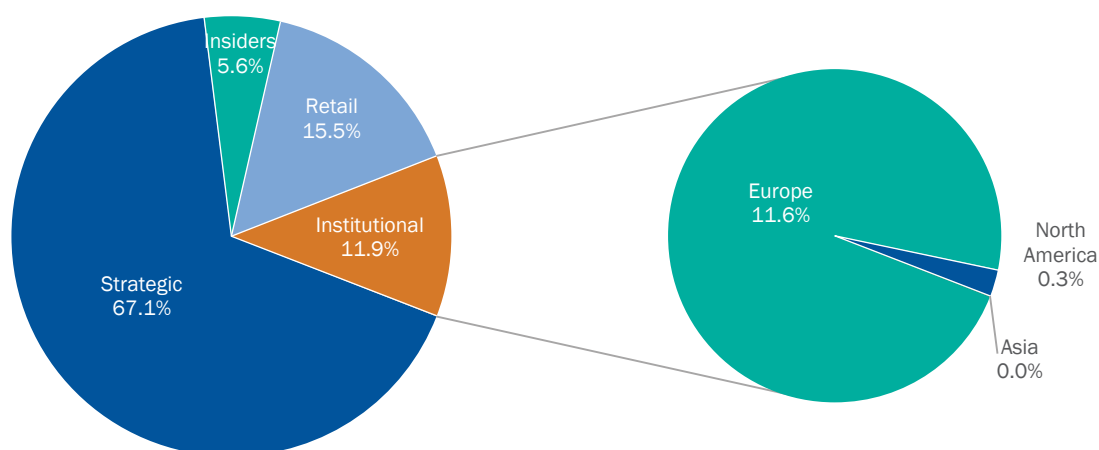
"Croatia is attractive for cheap valuations and high dividend yields. Another driver to invest in Croatia is because of asset allocation, which I have to fulfil. I have a mandate for around 15 per cent. Nevertheless, compared to other markets, like Hungary and Poland, Croatia is much cheaper and the economic situation is improving, as reflected by the better rating by Standard and Poor's earlier this year."

European mutual fund (>US\$ 1 billion EAUM)

Identified ownership structure

Strategic investors controlled 67.1 per cent of the Croatian market as of 30 June 2019. Retail investors were the next-largest holders, with 15.5 per cent. Insider investment stood at 5.6 per cent, while institutional investors held 11.9 per cent. European firms accounted for 97.3 per cent of all institutional ownership and the country's top eight investors were Croatian. Just one Asian firm was invested in Croatian equities as of Q2 2019, Carrera Asset Management Company (US\$ 1.6 million).

Investment in Croatia by investor type and institutional investment by investor region, Q2 2019



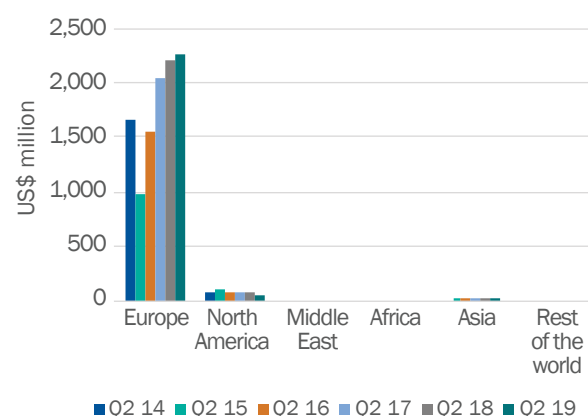
Top 10 investors in Croatia, Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in HRV (US\$ million)
Allianz ZB (Croatia)	Low	HRV	Active	Global	655.1	538.3
Hrvatsko Mirovinsko Investicijsko Društvo	Low	HRV	Active	Global	411.8	411.8
Raiffeisen Mirovinsko Društvo	Low	HRV	Active	Global	279.9	279.9
Erste d.o.o.	Low	HRV	Active	Global	275.3	253.8
PBZ Croatia Osiguranje	Low	HRV	Active	Global	314.3	237.8
HPB-Invest	Low	HRV	Active	Global	183.9	175.2
Raiffeisen Invest	Low	HRV	Active	Global	104.2	104.2
Državni ured za upravljanje državnom imovinom	Unknown	HRV	-	Regional	85.3	85.3
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	36.6
Parametric Portfolio Associates	Low	USA	Passive	Global	898.8	32.1

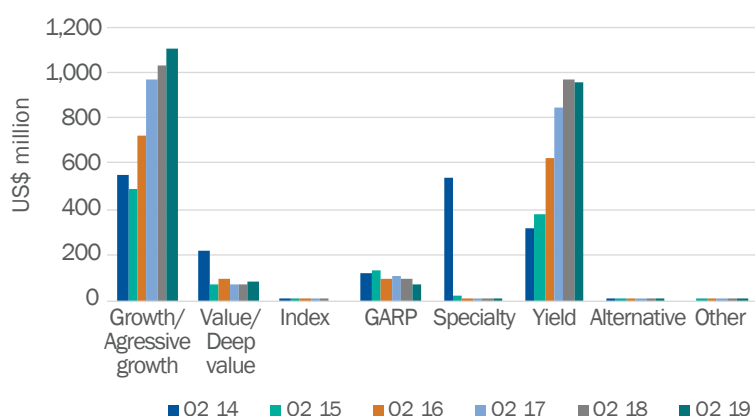
Identified institutional flows

Investors in Croatian equities increased their exposure to the country by 8.6 per cent between Q2 2014 and Q2 2019, bringing their net investment to US\$ 2.3 billion as of Q2 2019. North American firms decreased their exposure by 18.7 per cent in the two years to Q2 2019 and accounted for just 2.6 per cent of institutional ownership. Yield-seeking investment continued to grow, rising 37.6 per cent from 2014. Much of this was attributable to **Allianz ZB (Croatia)**, which bought US\$ 115.8 in Croatian equities. Croatia boasted the greatest share of ownership by yield investors as a percentage of total institutional investment (41.1 per cent) in the EBRD regions as of Q2 2019.

Ownership by investor region



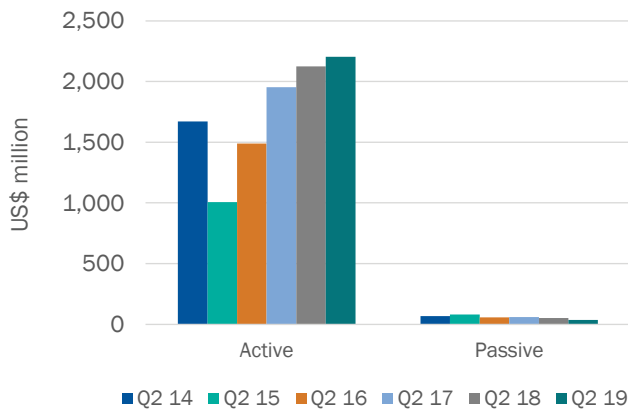
Ownership by investor style



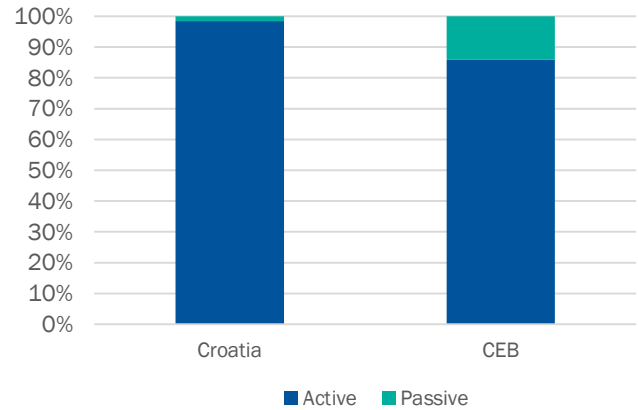
CENTRAL EUROPE AND THE BALTIC STATES - CROATIA

The study identified three passive investors in Croatia, the largest of which was **Parametric Portfolio Associates**, a US-based GARP investor with US\$ 32.1 million in Croatian equities. **BlackRock Fund Advisors** and **State Street Global Advisors** had invested in the country as of the 2017 analysis, but then liquidated their positions. Passive investment in Croatia stood at just 1.6 per cent of total institutional investment as of Q2 2019, giving Croatia the largest percentage of active investment of all countries in central Europe and the Baltic states.

Ownership by investor orientation

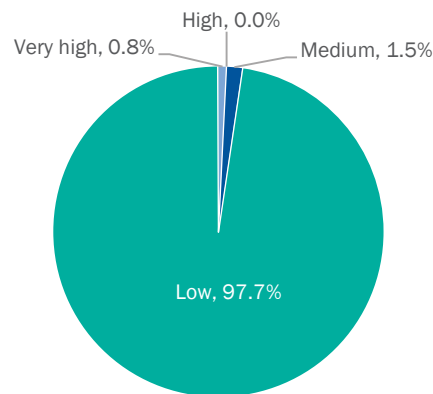


Ownership by investor orientation compared to region



Erste Asset Management was the only very-high-turnover investor among Croatia's top 20, with an average holding period of less than a year. Croatia had the greatest proportion of low-turnover investors in central Europe and the Baltic states as of Q2 2019, at 97.7 per cent.

Ownership by investor portfolio turnover



ESTONIA

Stock exchange:	Nasdaq Tallinn
Established:	19 April 1995
Market capitalisation:	US\$ 2.9 billion
Number of stocks:	18
MSCI market classification:	Frontier Markets
FTSE classification of equity market:	Frontier

Nasdaq Tallinn, along with Nasdaq Riga and Nasdaq Vilnius, form the Nasdaq Baltic market. Each member exchange uses a harmonised trading system, trading rules and market practices.

On its website, as of Q2 2019, Nasdaq Tallinn reported two IPOs since Q2 2017 (Tallinna Sadam and Eften Real Estate Fund).

Verbatim investor commentary – Estonia

“Top down, I think Estonia is very attractive. It is a good country, with a good liberal economy and good taxation. The predictability is high. Again, the setback is liquidity. When we find the couple of companies that are most liquid, but still quite illiquid, we do not necessarily find them that attractive from a bottom-up perspective. We do have some small investments in Estonia.”

European mutual fund (>US\$ 10 billion EAUM)

“When you invest in a less developed market like Kazakhstan, you have to focus on the most solid stocks in terms of corporate governance, transparency and size. You would want something that gives you exposure to the economy, like banks. You do not want to go exotic there. In Estonia, you can actually go and invest into a local port or something which is attractive for its business case. In Kazakhstan, you just want to go for the absolute top ESG stocks you can find, while in Estonia you have in general a better ESG environment, so you can pick and be a bit more exotic.”

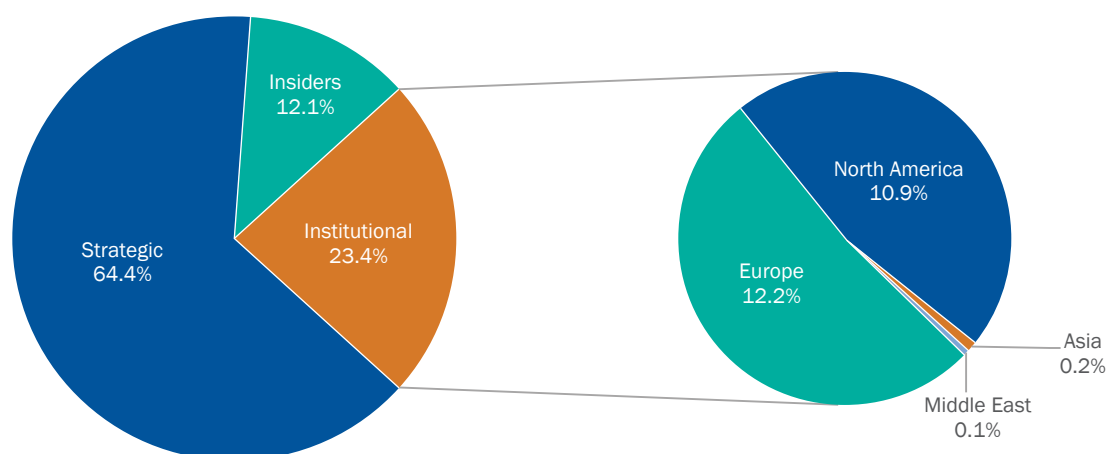
European mutual fund (>US\$ 1 billion EAUM)

“Estonia is a fast-growing economy in Europe and also has been quite good at keeping a budget deficit and public debt in balance or limited. From a macro perspective, it looks very interesting. The problem has been historically that there have not been that many large companies listed on the stock exchange. I recently invested in [a local company], which I find a good business, a solid, stable business. I also had the opportunity to invest a significant amount. Otherwise, when there is a limited volume in the shares, it can be quite difficult to get the size that you need in order for it to be a meaningful exposure.”

European mutual fund (>US\$ 50 billion EAUM)

Identified ownership structure

Strategic investment accounted for 64.4 per cent of Estonian ownership as of Q2 2019, with insiders making up 12.1 per cent of investors and institutions accounting for 23.4 per cent. There were no verified data on retail investors, Europe managed to edge out North America to gain the dominant share of institutional investment in the country as of Q2 2019, accounting for 51.9 per cent compared with North America's 46.5 per cent. Estonia had the largest percentage of North American ownership in the EBRD regions as of Q2 2019. **The Rohatyn Group** remained the country's top investor, accounting for 31.7 per cent of total institutional investment.

Investment in Estonia by investor type and institutional investment by investor region, Q2 2019**Top investors in Estonia, Q2 2019**

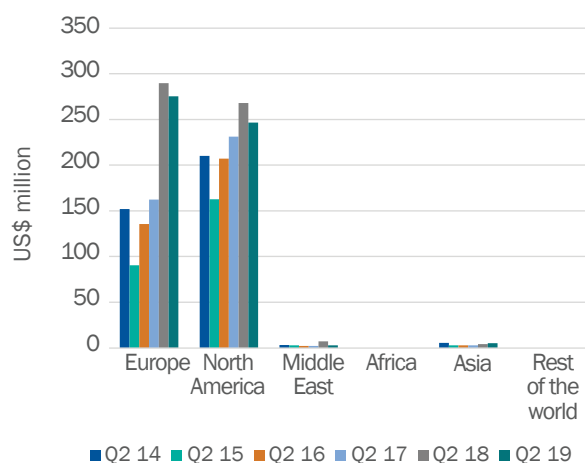
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in EST (US\$ million)
The Rohatyn Group	Unknown	USA	Active	Global	168.1	168.1
Firebird Management	Low	USA	Active	Global	78.9	44.9
LHV Varahaldus	Low	EST	Active	Global	40.8	40.8
Genesis Investment Management	Low	GBR	Active	Global	1,823.4	23.5
Swedbank Robur Fonder	Low	SWE	Active	Global	1,498.9	21.3
Ambient Sound Investments	Unknown	EST	Active	-	21.3	21.3
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	20.7
Parametric Portfolio Associates	Low	USA	Passive	Global	898.8	20.6
NNIP Advisors	Medium	NLD	Active	Global	169.3	19.0
SEB Varahaldus	Medium	EST	Active	Global	646.2	16.6

Identified institutional flows

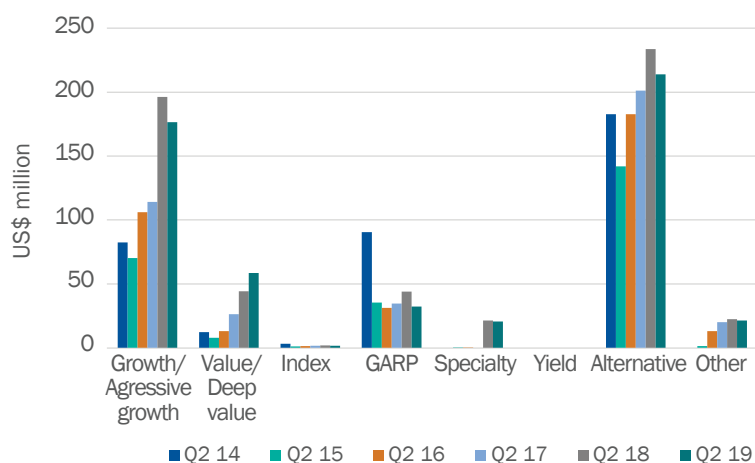
European investment in Estonia grew US\$ 7.8 million, or 2.0 per cent, from Q2 2017 to Q2 2019. During that period, 14 European investors initiated positions in the country worth a total US\$ 81.2 million. The **Kuwait Investment Authority** was the Middle East's sole investor, while two Hong Kong-based firms, **Templeton Asset Management** (Hong Kong) and **Mackenzie Investments Asia** accounted for all investment from Asia. As Estonia's top two investors were hedge funds (unchanged from the 2017 report), the alternative style of investment dominated; Estonia had a greater percentage of alternative investment than any of the other countries profiled in Q2 2019.

CENTRAL EUROPE AND THE BALTIC STATES - ESTONIA

Ownership by investor region

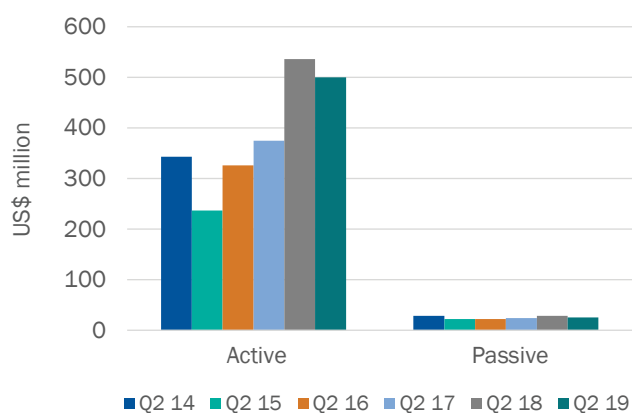


Ownership by investor style

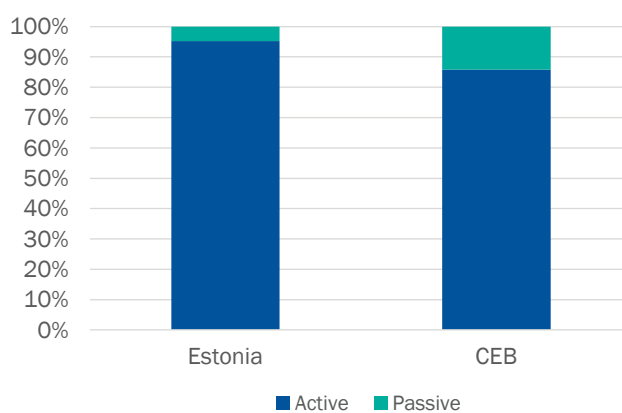


Passive investment remained nearly flat over five years, at US\$ 25.0 million as of 30 June 2019 compared with US\$ 28.1 million in June 2014. While investment exposure was greater in Q2 2019 than in Q2 2014, this was down to performance, as passive investors actually sold Estonian equities (totally US\$ 2.1 million) during the period. Active investment increased 6.3 per cent in the five years to end Q2 2019.

Ownership by investor orientation

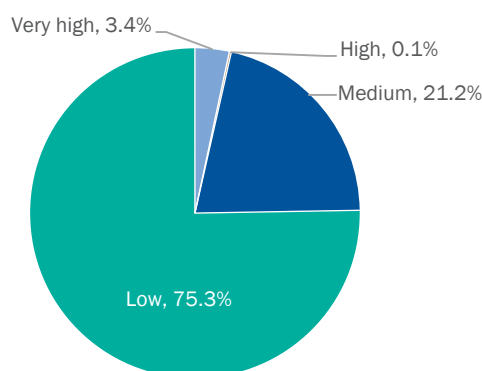


Ownership by investor orientation compared to region



Estonian equities were primarily held by low- and medium-turnover investors. There were five high- or very-high-turnover investors in the country as of Q2 2019 out of a total 59 firms.

Ownership by investor portfolio turnover



HUNGARY

Stock exchange:	Budapest Stock Exchange
Established:	21 June 1990
Market capitalisation:	US\$ 30.4 billion
Number of stocks:	44
MSCI market classification:	Emerging Markets
FTSE classification of equity market:	Advanced Emerging

Four companies listed on the Budapest Stock Exchange between Q2 2017 and Q2 2019, according to Factset.

Verbatim investor commentary – Hungary

“In markets like Poland and Hungary, for the major stocks, the blue-chips, the liquidity is fairly available. However, for the small caps, liquidity is a big concern and we are avoiding trading illiquid names.”

European mutual fund (>US\$ 1 billion EAUM)

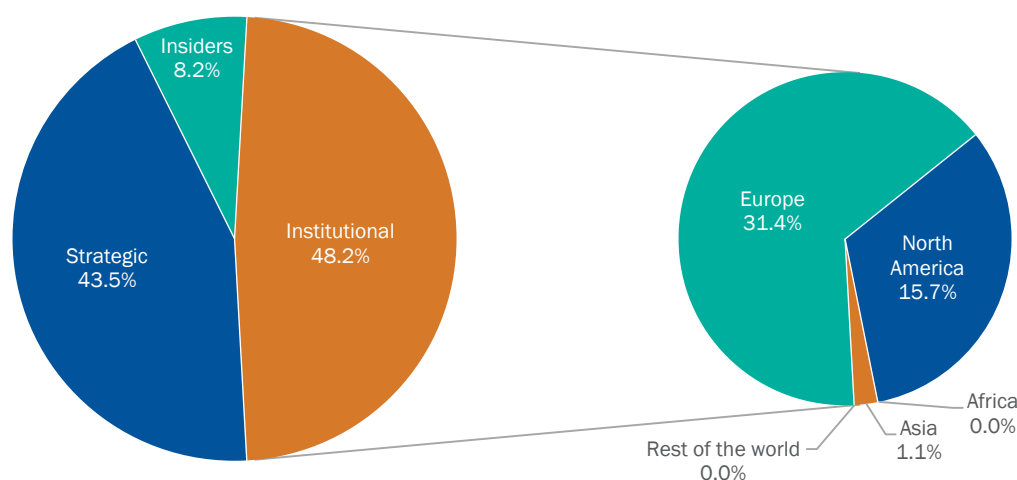
“Hungary has gone through a big turnaround in recent years. The economy has been very strong. This is something that can attract investors. The reforms which have been implemented make the labour market a little bit more flexible. Those are beneficial from the point of view of long-term growth and stability. The economy has become much more investment friendly and market oriented ... In Hungary, the risks are mostly cyclical since the economy is very strongly connected to Germany, Austria and western Europe. Of course, we are considering some political risk, but I personally do not think it is extremely elevated when you compare it to other emerging markets.”

European pension fund (>US\$ 1 billion EAUM)

Identified ownership structure

Investment in Hungary was primarily split between strategic and institutional investors, which accounted for 43.5 per cent and 48.2 per cent of ownership, respectively, as of Q2 2019. Insiders accounted for the remaining 8.2 per cent, as no retail investment was identified. European and North American firms dominated the institutional investment environment, with no investment at all from Middle Eastern investors. The **Maecenas Universitatis Corvini Foundation** entered the list of top investors in first place, having not held any investments in the country in 2017.

Investment in Hungary by investor type and institutional investment by investor region, Q2 2019



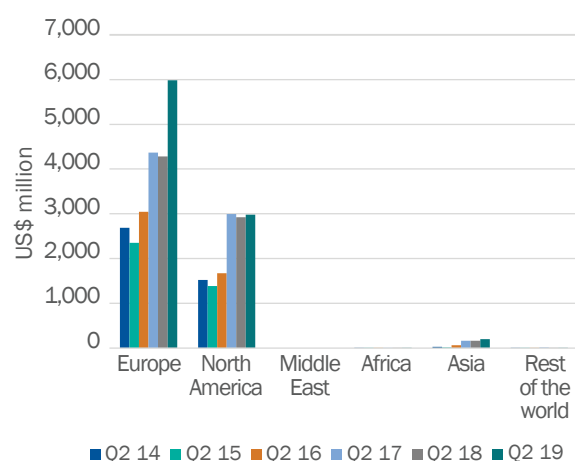
Top investors in Hungary, Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in HUN (US\$ million)
Maecenas Universitatis Corvini Foundation	Unknown	HUN	-	Regional	1,248.9	1,248.9
The Vanguard Group	Low	USA	Passive	Global	13,641.2	608.5
Groupama	Unknown	FRA	Passive	Global	611.2	575.0
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	346.8
J.P. Morgan Asset Management (UK)	Medium	GBR	Active	Global	3,715.4	313.4
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	282.5
Lazard Asset Management	Medium	USA	Active	Global	2,674.7	223.8
Harding Loevner	Low	USA	Active	Global	1,455.4	198.6
Aberdeen Standard Investments	Medium	GBR	Active	Global	945.5	183.1
T. Rowe Price International	Medium	GBR	Active	Global	1,285.6	180.2

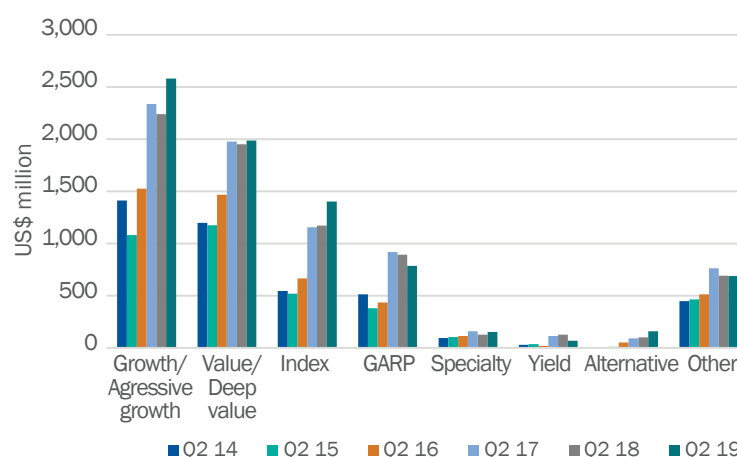
Identified institutional flows

Investment flows into Hungary in the five years to Q2 2019 rose 29.4 per cent. The growth stemmed largely from European and Asian investors, which increased their exposure by 9.1 per cent and 15.1 per cent, respectively, from Q2 2017 to Q2 2019. North American investment remained nearly flat, slipping 1.4 per cent from 2017. Style-wise, momentum was mixed. Deep-value (up 92.5 per cent) and alternative investors (hedge funds, up 65.7 per cent) bought most aggressively. Hungary saw significantly more index-firm investment than the other countries in central Europe and the Baltic states, at 15.3 per cent of total institutional ownership; Poland came closest, at 9.4 per cent.

Ownership by investor region



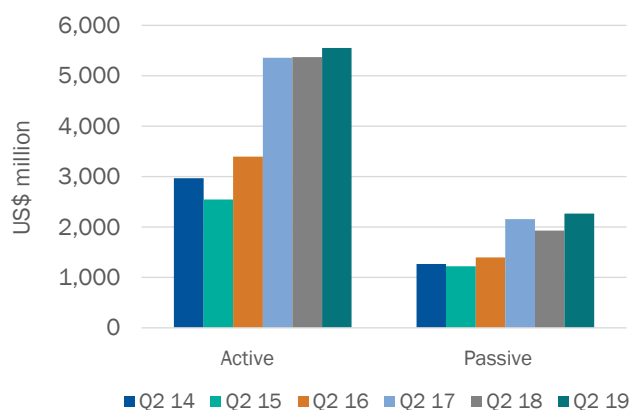
Ownership by investor style



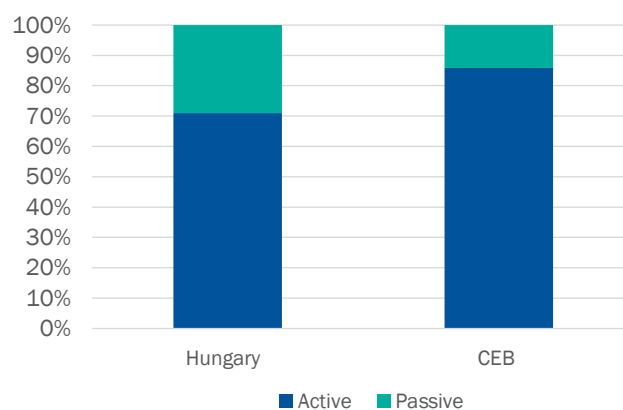
CENTRAL EUROPE AND THE BALTIC STATES - HUNGARY

Three of Hungary's four largest shareholders were passive funds, including USA-based behemoths **The Vanguard Group** and **BlackRock Fund Advisors**. Passive investment accounted for 29.0 per cent of institutional ownership in Hungary as of Q2 2019, far outweighing that in broader central Europe and the Baltic states.

Ownership by investor orientation

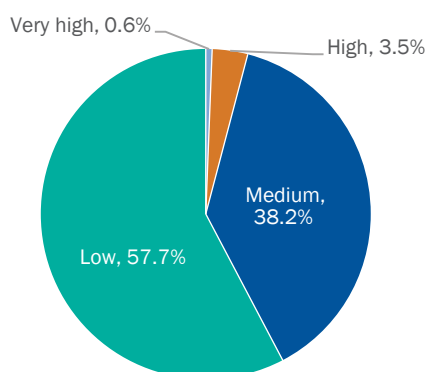


Ownership by investor orientation compared to region



Hungarian equities saw the greatest percentage of investment from medium-turnover institutions of all countries in central Europe and the Baltic states, at 38.2 per cent. Five of the country's top 10 investors were medium-term investors.

Ownership by investor portfolio turnover



LATVIA

Stock exchange:	Nasdaq Riga
Established:	7 December 1993
Market capitalisation :	US\$ 863.5 million
Number of stocks:	19
MSCI market classification:	Not classified
FTSE classification of equity market:	Frontier

Nasdaq Riga, along with Nasdaq Tallinn and Nasdaq Vilnius, form the Nasdaq Baltic market. Each member exchange uses the same trading rules, trading system and market practices.

According to the exchange's website, Nasdaq Riga saw two IPOs between Q2 2017 and Q2 2019: Frigate and MADARA Cosmetics.

Verbatim investor commentary – Latvia

“Unfortunately, normally, when you are speaking about the Baltics, you do not speak about Latvia because it has very underdeveloped capital markets. It does not really see any IPOs. Some of the listings that it has are legacy listings from the post-Soviet privatisation wave. From that point of view, there is a different understanding of ESG and governance in particular. At the moment, we actually do not invest in Latvia. We might invest in companies that do business in Latvia. We do not exclude the country. We have a real estate arm that is running real estate funds, buying property, and we invest in Latvia through real estate. From that point of view, it is an attractive market. There is the regular convergence story. The [Baltic states] did everything right post breakup. They did all the reforms. There is good [prudence] in state finances. All those milestones of integration with the EU were done right, so you have very good development on a macro level and it is very sustainable. There are no imbalances. You have strong Swedish banks operating in the countries. There are problems. Latvia is different from Estonia and Lithuania for example. It has more ties with Russia that cast a shade on the transparency of the banks and there are some probes into money laundering. Those things are holding back the country somewhat relative to neighbours.”

European mutual fund (>US\$ 1 billion EAUM)

“One risk is that populism is on the rise across the region. The financial markets are also more politically driven across the board. The most ... developed, with the highest transparency, are the Baltic markets, Estonia, Latvia, Lithuania. I would also highlight the markets like Poland, the Czech Republic of course, and Slovenia. These are more developed markets. The further south we go, corporate governance tends to be more of an issue, especially with the smaller companies.”

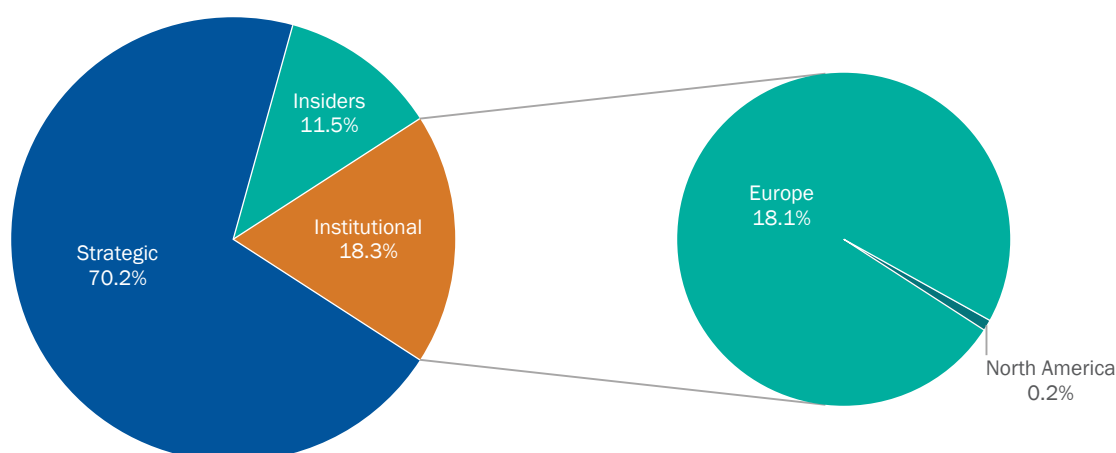
European mutual fund (>US\$ 100 million EAUM)

Identified ownership structure

Strategic investment dominated in Latvia, accounting for 70.2 per cent of total investment as of Q2 2019. Insider ownership made up 11.5 per cent and institutional investors accounted for the remaining 18.3 per cent, as no retail investors were identified.

Marguerite Adviser remained the country's top shareholder, with US\$ 153.7 million invested in Latvian equities, alone accounting for 94.8 per cent of the country's institutional investment.

Investment in Latvia by investor type and institutional investment by investor region, Q2 2019

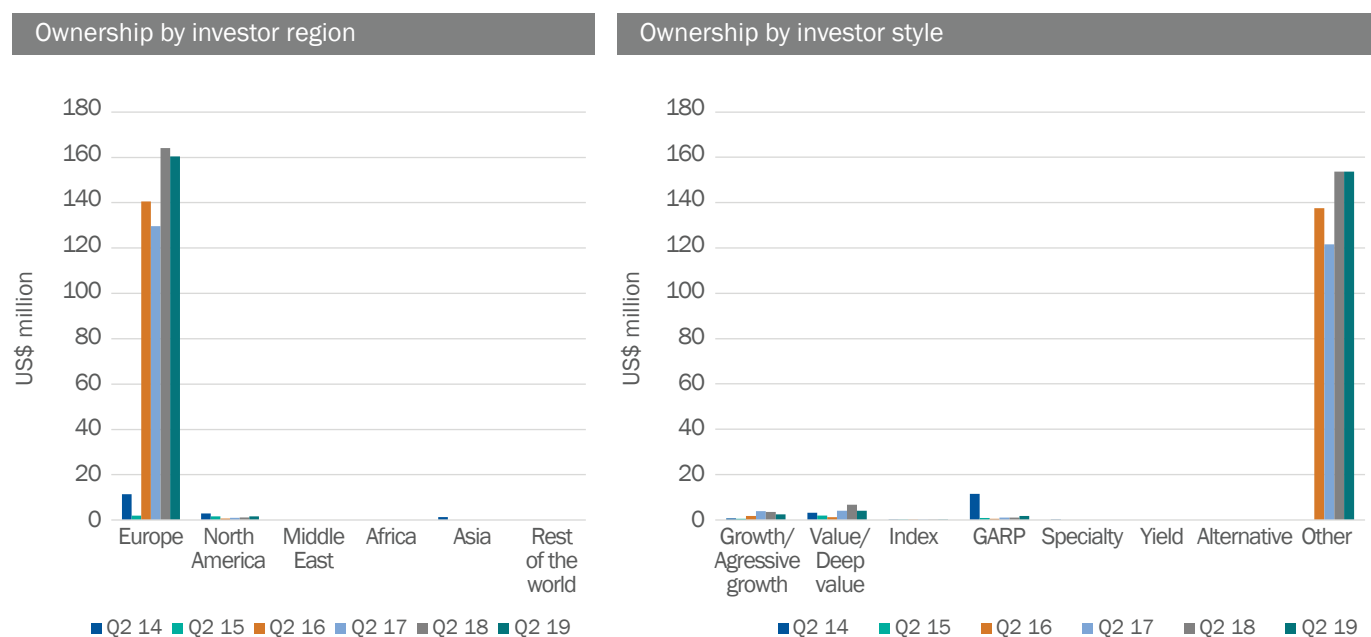


Top investors in Latvia as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in LVA (US\$ million)
Marguerite Adviser	Unknown	LUX	Passive	Regional	153.7	153.7
Swedbank Investment Management Company	Very High	LVA	Active	Regional	15.0	2.4
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	2.0
INVL Asset Management	Low	LTU	Active	Global	34.8	2.0
Parametric Portfolio Associates	Low	USA	Passive	Global	898.8	1.7
Orion Asset Management	Unknown	LTU	Passive	Regional	11.5	0.1
CBL Asset Management	Low	LVA	Active	Global	4.6	0.1
Union Investment Austria	Low	AUT	Active	Global	20.9	0.1
Trigon Capital	Medium	EST	Active	Global	216.5	0.0
Eaton Vance Management	Low	USA	Active	Global	128.4	0.0

Identified institutional flows

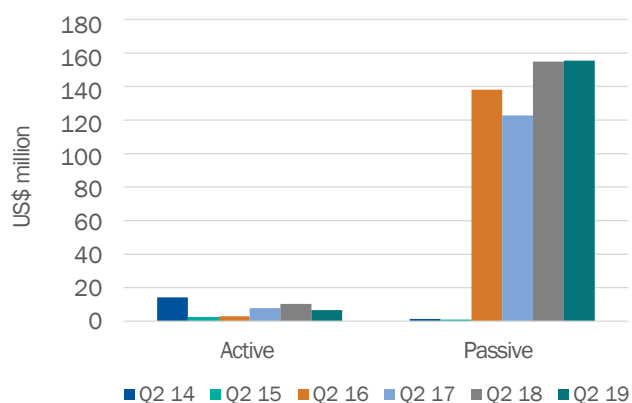
The top 10 investors in Latvia were all institutional investors. Net institutional investment in the country stood at US\$ 162.1 million as of Q2 2019. **Aurejärvi Varainhoito** and **NLB Skladi** were both invested in Latvia in Q2 2017, but since liquidated their investments.



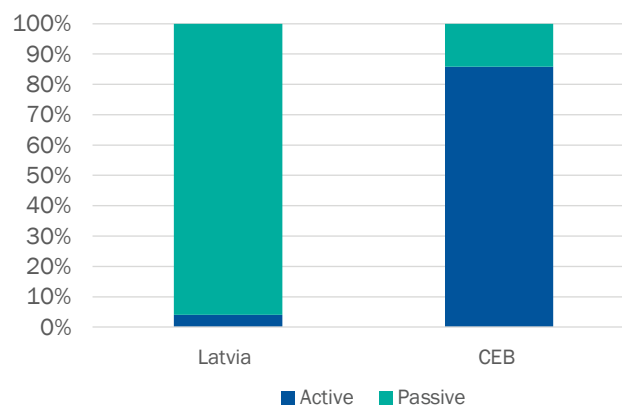
CENTRAL EUROPE AND THE BALTIC STATES - LATVIA

Four of the country's top 10 shareholders were passive. This meant it had the most passive firms as a percentage of total institutional investors of all economies analysed (95.9 per cent).

Ownership by investor orientation

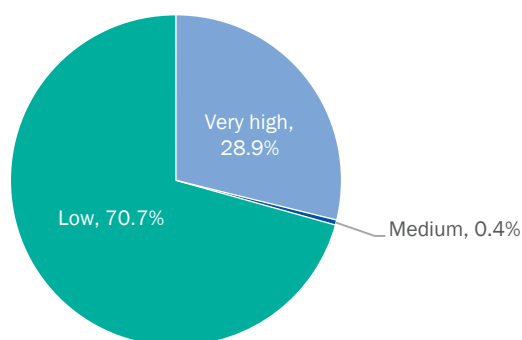


Ownership by investor orientation compared to region



Latvia's dominant shareholder, **Marguerite Adviser**, did not have an identifiable turnover rate, so it was difficult to pinpoint the turnover of Latvian securities. However, the firm's equity portfolio is entirely invested in Latvian Gas company Latvijas Gaze and it has held a steady investment in the company since initiation, so it is reasonable to consider the firm low turnover. Six of Latvia's top 10 shareholders use long-term portfolio strategies. Latvia has the second-highest proportion of very-high-turnover investment in the EBRD regions, behind just the Slovak Republic, which also has minimal identified institutional investment.

Ownership by investor portfolio turnover



LITHUANIA

Stock exchange:	Nasdaq Vilnius
Established:	September 1992
Market capitalisation:	US\$ 3.9 billion
Number of stocks:	26
MSCI market classification:	Frontier Markets
FTSE classification of equity market:	Frontier

Nasdaq Vilnius, along with Nasdaq Riga and Nasdaq Tallinn, form the Nasdaq Baltic market. Each member of the exchange uses the same trading rules, trading system and market practices.

One company listed on the Lithuanian exchange between the end of Q2 2017 and Q2 2019, according to the exchange's website: Novaturas.

Verbatim investor commentary – Lithuania

“We do invest in Estonia and Lithuania, which I think have a very good environment on the top-down level, but in terms of capital markets they are very illiquid. You cannot do much there, although you still have a good dividend yield and the economies are quite attractive and stable, even though the market is growing [in] single digits in terms of [earnings per share (EPS)].”

European mutual fund (>US\$ 1 billion EAUM)

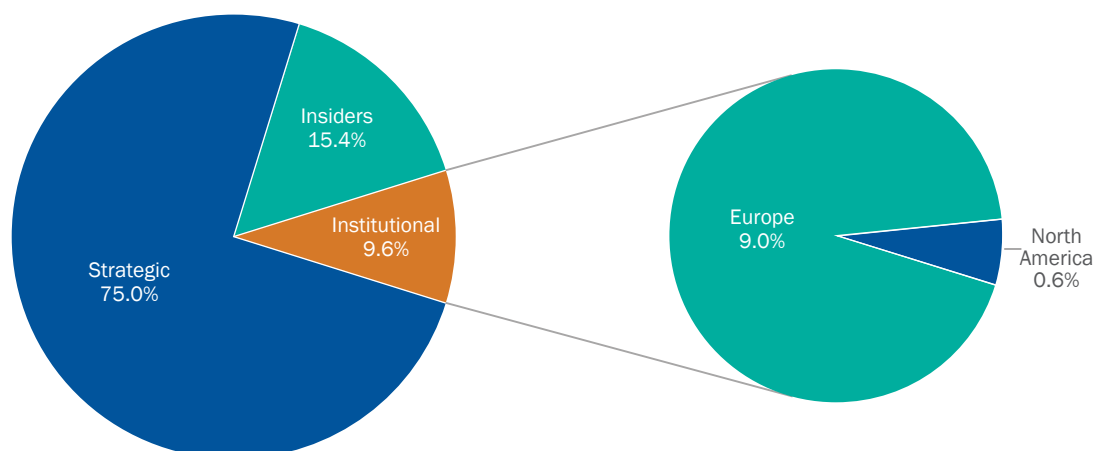
“The main story back then and today as well is the GDP convergence story. Living standards of central and eastern Europe will converge and have converged to western European levels. The macro story is where the main growth driver is. On top of that, and partially thanks to that, the growth of the companies has been faster than in western Europe. Today, in this cycle, the multiples of where the companies are trading have been lower throughout the cycle. The dividend yields are considerably higher than in western Europe and in most other markets in the world. That makes the market attractive today as well for us.”

European mutual fund (>US\$ 100 million EAUM)

Identified ownership structure

Strategic investors made up three-quarters of identified ownership in Lithuanian securities, with insider ownership at 15.4 per cent and institutional investment at 9.6 per cent; there were no identified retail investors in the country. Among Lithuania's institutional investors as of Q2 2019, five were in the United States of America, and the remaining 24 were spread across Europe.

Investment in Lithuania by investor type and institutional investment by investor region, Q2 2019



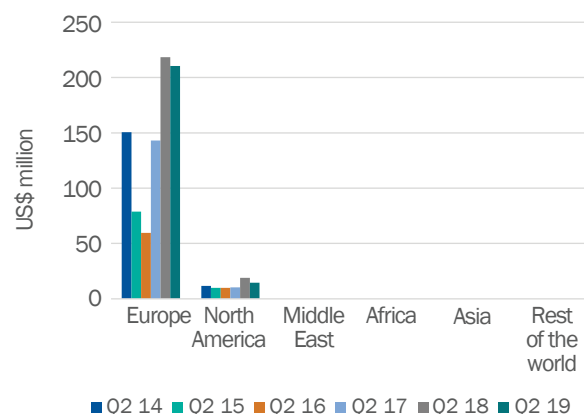
Top investors in Lithuania as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in LTU (US\$ million)
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	89.7
Swedbank Investeerimisfondid	Low	EST	Active	Global	64.5	42.9
Enterprise Investors	Unknown	POL	Active	Regional	69.1	30.1
Orion Asset Management	Unknown	LTU	Passive	Regional	11.5	9.8
INVL Asset Management	Low	LTU	Active	Global	34.8	9.5
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	8.6
Parametric Portfolio Associates	Low	USA	Passive	Global	898.8	8.4
Firebird Management	Low	USA	Active	Global	78.9	4.3
Swedfund International	Unknown	SWE	Active	Regional	15.0	4.0
Swedbank Investment Management Company	Very High	LVA	Active	Regional	15.0	3.3

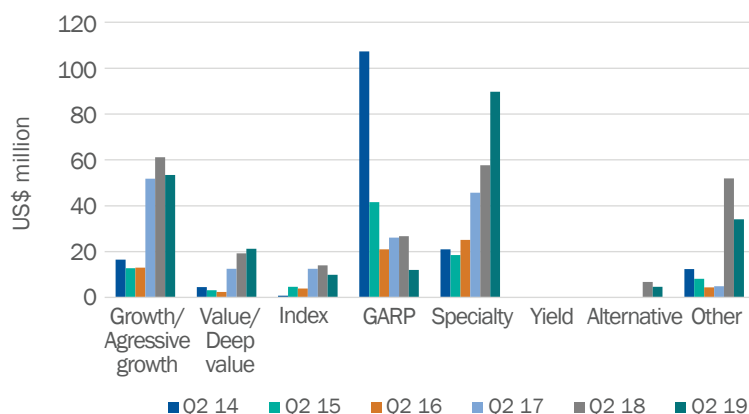
Identified institutional flows

As of Q2 2019, 93.6 per cent of Lithuania's institutional holdings were in the hands of its top 10 investors. Between Q2 2014 and Q2 2019, investors moved a net US\$ 94.3 million out of Lithuanian equities. However, this trajectory had slowed in the last two years, with US\$ 29.3 million of selling since Q2 2017. GARP-oriented firms decreased their investment in the country by 41.7 per cent in the two years to Q2 2019. This was attributable to **East Capital Asset Management**, which reduced its exposure to the country by US\$ 11.4 million during that period (and by US\$ 76.4 million since Q2 2014). Lithuania had a greater percentage of private-equity ownership than any other country in central Europe and the Baltic states, at 15.2 per cent. Private equity is included in the “other” category in the chart below.

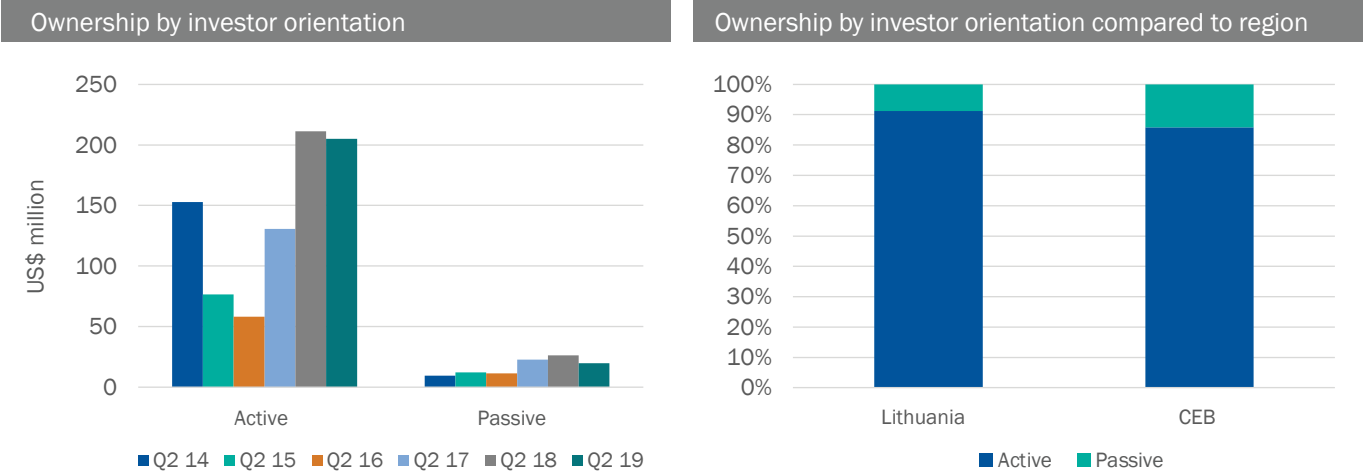
Ownership by investor region



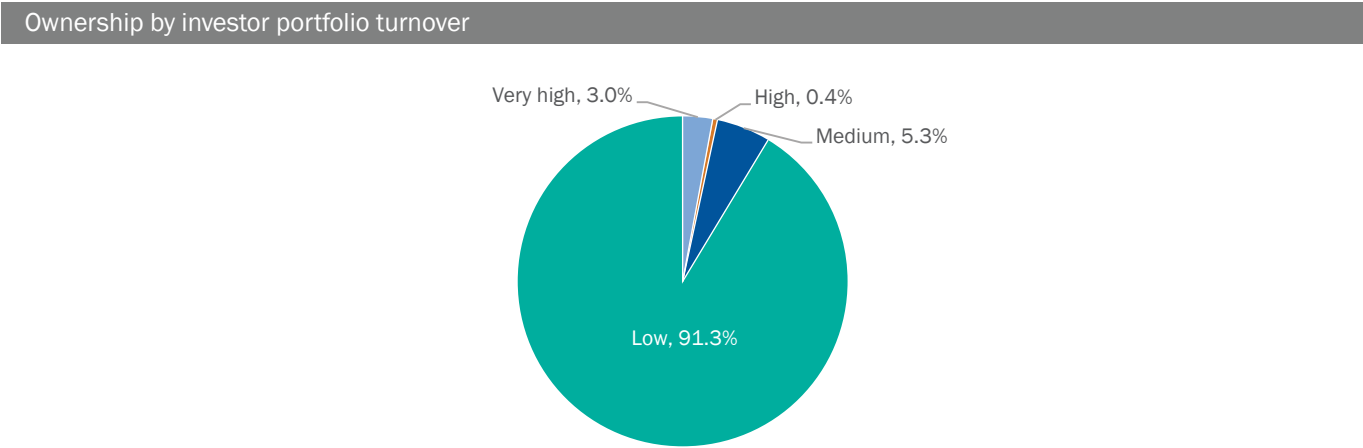
Ownership by investor style



While net investment by active and passive firms was significantly higher than it was five years previously, this was primarily down to performance, as active investors sold US\$ 95.2 million during this time and passive investors bought little, up just US\$ 0.7 million.



As Lithuania's equity ownership was highly concentrated, so was its turnover breakdown. Six of the top ten investors in the country had low-turnover portfolios.



POLAND

Stock exchange:	Warsaw Stock Exchange (GPW)
Established:	12 April 1991
Market capitalisation:	US\$ 296.0 billion
Number of stocks:	459
MSCI market classification:	Emerging Markets
FTSE classification of equity market:	Developed

The Warsaw Stock Exchange saw 14 new listings on the Main Market between Q2 2017 and Q2 2019, according to its website.

Verbatim investor commentary – Poland

“Poland is a market that stands out positively for its investment opportunities. Some other markets, like Bulgaria, Romania and the Czech Republic, we have tried to invest in, but it did not work really well. Investors want large markets. Somebody needs to develop these markets and they have to be of some size. Even if they are big, people also do not want to trade across 500 markets. They prefer to trade in five. If someone can combine smaller markets into one, it becomes interesting.”

European mutual fund (>US\$ 100 million EAUM)

“Markets that work well would be Poland, Hungary and the Czech Republic. These are all big, liquid markets and are easy for foreigners to access because there are no restrictions. It starts to get more challenging as soon as you start to add restrictions to the market.”

North American mutual fund (>US\$ 10 billion EAUM)

“There is only a small risk with investing in Poland when you compare with other European countries generally. Especially because it has its own currency and good fiscal and monetary policies. The tail risk in Poland is smaller than the average country in Europe. In the OECD, Turkey and Mexico are higher risk. Hungary is higher risk. In Europe, Romania and Croatia are higher risk. Italy, Portugal and France are higher risk. Some of these countries have deficits. The debt is very high.”

European mutual fund (>US\$ 1 billion EAUM)

“In Ukraine, we would invest mainly through Poland and London, where the biggest companies are listed. I would rate the ease of trading in Ukraine a 3. The ease of trading in Slovenia is a 3. The company we are invested in there is listed in London. The ease of trading in Turkey is a 4 and Cyprus also a 4. The market in Poland is very easy to access, I would rate ease of trading a 5.”

European mutual fund (>US\$ 50 billion EAUM)

“I am bullish on eastern Europe and the Caucasus because we have seen what has happened in central Europe. Take Poland for example. At a time when Germany is not growing very rapidly, Poland is doing pretty well and Hungary and other central European countries. You have governments focus on reform, stability, and growth, bringing down inflation and interest rates. That whole phenomenon is going to continue to shift east and as it does you potentially have opportunities there.”

North American mutual fund (>US\$ 1 billion EAUM)

“Poland has the best liquidity, but it has mostly the old sectors, which I do not find so attractive. It has a lot of coal power plant companies and financial companies. Regarding the sectors, they are not so diversified. If you compare the nominal GDP of Poland from last year and the year before the credit crisis, in 2007, it is 70 per cent higher now, but the companies of the WIG20 index have the same net income that they had 11 years ago. That is even though the GDP is 70 per cent higher. This is mostly because of the old sectors. Before the crisis, oil was at US\$ 100 and now it is around US\$ 55. Of the power plants, 80 per cent are coal power plants. The banks in Poland and eastern Europe are not heavily involved in new banking. They are involved in the old banking business, which just gives mortgage credit. That is better currently, from a macroeconomic perspective. It seemed that the old banking sector was more stable than modern banking. If the economy is improving, like it has been in eastern Europe, then more people have jobs and higher incomes and can pay back their mortgages. If economic conditions worsen, this benefit is lost. From a sector diversification perspective, I do not rate Poland highly ... Poland is easy to trade in because of liquidity and because of a very strong venture fund scheme. They are very active on the market and provide the market with liquidity. In addition, Poland has market makers also. They have a functioning market.”

European mutual fund (>US\$ 1 billion EAUM)

Identified ownership structure

Strategic investors and institutional investors made up 80.3 per cent of Poland's identified ownership, split nearly evenly between the two. Insiders and retail investors represented 10.5 per cent and 9.3 per cent, respectively. Europe remained the top regional source of investment in Polish equities, at 33.9 per cent of total ownership and 84.9 per cent of institutional ownership, worth US\$ 49.8 billion. Poland saw the greatest net investment by European investors in the EBRD regions, largely driven by domestic pension funds. Nine of Poland's top 10 investors remained the same as in Q2 2017, apart from **PKO BP Bankowy PTE**, which took the 10th spot from **PTE Allianz Polska**, which slipped one place. **Nationale-Nederlanden PTE** remained the top investor in the country, moving US\$ 207.1 million into Polish securities since Q2 2017.

Investment in Poland by investor type and institutional investment by investor region, Q2 2019



Top investors in Poland as of Q2 2019

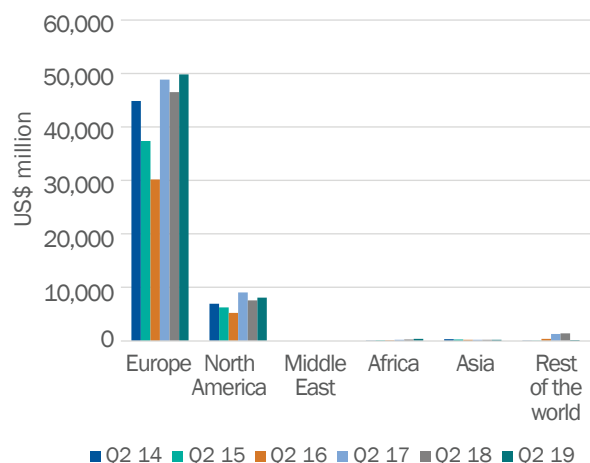
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of Holdings in POL (US\$ million)
Nationale-Nederlanden PTE	Low	POL	Active	Global	8,471.4	8,271.2
Aviva Santander	Low	POL	Active	Global	6,155.6	5,965.1
PTE PZU	Low	POL	Active	Global	4,712.2	4,655.5
Aegon PTE	Low	POL	Active	Regional	2,883.9	2,820.0
MetLife PTE	Low	POL	Active	Global	2,568.9	2,540.0
Aviva Investors Poland TFI	Low	POL	Active	Global	2,214.4	2,197.9
The Vanguard Group	Low	USA	Passive	Global	13,641.2	1,923.5
AXA PTE	Low	POL	Active	Regional	1,911.2	1,868.8
Generali PTE	Low	POL	Active	Global	1,621.4	1,586.3
PKO BP Bankowy PTE	Low	POL	Active	Global	1,529.0	1,482.0

Identified institutional flows

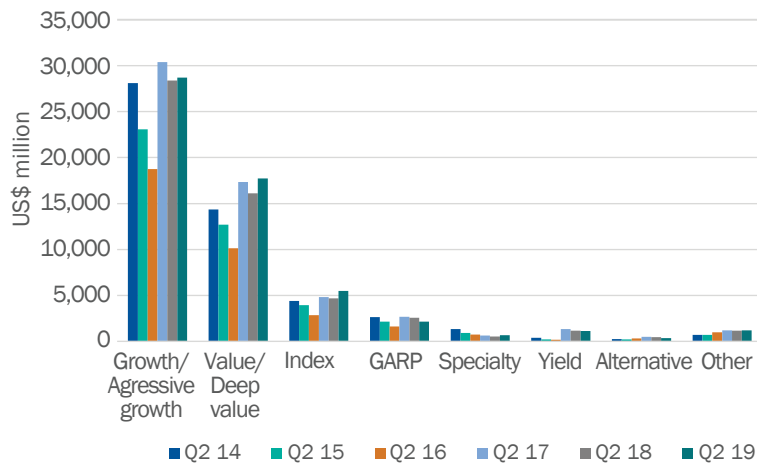
Net investment in Poland grew 23.7 per cent in the five years to Q2 2019. Notably, North American firms increased their exposure to the country by 40.7 per cent during that period; there were 170 unique North American investors in the country's equities as of Q2 2019, compared with 127 in Q2 2014. While African investors accounted for just 0.7 per cent of ownership, the continent had increased its Polish investment significantly since 2014 (up 318.7 per cent). Poland was the only country (apart from Turkey and Russia) that saw investment from Central America; **Finaccess México** had US\$ 120.2 million invested in the country as of Q2 2019. Poland also had the greatest level of deep-value or value-oriented ownership (30.2 per cent) of all countries in central Europe and the Baltic states.

CENTRAL EUROPE AND THE BALTIC STATES - POLAND

Ownership by investor region

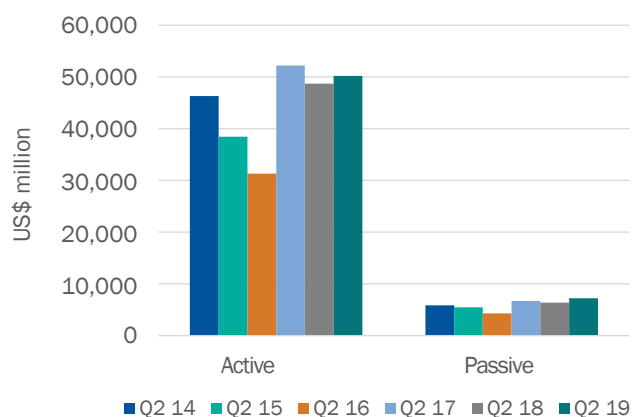


Ownership by investor style

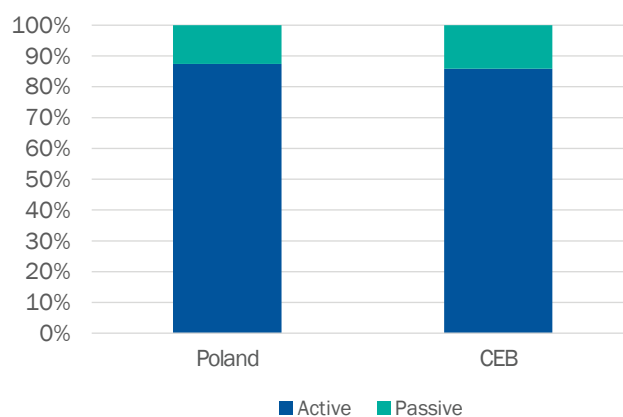


Passive investment in Poland grew at nearly double the rate of active investment in the five years to Q2 2019: by 37.5 per cent and 23.0 per cent, respectively. Passive investment stood at 12.5 per cent of total institutional ownership, with **The Vanguard Group** accounting for 26.7 per cent of that.

Ownership by investor orientation

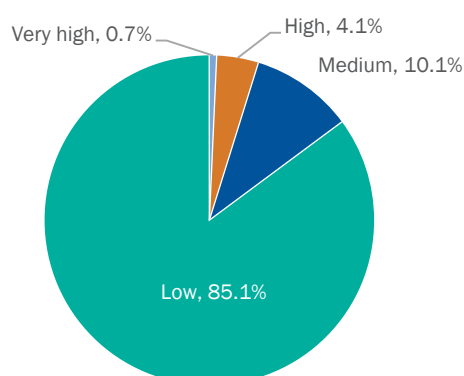


Ownership by investor orientation compared to region



As of Q2 2019, 85.1 per cent of institutional ownership in Poland was by long-term investors. Poland's top 10 shareholders had a weighted average holding period of more than 20 years. However, Poland also still had the greatest percentage of institutional ownership by high-turnover firms in central Europe and the Baltic states, at 4.1 per cent.

Ownership by investor portfolio turnover



SLOVAK REPUBLIC

Stock exchange:	Bratislava Stock Exchange (BSSE)
Established:	8 January 1991
Market capitalisation:	US\$ 4.8 billion
Number of stocks:	56
MSCI market classification:	Not classified
FTSE classification of equity market:	Frontier

According to the exchange's website, two class shares of existing listed companies listed between Q2 2017 and Q2 2019, both on the parallel listed market: OTP Banka Slovensko⁵ and OTP Banka Slovensko⁶.

Verbatim investor commentary – Slovak Republic

"In [the Slovak Republic,] we invest in fixed income securities. We do not invest in equities there because the equity market is shallow, but we invest in government. When it comes to these bonds, there is always liquidity. There are always some banks providing it. You can always find decent research on the country, etc. We also visit countries' central banks and talk with the ministries to get some additional colour about the macro. Deciding whether to invest more or not depends on the relative value. If spreads are higher, we can invest there. If they are lower, we probably will not. It all depends on the relative value and the outlook for the country."

European mutual fund (>US\$ 10 million EAUM)

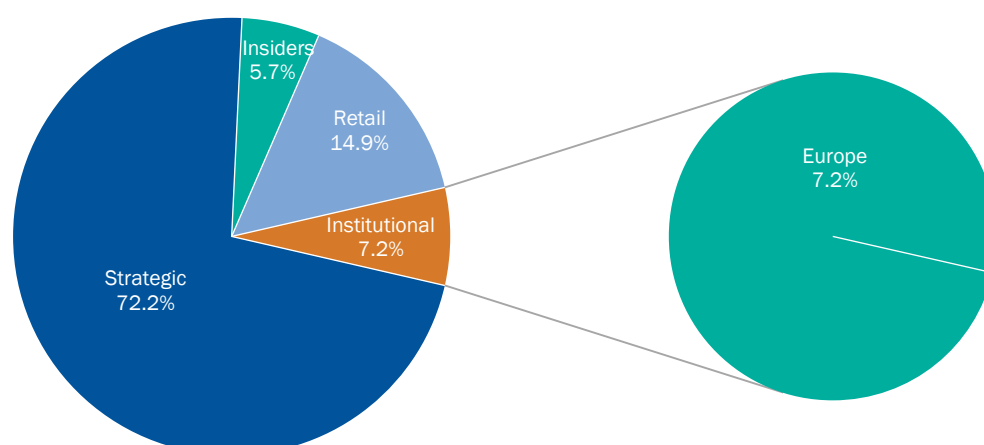
"A lot of the story of the good countries in central Europe has been that positive ESG story where we have seen massive improvements in governance. [The Slovak Republic] would be a great example, it was lagging for a while. But then a new government came in around 2002 and implemented a whole host of reforms ... In the context of the central European countries that were aspirants to the EU [at that time], [the Slovak Republic] went from laggards to close to first place pretty quickly."

North American mutual fund (>US\$ 10 billion EAUM)

Identified ownership structure

Ownership of Slovakian equities is dominated by strategic investors, which account for 72.2 per cent. Retail investors and insiders own 14.9 per cent and 5.7 per cent, respectively, and institutional investors make up the remaining 7.2 per cent. There are just four identified investors in the Slovak Republic, with a net US\$ 90.1 million in investment there.

Investment in the Slovak Republic by investor type and institutional investment by investor region, Q2 2019

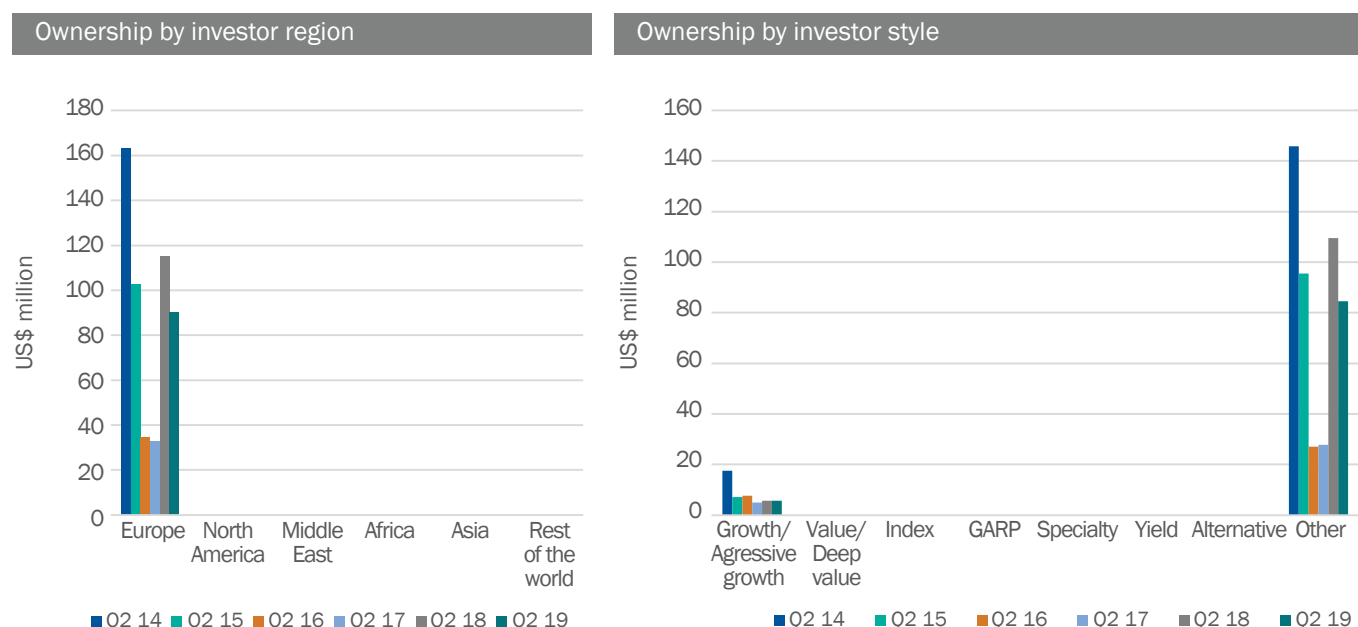


Top investors in the Slovak Republic as of Q2 2019

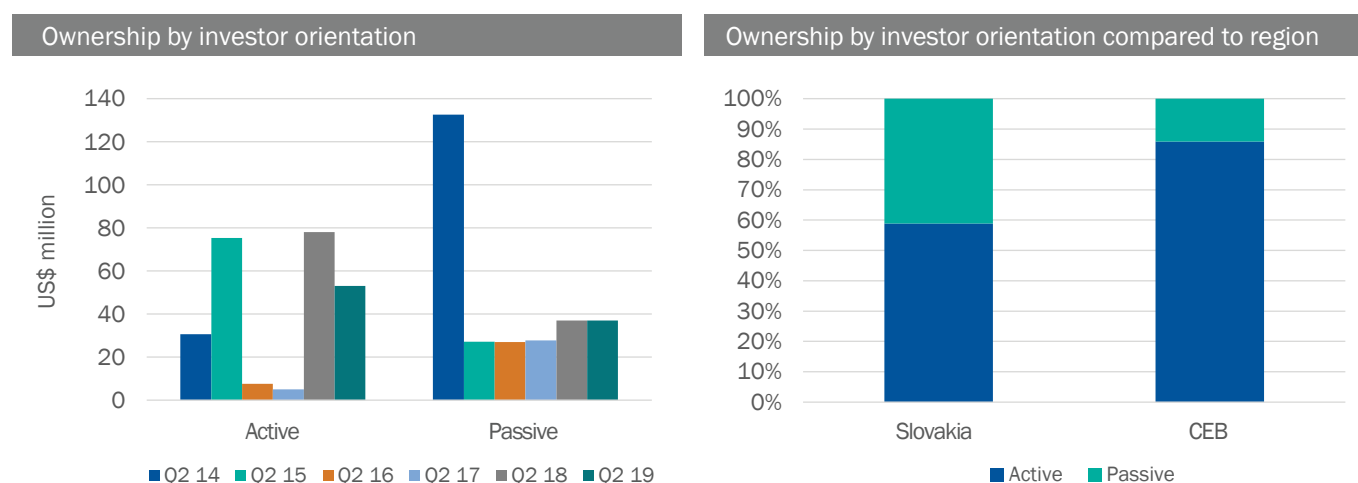
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in SVK (US\$ million)
Penta Investments	Unknown	SVK	Active	Regional	47.5	47.5
J&T Finance Group	Unknown	SVK	Passive	Regional	128.6	37.0
J&T Investiční Společnost	Very high	CZE	Active	Regional	6.3	5.6
Expat Asset Management	Low	BGR	Active	Global	20.0	0.0

Identified institutional flows

Between Q2 2014 and Q2 2019, the only identified institutions invested in Slovakian equities were European. The bulk of investment came from domestic houses, such as **Penta Investments** and **J&T Finance Group**, which together accounted for 93.8 per cent of the country's institutional investment.

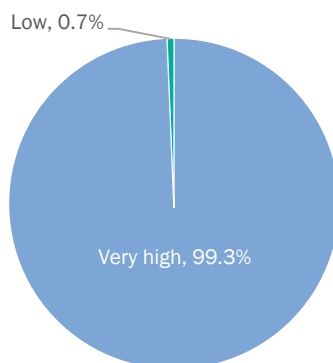


Active investment in the Slovak Republic grew significantly from Q2 2017 to Q2 2019, with the addition of **Penta Investments** to the country's list of top shareholders; Penta Investments is a venture capital firm, which falls under the "other" investment style. **J&T Finance Group** is a passive firm that outsources the management of its equity holdings to **J&T Investiční Společnost**, the third-largest investor in Slovakian securities.



There was little insight into the turnover of Slovakian investors, as only two of the country's four investors provided relevant information.

Ownership by investor portfolio turnover



SLOVENIA

Stock exchange:	Ljubljana Stock Exchange (LJSE)
Established:	26 December 1989
Market capitalisation:	US\$ 7.3 billion
Number of stocks:	29
MSCI market classification:	Frontier Markets
FTSE classification of equity market:	Frontier

The Ljubljana Stock Exchange is part of the SEE link, along with the Athens Stock Exchange, Banja Luka Stock Exchange, BSE-Sofia, Belgrade Stock Exchange, Macedonian Stock Exchange, Sarajevo Stock Exchange and Zagreb Stock Exchange, aimed at creating a regional infrastructure for trading of securities on regional markets.

According to the exchange's website, Ljubljana saw two IPOs between Q2 2017 and Q2 2019: NLB and Datalab Tehnologije. NLB also dual-listed on the London Stock Exchange in 2018.

Verbatim investor commentary - Slovenia

"Sometimes there is some value in Slovenia and Estonia. They can get quite cheap because they are not very much looked at. Valuations diverge from the actual values because of the lack of coverage."

European mutual fund (>US\$ 500 million EAUM)

"The most attractive market in Europe is Slovenia because of the lowest valuations, highest dividend yields, and in addition it is one of the most stable countries in the region in my opinion. It has already introduced the euro and the only disadvantage is that it is a small country with low liquidity. We buy high dividend yields there at a [price-to-earnings ratio (P/E)] of 6.5X and the country is already rated AA- ... For most of these countries, the main driver is broader economic growth because the most important driver is exports. In Slovenia, nearly 60 per cent of the GDP is done in Italy, Austria and Germany. If Germany goes into a recession, then other countries will also follow. Another driver in the last year has been consumer spending. For many [economies in the EBRD region], this has even more influence on growth than exports. It depends on the structure of the economy, but they are interrelated."

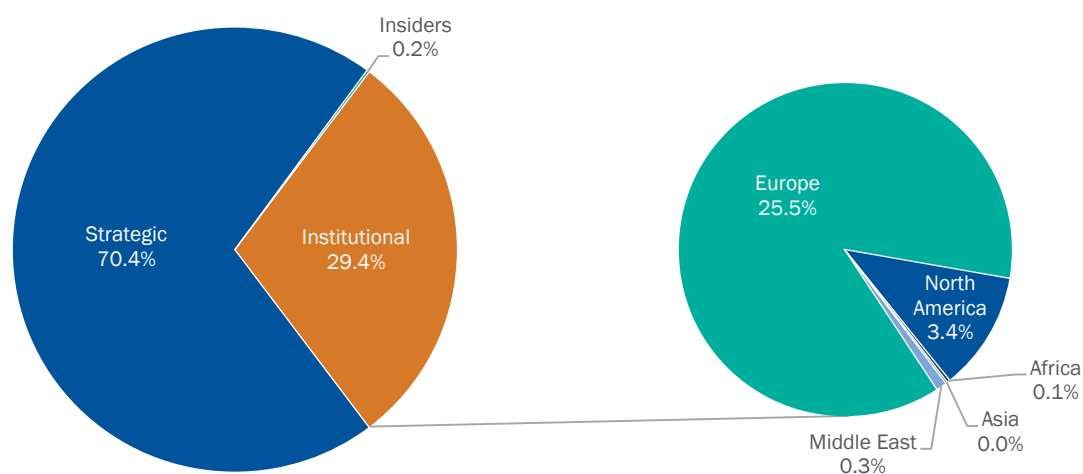
European mutual fund (>US\$ 1 billion EAUM)

"We try to have a hands-on approach, meeting with the management, the company and some stakeholders around the company to better understand both the environment, the industry outlook, and then the company specifics. We invest particularly in equities, but also in fixed income ... Slovenian companies, at least the listed ones, are very good when it comes to corporate governance."

European mutual fund (>US\$ 10 million EAUM)

Identified ownership structure

Strategic holders dominated Slovenian equity ownership as of Q2 2019, at 70.4 per cent. Insiders accounted for 0.2 per cent, while there were no reported positions held by retail investors. Institutional ownership had grown 47.4 per cent since Q2 2017 accounted for 29.4 per cent of identified ownership as of Q2 2019. The majority of the institutional investor base was in Europe, with 32 European investors having taken a position (with a net US\$ 176.0 million) in Slovenia since Q2 2017.

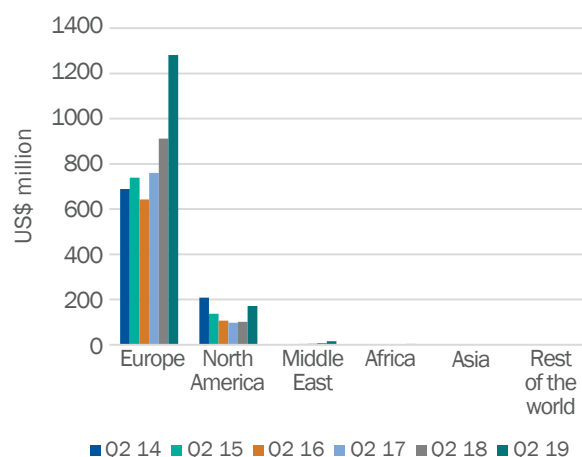
Investment in Slovenia by investor type and institutional investment by investor region, Q2 2019**Top investors in Slovenia as of Q2 2019**

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in SVN (US\$ million)
Allianz ZB (Croatia)	Low	HRV	Active	Global	655.1	116.7
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	116.4
InterCapital Asset Management	Low	HRV	Active	Global	113.4	113.4
J&T Finance Group	Unknown	SVK	Passive	Regional	128.6	91.6
PBZ Croatia Osiguranje	Low	HRV	Active	Global	314.3	76.5
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	68.1
Aviva Santander	Low	POL	Active	Global	6,155.6	67.4
Modra zavarovalnica	Unknown	SVN	Active	Regional	57.5	57.5
Erste Asset Management	Very High	HRV	Active	Global	51.4	41.2
East Capital Asset Management	Medium	SWE	Active	Global	1,031.3	41.2

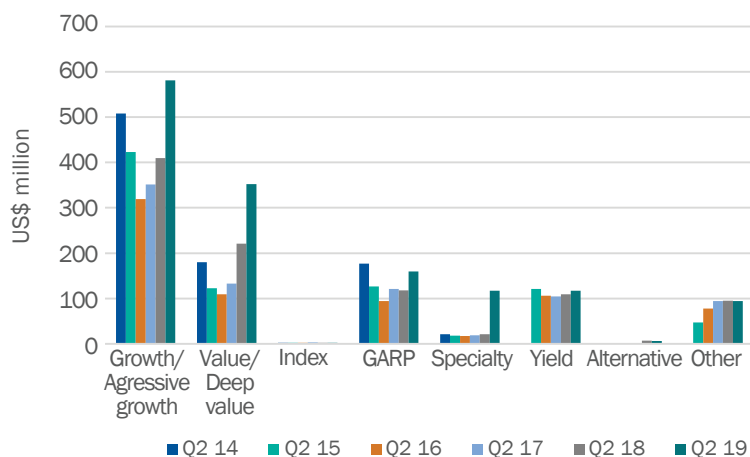
Identified institutional flows

Investment in Slovenia increased in the five years to Q2 2019, growing a cumulative 34.8 per cent since Q2 2014. The increase came primarily from Europe (up 41.3 per cent), though investment from North America rose 6.2 per cent over the same period. North American investment gathered momentum between Q2 2017 and Q2 2019, however; investment in Slovenian equities rose 66.1 per cent during that period.

Ownership by investor region

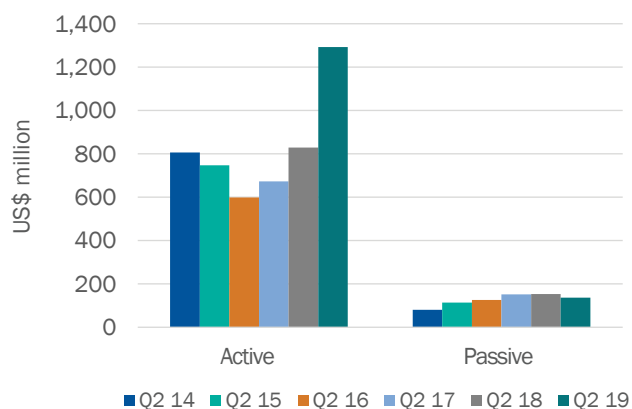


Ownership by investor style

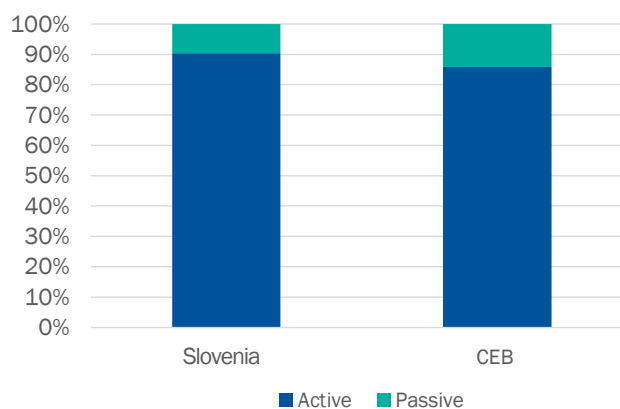


Investment in Slovenian equities increased across the range of investment styles in the two years to Q2 2019, apart from index-oriented investment. Index firms decreased their exposure to the country by 40.5 per cent in the two years to Q2 2019, in line with net outflows of US\$ 16.8 million by passive firms. In contrast, Slovenia saw inflows of active investment totalling US\$ 422.4 million from Q2 2017 to Q2 2019. Notably, during the same period, value and deep-value investors increased their exposure to the country by 119.5 per cent and 397.5 per cent, respectively.

Ownership by investor orientation

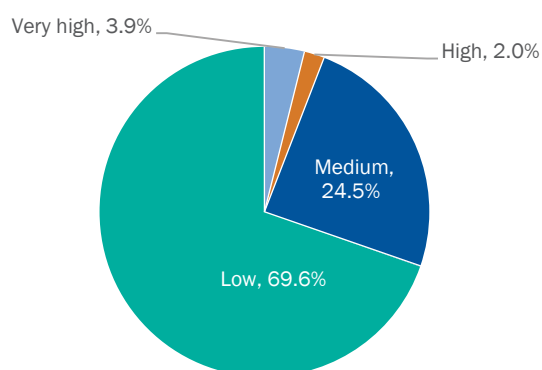


Ownership by investor orientation compared to region



As of Q2 2019, most of Slovenia's top shareholders were low-turnover firms, accounting for 69.6 per cent of total investment. Medium-turnover firms were behind nearly a quarter (24.5 per cent) of investment, while investment by high- and very-high-turnover firms totalled 5.9 per cent.

Ownership by investor portfolio turnover



EASTERN EUROPE AND THE CAUCASUS

Country	Market capitalisation
Armenia	US\$ 0.3 billion
Azerbaijan	US\$ 2.0 billion
Belarus	US\$ 2.1 billion
Georgia	US\$ 0.7 billion
Moldova	Unavailable
Ukraine	US\$ 4.3 billion
Total	US\$ 9.4 billion

Qualitative sentiment – Eastern Europe and the Caucasus

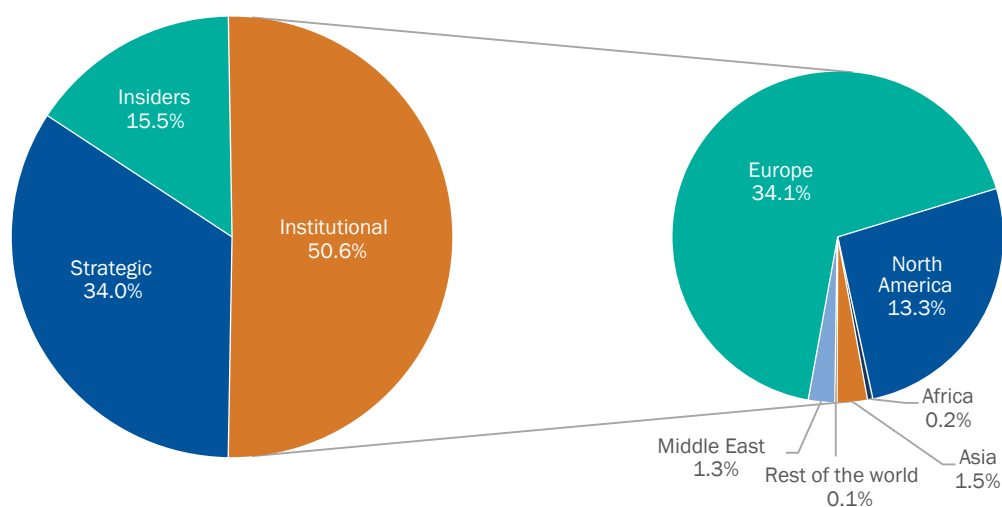
Eastern Europe and the Caucasus (EEC) saw a significant increase in positive sentiment in the two years since the last study. Much investor commentary focused on Georgia, which they praised for pushing ahead with market reforms despite political uncertainty. The region as a whole was said to be benefiting from greater integration with the rest of Europe. More trade was boosting standards of living and spurring attractive growth rates. Investors suggested that further market development could unlock significant upside.

Similarly to Central Asia, interviewees noted that low interest rates were contributing to infrastructure development across Europe with a multiplier effect, benefiting numerous regions. Easy access to financing had facilitated large-outlay projects and enabled countries to make investments they might otherwise have not. Some participants added that the area seemed to have been neglected by a broad swathe of investors, but they noted that illiquidity and a lack of investment transparency made it difficult to avail of opportunities.

Identified ownership structure

Investment in the EEC region stemmed primarily from institutional investors, which accounted for 50.6 per cent of the total as of Q2 2019. Strategic investment drove 34.0 per cent and no retail investment was disclosed. Insiders made up the remaining 15.5 per cent. European investment accounted for 67.4 per cent of institutional investment. The top region's 10 investors made up 34.2 per cent of all institutional investment. There were 359 unique global firms with exposure to the region as of Q2 2019.

Investment in the EEC region by investor type and institutional investment by investor region, Q2 2019



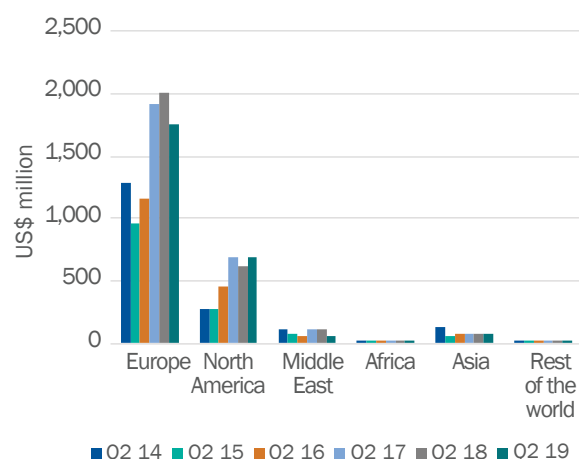
Top investors in the EEC region as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in EEC (US\$ million)
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	215.1
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	145.4
J.P. Morgan Asset Management (UK)	Medium	GBR	Active	Global	3,715.4	95.2
Dunross	Low	SWE	Active	Global	74.8	74.8
Cascade Investment	Low	USA	Active	Global	69.7	69.7
Schroder Investment Management (Dubai)	Medium	ARE	Active	Global	349.8	67.2
The Vanguard Group	Low	USA	Passive	Global	13,641.2	62.2
Kairos Investment Management	Medium	GBR	Active	Global	365.5	57.2
Kairos Partners	Low	ITA	Active	Global	130.8	53.0
M&G Investment Management	Low	GBR	Active	Global	800.6	51.8

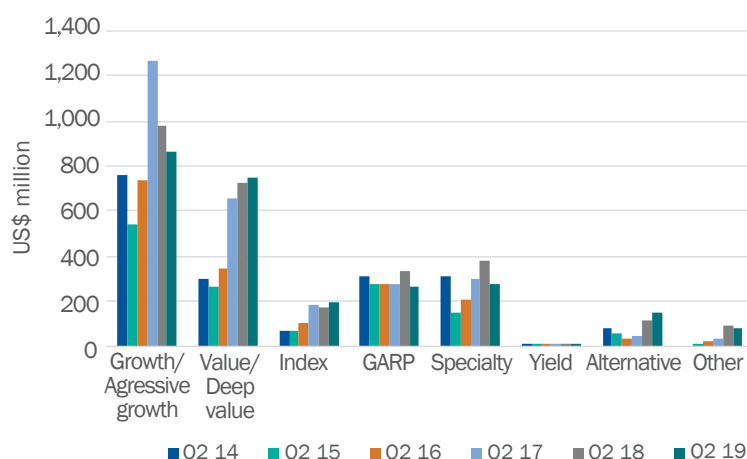
Identified institutional flows

Net investment in the region grew 28.1 per cent in the five years to Q2 2019. African and Middle Eastern investors moved out of the region, while European and North American investors moved in. Index investment more than tripled (rising 204.6 per cent) from Q2 2014, in line with an increase in passive investment, which was up 210.6 per cent over the same period. Though growth investment was still the dominant investment style as of Q2 2019, it had decreased since Q2 2017, with investors moving US\$ 29.3 million out of EEC securities.

Ownership by investor region



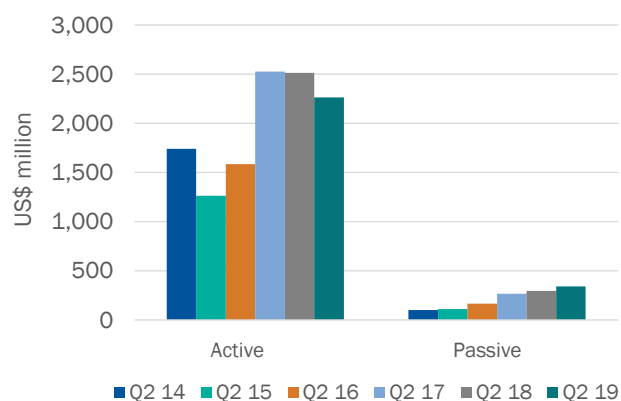
Ownership by investor style



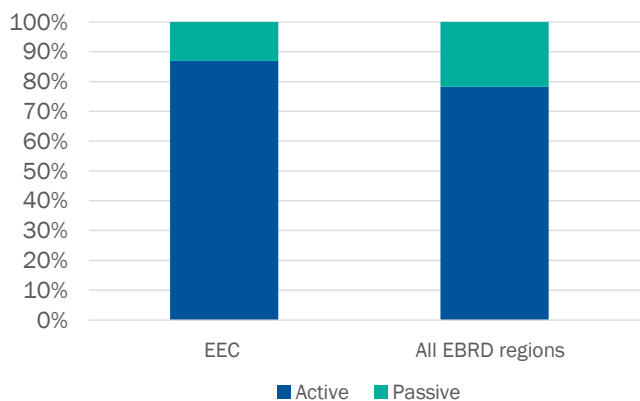
EASTERN EUROPE AND THE CAUCASUS

Active investment in the EEC region saw net inflows in the five years from Q2 2014 to Q2 2019, while passive investment increased significantly. Passive investment as a percentage of total investment in the region peaked in Q2 2019, accounting for 13.1 per cent of all investment compared with 5.4 per cent five years previously.

Ownership by investor orientation

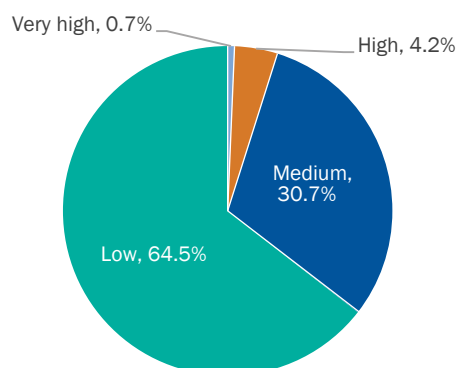


Ownership by investor orientation compared to EBRD regions



Investment in the region was split primarily between low- and medium-turnover investors, with the former accounting for 64.5 per cent and the latter 30.7 per cent.

Ownership by investor portfolio turnover



ARMENIA

Stock exchange:	Armenia Securities Exchange (AMX)
Established:	2001
Market capitalisation:	US\$ 304.3 million
Number of stocks:	10
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

The EBRD disclosed a US\$ 5.0 million position in Armenian securities as of Q2 2019. No other information on ownership was disclosed to the authors.

Verbatim investor commentary – Armenia

“Over the years, we have invested in Armenia, Azerbaijan, Belarus as well. We primarily manage '40 Act funds, so mutual funds in the [USA]. There are specific rules in the '40 Act that determine where we can and cannot invest. The custodians typically act as foreign custody managers ... These custodians have to approve the markets before we can go in. One of the challenges of this is that smaller markets do not necessarily drive revenue for global custodians. Therefore, these smaller markets tend to be overlooked in that process. These markets then potentially get left out of the conversation for mutual funds, which is a significant portion of assets, unless you look at more creative ways to access these countries ... To some extent, the most important party is the global custodian. However, they have the least to gain because some of the markets are small. There is not a lot of AUM that will be there and they just charge a few basis points. Getting these custodians motivated is a challenge. If there are international institutions like [the] EBRD, the IMF or others who can try to mobilise the global custodians and say, 'if you want to be custodian of the global plumbing architecture of the financial markets, then this is a public good that you almost have to put together.' Trying to push them has always been our biggest focus and we have had some success. However, any help there would be very welcome.”

North American mutual fund (>US\$ 10 billion EAUM)

While the number of listings in Armenia remained constant between 2017 and 2019, the market cap of the exchange increased by 5.3 per cent.

AZERBAIJAN

Stock exchange:	Baku Stock Exchange (BSE)
Established:	2002
Market capitalisation:	US\$ 2.0 billion
Number of stocks:	9
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

No information on ownership was disclosed to the authors.

The Baku Stock Exchange saw two IPOs between Q2 2017 and Q2 2019, according to the exchange's website.

BELARUS

Stock exchange:	Belarusian Currency and Stock Exchange (BCSE)
Established:	29 December 1998
Market capitalisation:	US\$ 2.1 billion
Number of stocks:	Unavailable
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

GEORGIA

Stock exchange:	Georgian Stock Exchange (GSE)
Established:	1999
Market capitalisation:	US\$ 652.8 million
Number of stocks:	21

Stock exchange:	Tbilisi Stock Exchange (TSE)
Established:	2015
Market capitalisation:	Not applicable
Number of stocks:	Not applicable

MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

Verbatim investor commentary – Georgia

“Georgia is reasonably stable for the region. It is doing a lot of reform and is very keen on getting foreign investment in. The country looks good to us. In terms of reform, the main improvement is around the ease of doing business. A lot of FDI is coming into the country, which is good for GDP growth and therefore good for the listed businesses that we might look at ... In Georgia, it is not particular sectors that stand out. It is an overall improvement in reform and politics. Some of these countries, such as in the southern and eastern Mediterranean [region], are so small that they are largely off the radar. Some of them only have a few investible companies. You go there because you either like the country or you do not. Delving into the subindustry preference is not necessarily happening in these places ... We find that ESG really varies by business and less by country. As a country, those that seem to be engaging include Georgia. They are very keen to attract more FDI.”

European mutual fund (>US\$ 500 million EAUM)

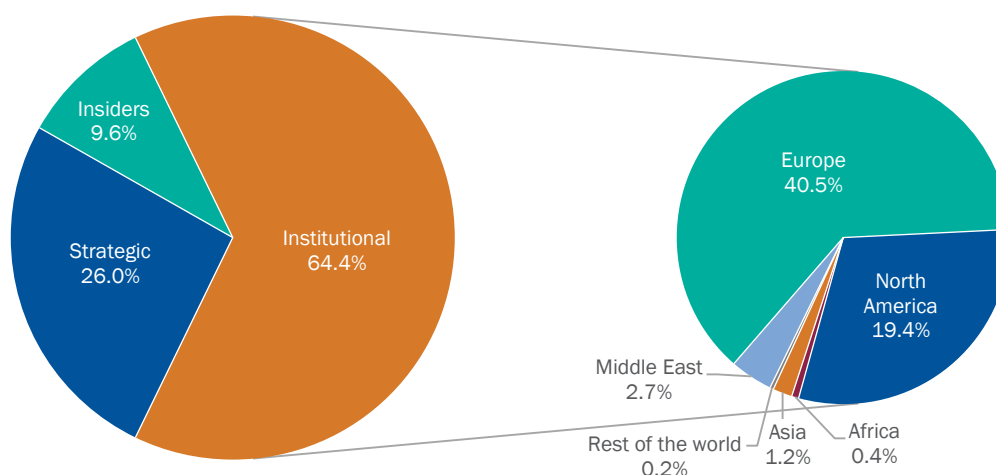
“Georgia is attractive in terms of how the economy is being run. It is in good shape. Growth rates are pretty good. We have the ability to invest in financial services. We also have the ability to invest in healthcare. We own a hospital operator. That is a very interesting business. With most of these countries, including Romania and Croatia, financial services, such as banks and investment companies, are typically where we are going to have exposure because they are typically where companies are listed.”

North American mutual fund (>US\$ 1 billion EAUM)

Identified ownership structure

There was significant institutional investment in Georgian equities as of Q2 2019, at 64.4 per cent of identified ownership. No data on retail ownership were reported. Strategic investors accounted for 26.0 per cent of all investment, while insiders made up 9.6 per cent. European investors accounted for 40.5 per cent of Georgian investment, worth US\$ 1.0 billion. North American firms invested just shy of half that, at US\$ 489.1 million. Georgia had significantly more investment by North American firms than the other countries in the EEC region, at 30.1 per cent of all institutional investment.

Investment in Georgia by investor type and institutional investment by investor region, Q2 2019



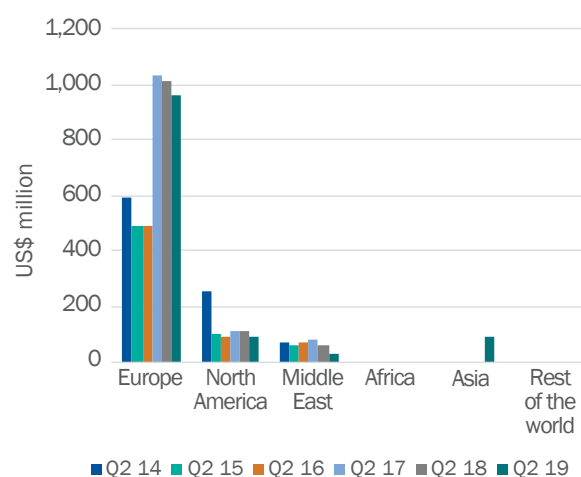
Top investors in Georgia as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in GEO (US\$ million)
J.P. Morgan Asset Management (UK)	Medium	GBR	Active	Global	3,715.4	93.0
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	92.2
Dunross	Low	SWE	Active	Global	74.8	74.8
Schroder Investment Management (Dubai)	Medium	ARE	Active	Global	349.8	67.2
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	60.8
M&G Investment Management	Low	GBR	Active	Global	800.6	51.8
The Vanguard Group	Low	USA	Passive	Global	13,641.2	45.5
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	42.3
LGM Investments	Low	GBR	Active	Global	263.2	41.8
Harding Loevner	Low	USA	Active	Global	1,455.4	40.5

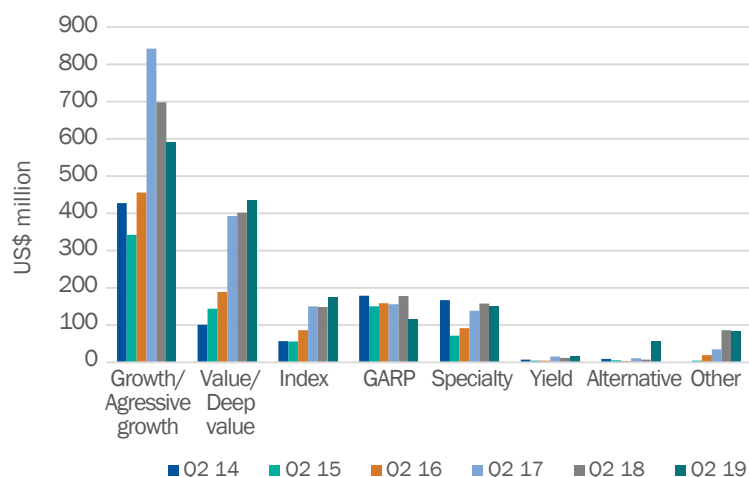
Identified institutional flows

Both **J.P. Morgan Asset Management (UK)** and **Schroder Investment Management (Dubai)** remained the top holders of Georgian securities as of Q2 2019; however, both had decreased their exposure from Q2 2017. Momentum had slowed from Q2 2017 to Q2 2019, though investment in the country had increased by 32.1 per cent since 2014. North American investment was up 17.7 per cent from Q2 2017, with 43 US firms investing in the country for the first time during that period. The largest new US entry came from **Firebird Management**, a low-turnover hedge fund, which invested US\$ 25.5 million in Georgian equities out of total EAUM of US\$ 64.8 million. Georgia saw the largest percentage of ownership by value-oriented firms in the EBRD regions, at 26.3 per cent of total institutional ownership. It also had a greater percentage of index investment than the other countries in the EEC region, at 10.8 per cent.

Ownership by investor region



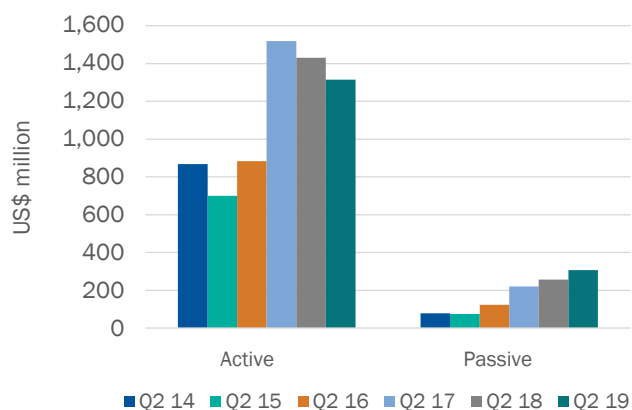
Ownership by investor style



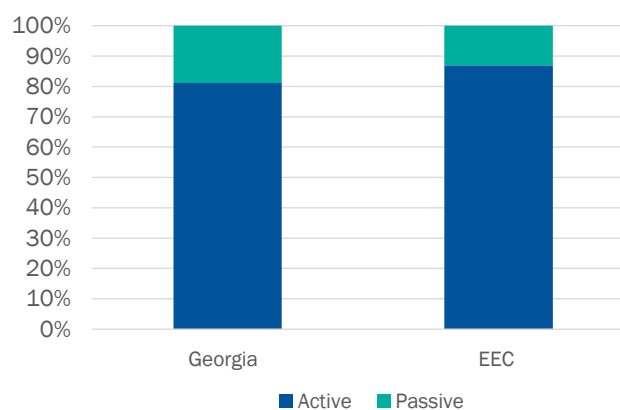
EASTERN EUROPE AND THE CAUCASUS - GEORGIA

Active investors had decreased their exposure to Georgian securities by 1.8 per cent since Q2 2017, while passive investment saw growth of 56.3 per cent. Passive investment stood at 18.9 per cent of total institutional ownership, as compared with 8.2 per cent five years earlier.

Ownership by investor orientation

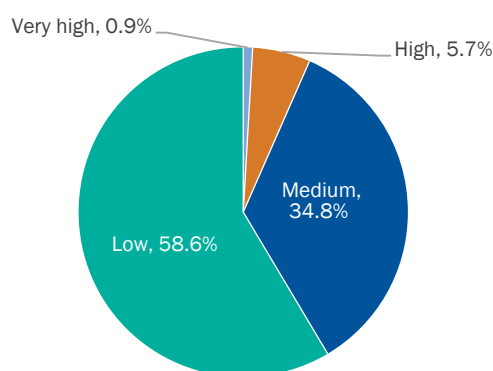


Ownership by investor orientation compared to region



Low- and medium-turnover investors dominated the Georgian equity market, accounting for 93.4 per cent of institutional ownership as of Q2 2019. Georgia saw minimal investment from hedge funds, which typically manage higher-turnover portfolios. However, the country still had the largest percentage of ownership by high-turnover firms in the EEC region, at 5.7 per cent.

Ownership by investor portfolio turnover



MOLDOVA

Stock exchange:	Moldova Stock Exchange (BVM)
Established:	1994
Market capitalisation:	Unavailable
Number of stocks:	20
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

Identified ownership structure

Institutional interest in Moldova's was attributable to Purcari Wineries, which listed on the Bucharest Stock Exchange in 2018. Ownership of the security was split between strategic and institutional investors, with the former owning 54.5 per cent and the latter 45.5 per cent as of Q2 2019. The majority of institutional investment was by European investors, with just one North American investor present: **IFC Asset Management Company**.

Investment in Moldova by investor type and institutional investment by investor region, Q2 2019



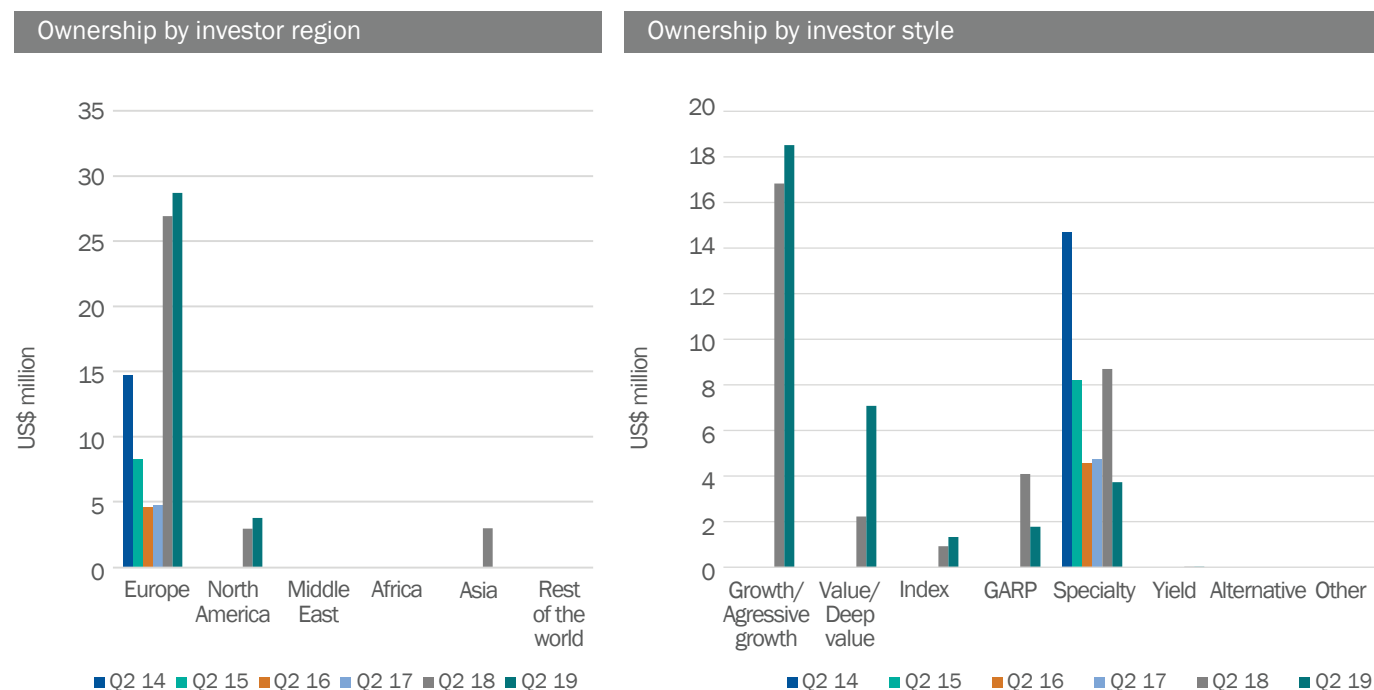
Top investors in Moldova as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in MDA (US\$ million)
Fiera Capital (UK)	Medium	GBR	Active	Global	430.4	10.6
SEB Varahaldus	Medium	EST	Active	Global	646.2	6.3
IFC Asset Management Company	Low	USA	Active	Global	542.7	3.7
Conseq Investment Management	Medium	CZE	Active	Global	110.6	3.4
DWS	Medium	DEU	Active	Global	954.5	2.4
East Capital Asset Management	Medium	SWE	Active	Global	1,031.3	1.8
Aberdeen Emerging Capital	Low	GBR	Passive	Global	21.8	1.3
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	1.1
Aberdeen Standard Investments	Medium	GBR	Active	Global	945.5	0.8
BT Asset Management	Low	ROM	Active	Regional	52.4	0.4

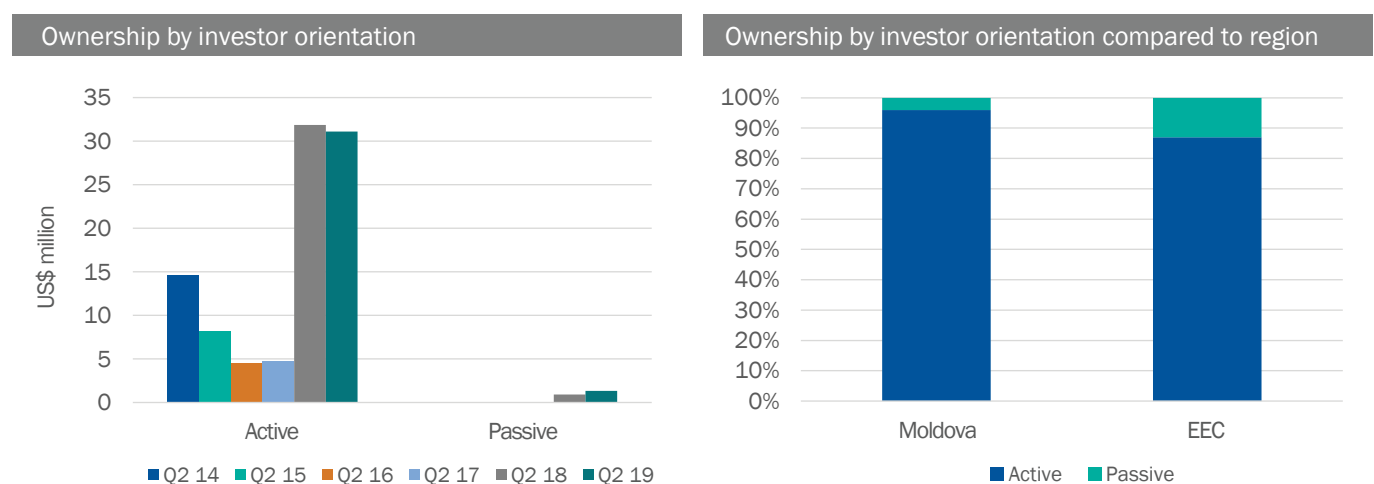
Identified institutional flows

Investors in Moldova as of Q2 2019 were stylistically diverse, with ownership concentrated in Europe and North America.

Templeton Asset Management (Singapore) was the sole Asian investor until it liquidated its investment in Q2 2019.

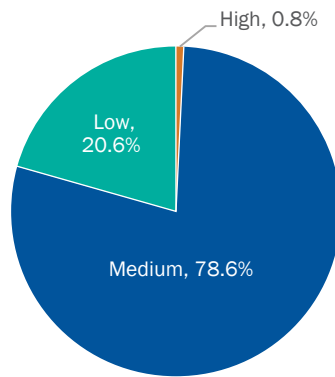


Just one of Moldova's investors was a passive firm: **Aberdeen Emerging Capital**, which had US\$ 1.3 million invested in the country as of Q2 2019.



Investment in Moldova was dominated by long and medium-term holders, with just two high-turnover firms. Moldova had a greater percentage of institutional ownership by medium-turnover firms than any other country in the study.

Ownership by investor portfolio turnover



UKRAINE

Stock exchange:	Ukrainian Exchange (UX)
Established:	October 2008
Market capitalisation:	US\$ 4.3 billion
Number of stocks:	41
Stock exchange:	PFTS Stock Exchange (PFTS)
Established:	1996
Market capitalisation:	Unavailable
Number of stocks:	Unavailable
Stock exchange:	Perspektiva Stock Exchange
Established:	May 2006
Market capitalisation:	Unavailable
Number of stocks:	Unavailable
MSCI market classification:	Frontier Markets (Standalone)
FTSE classification of equity market:	Not classified

The Ukrainian Exchange's website listed one IPO between Q2 2017 and Q2 2019.

Verbatim investor commentary – Ukraine

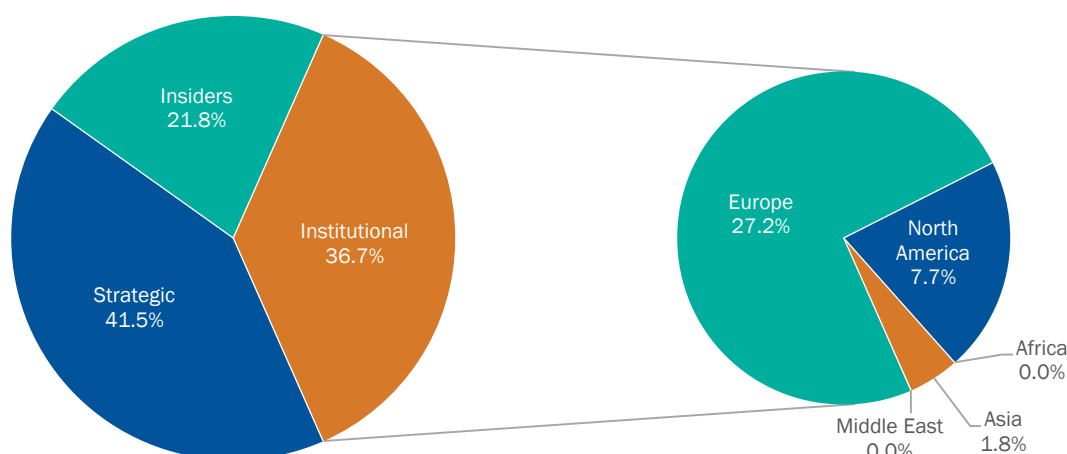
“We like to look for countries that are reforming and moving towards freer, more liberal economic policy making ... For example, Ukraine would be a country that checks a number of boxes ... There are a lot of low-hanging fruit in terms of reforms that could be seized upon that we think would definitely help the investment environment. At the same time, when you look at asset prices they are possibly on the cheaper side than you would find in other places ... We are bullish on eastern Europe and the Caucasus because of political developments. Ukraine is one country where we are spending a lot of time given the political changes there. It is one that would certainly benefit from further market development. Clearstream was just recently set up, but there is also Euroclear which is a more familiar environment for many global investors.”

North American mutual fund (>US\$ 10 billion EAUM)

Identified ownership structure

Strategic investment slightly outweighed institutional investment in Ukraine as of Q2 2019, at 41.5 per cent compared with 36.7, respectively. European investors made up 74.1 per cent of total institutional investment, while North American firms accounted for 20.9 per cent. Asia accounted for up 5.0 per cent of institutional investment, the majority of it by Templeton Asset Management (Singapore), which had US\$ 35.2 million in Ukrainian equities as of Q2 2019.

Investment in Ukraine by investor type and institutional investment by investor region, Q2 2019



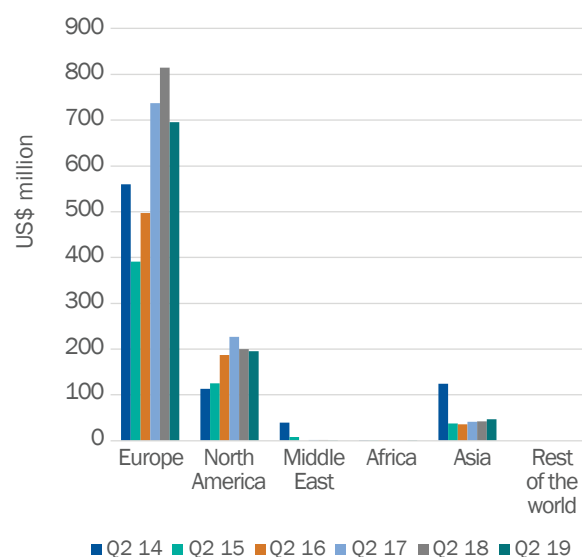
Top investors in Ukraine as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in UKR (US\$ million)
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	109.6
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	83.5
Cascade Investment	Low	USA	Active	Global	69.7	69.7
Kairos Investment Management	Medium	GBR	Active	Global	365.5	57.2
Kairos Partners	Low	ITA	Active	Global	130.8	53.0
PTE PZU	Low	POL	Active	Global	4,712.2	49.4
Kopernik Global Investors	Medium	USA	Active	Global	440.1	39.9
Aviva Santander	Low	POL	Active	Global	6,155.6	38.5
Templeton Asset Management Singapore	Low	SGP	Active	Global	356.6	35.2
Alfred Berg Asset Management	Medium	SWE	Active	Global	1,929.7	31.1

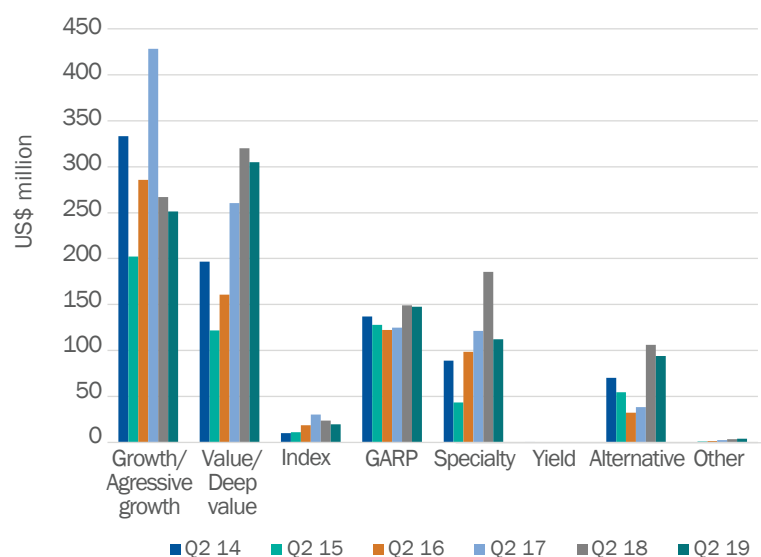
Identified ownership structure

Ukrainian equity ownership grew 22.8 per cent in the five years to Q2 2019, with North American investors and European firms leading the charge (up 10.3 per cent and 36.6 per cent, respectively.) Growth and value investors dominated, with value-oriented investors getting the edge on growth-oriented firms in terms of investment share. Hedge-fund (alternative-style) investment increased significantly from Q2 2017, primarily thanks to an increase in exposure by United Kingdom-based **Kairos Investment Management**. Ukraine had a greater percentage of hedge-fund investment than the other countries in the EEC region, at 10.0 per cent as of Q2 2019.

Ownership by investor region



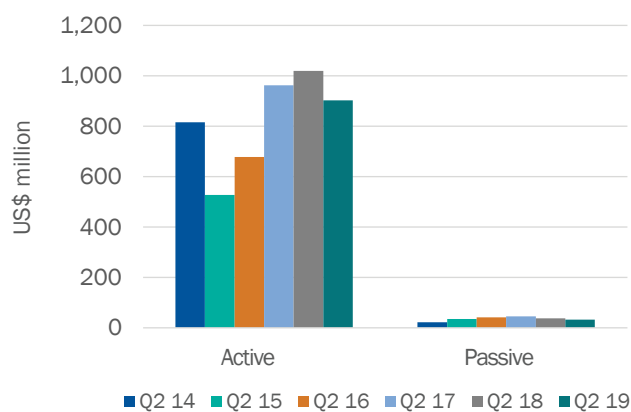
Ownership by investor style



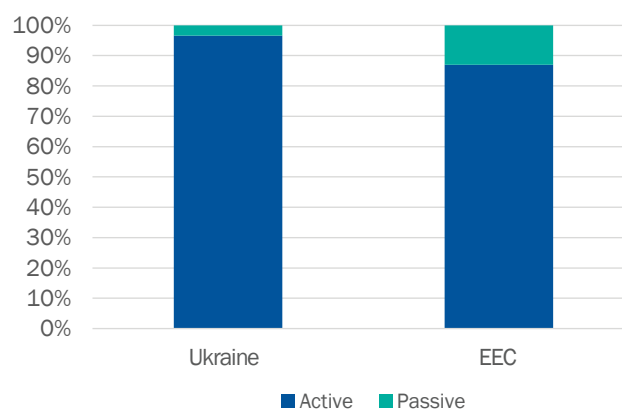
EASTERN EUROPE AND THE CAUCASUS - UKRAINE

Passive investment in Ukrainian equities peaked in Q2 2017 and stood at US\$ 32.4 million as of Q2 2019. Passive firms moved US\$ 2.5 million out of Ukrainian equities in the two-year period. Active investment, in contrast, increased 10.8 per cent in the two years to Q2 2019.

Ownership by investor orientation

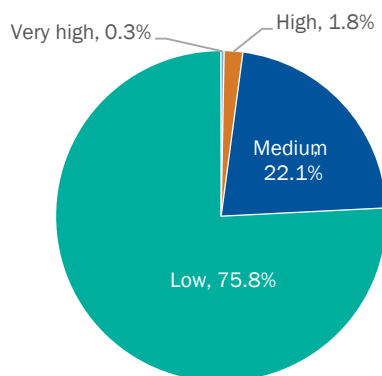


Ownership by investor orientation compared to region



Ukraine's top shareholders were all low- and medium-turnover investors, with just US\$ 19.4 million invested by high- and very-high-turnover firms. Ukraine boasted the highest percentage of low-turnover firms in the EEC region, apart from Armenia and Belarus, which each had just one disclosed holder.

Ownership by investor portfolio turnover



“OTHER” ECONOMIES: RUSSIA AND TURKEY¹

Economy	Market capitalisation
Russia	US\$ 681.0 billion
Turkey	US\$ 170.0 billion
Total	US\$ 851.0 billion

Qualitative sentiment – “Other” economies

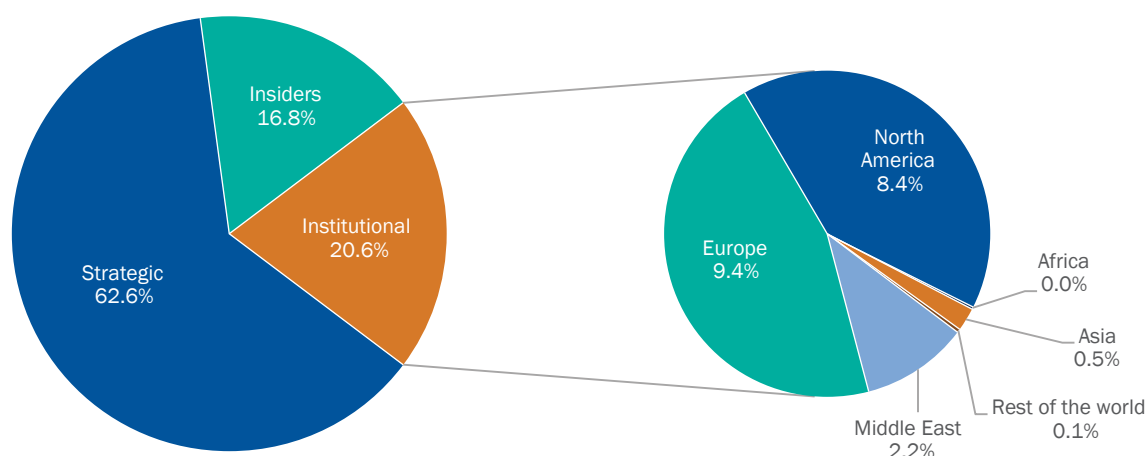
Institutional investors remained drawn to Russia and Turkey for their demographic trends, valuations and relatively strong corporate governance. They perceived the two countries as having political similarities and established capital markets. With one economy an energy importer and the other an exporter, their markets were sometimes perceived to be moving in opposite directions.

Russian companies were deemed to offer attractive dividend yields, while Turkish companies were seen as out of favour by mainstream investors, providing an opportunity for effective bottom-up stock-picking. Macroeconomic factors in Turkey posed a significant headwind, but sentiment suggested that investors expected the environment to improve, supported by low rates in the absence of high inflation, although political uncertainty remained a risk. Both markets were said to offer choice and liquidity relative to global emerging markets. Of note, the Russian sanctions remained a topic, but did not feature as prominently in interviews with investors as they had two years previously. As with some other countries, Russia was perceived to be benefiting from the stability of commodity prices.

Identified ownership structure

Strategic investment in the region accounted for a significant portion of exposure, at 62.6 per cent as of Q2 2019, while insider investment represented 16.8 per cent. With no identified retail investment, institutional ownership accounted for the remaining 20.6 per cent. Both Russian and Turkish institutional investment saw inflows in the five years to Q2 2019, however, underperformance and economic uncertainty left net Turkish investment far below what it was in Q2 2017. Institutional investment in the region stemmed primarily from European (45.7 per cent of institutional ownership) and North American firms (40.8 per cent of institutional ownership.)

Investment in Russia and Turkey (“Other” region) by investor type and institutional investment by investor region, Q2 2019



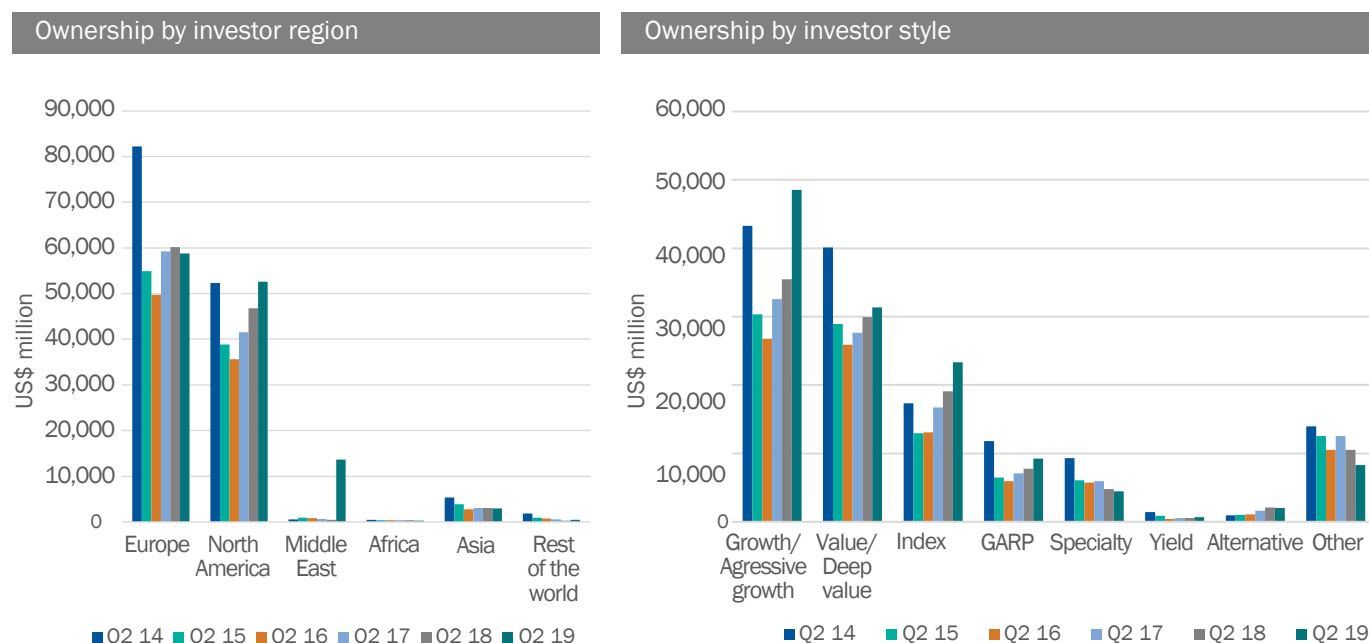
¹For the purposes of this report, IHS Markit has grouped Russia and Turkey into a single region. The EBRD does not do this and provides separate figures for the two countries in its operational reporting.

Top investors in Russia and Turkey (“Other” region) as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in Russia and Turkey (“Other”) (US\$ million)
Qatar Investment Authority	Low	QAT	Active	Global	13,179.4	13,179.4
The Vanguard Group	Low	USA	Passive	Global	13,641.2	9,786.1
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	5,725.5
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	4,188.5
Invesco Advisers	Low	USA	Active	Global	4,616.5	4,097.8
Ordu Yardimlasma Kurumu	Unknown	TUR	Passive	Regional	3,048.0	3,048.0
Capital World Investors	Medium	USA	Active	Global	3,177.8	2,871.7
J.P. Morgan Asset Management (UK)	Medium	GBR	Active	Global	3,715.4	2,801.4
APG Asset Management	Low	NLD	Active	Global	3,256.9	2,431.2
Lazard Asset Management	Medium	USA	Active	Global	2,674.7	2,205.8

Identified ownership structure

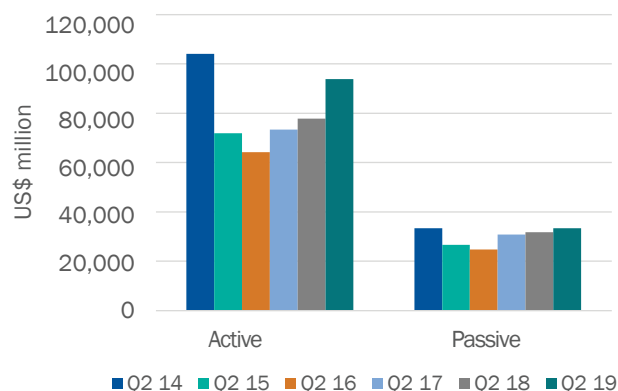
Middle Eastern investment in Russia and Turkey grew astronomically during the period under review, almost exclusively courtesy of the **Qatar Investment Authority**, which had no disclosed position in Q2 2017, but had posted a US\$ 13.2 billion position in Russian equities as of Q2 2019. This investment was in just one security: Rosneft Oil Company. North American firms had built up their investment in the region by 16.0 per cent from Q2 2017. Asian investors had nearly halved their investment in Turkey and Russia over the five years to Q2 2019 (down a cumulative 40.5 per cent). As far as investment styles were concerned, in the two years to Q2 2019, the greatest increases came from index firms (up 21.2 per cent) and alternative investors (hedge funds) (up 19.7 per cent).



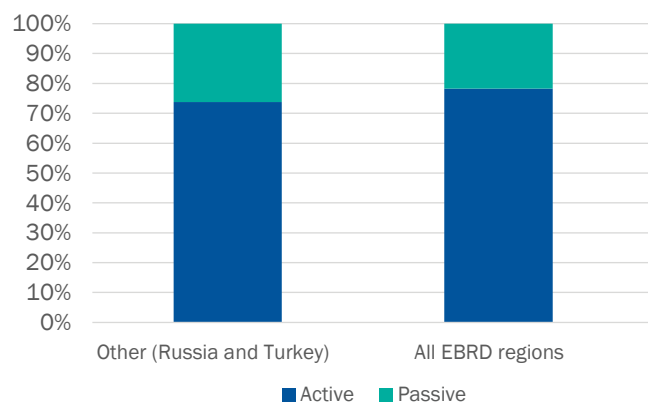
“OTHER” ECONOMIES: RUSSIA AND TURKEY

Both active and passive investment in the region saw significant inflows from Q2 2017. As of Q2 2019, investment by passive firms represented 26.2 per cent of investment in the region, its lowest since Q2 2014, when it was 24.2 per cent of investment. That said, the region still had significant passive exposure, worth US\$ 33.4 billion.

Ownership by investor orientation

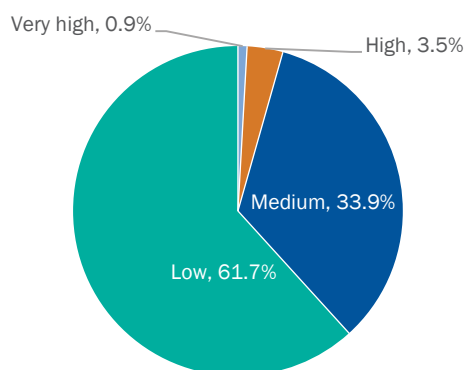


Ownership by investor orientation compared to EBRD regions



Together, Russia and Turkey saw the second-highest level of investment by medium-turnover firms in the EBRD regions, at 33.9 per cent of total investment, just behind SEE at 34.4 per cent. Low-turnover investors accounted for the majority of ownership, however, at 61.7 per cent.

Ownership by investor portfolio turnover



RUSSIA

Stock exchange:	Moscow Exchange (MOEX)
Established:	December 2011
Market capitalisation:	US\$ 681.0 billion
Number of stocks:	217
MSCI market classification:	Emerging Markets
FTSE classification of equity market:	Secondary Emerging

Three companies newly listed in Moscow between Q2 2017 and Q2 2019, according to Factset.

Verbatim investor commentary – Russia

“In terms of investment opportunity, if we look at central and eastern Europe, which is the core of our business, Russia is quite attractive in this environment, considering macro stability. It has very good dividend yields. It is a good counter-cyclical, with what we are seeing, globally, with growth slowdown and trade wars. Russia is a bit out of this and facing quite a stable oil market as well ... The size of the market predetermines the trade liquidity. The largest markets, Turkey, Russia, Poland, Greece are fine ... Typically, you find the best ESG in large caps and on that front Russian large caps actually fare quite well. You have to be visible. You have to be transparent with disclosures. With regard to the business, you have to be attractive and high return, but there are still a lot of improvements to be made on governance. Appropriate incentive programmes can better motivate management and result in a better share price return. If you have a stronger Board, your company will make better decisions. If you have an effective dividend policy or the overall strategy is well worded and communicated, it always helps the share price. Increasing transparency, disclosure, and market communication is always a way to encourage investment.”

European mutual fund (>US\$ 1 billion EAUM)

“Russia is a good place to hide, because the country setup is very safe. You have [a] very low debt-to-GDP [ratio]. You run a current account surplus under most commodity price scenarios. You have some GDP growth, not a lot, you have controlled inflation, opportunity to cut rates, cheap valuations ... For a lot of people, Russia becomes the natural place to hide in this environment, especially the domestic players.”

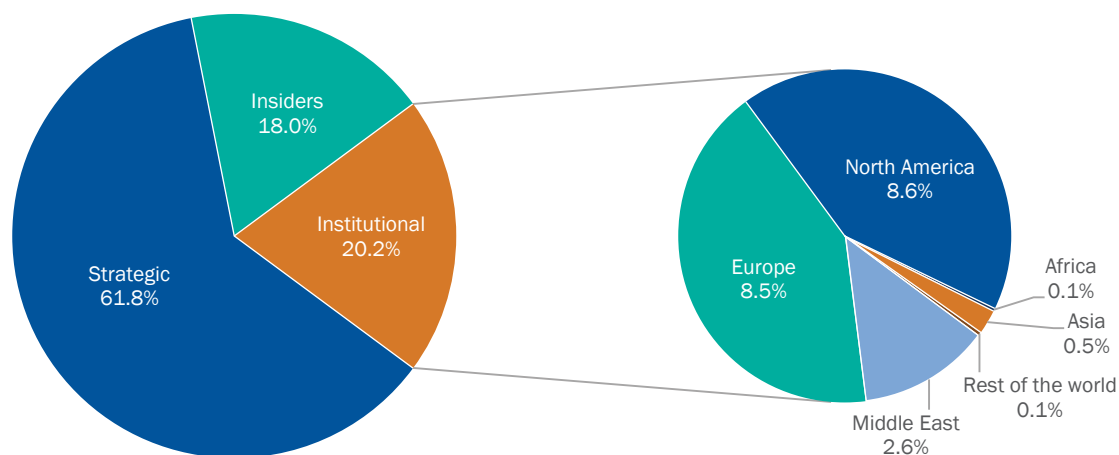
North American Hedge Fund (>US\$ 100 million EAUM)

“In Russia, valuations are attractive. In a high-cost-of-capital country, it means that certain companies have the ability to generate outsized returns, which are attractive for an equity investor. In Russia, financials are attractive. In the energy sector, there is some activity going on from a governance improvement perspective that is getting interesting as well.”

North American mutual fund (>US\$ 50 billion EAUM)

Identified ownership structure

With a market capitalisation of US\$ 681.0 billion, Russia is the largest economy in this study. Its net institutional investment is also the largest, at US\$ 103.7 billion as of Q2 2019. Investment in Russia by North American firms outweighed European investment as of Q2 2019, at 8.6 per cent of disclosed ownership compared with 8.5 per cent. The **Qatar Investment Authority** became the top investor in the region after initiating a position in Rosneft Oil Company worth US\$ 13.2 billion, according to Q2 2019 filings. Invesco Advisers entered the list of top shareholders too, after merging with OppenheimerFunds in the first half of 2019.

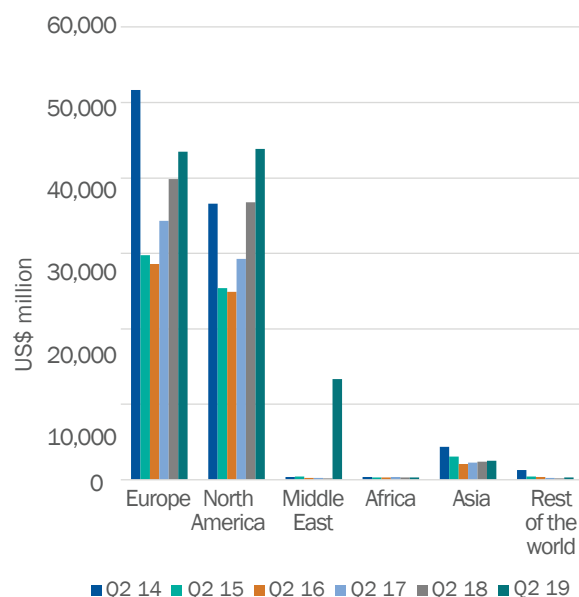
Investment in Russia by investor type and institutional investment by investor region, Q2 2019**Top investors in Russia as of Q2 2019**

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in RUS (US\$ million)
Qatar Investment Authority	Low	QAT	Active	Global	13,179.4	13,179.4
The Vanguard Group	Low	USA	Passive	Global	13,641.2	8,332.7
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	4,781.6
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	3,506.2
Invesco Advisers	Low	USA	Active	Global	4,616.5	3,264.7
J.P. Morgan Asset Management (UK)	Medium	GBR	Active	Global	3,715.4	2,705.7
Capital World Investors	Medium	USA	Active	Global	3,177.8	2,559.2
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	1,929.0
APG Asset Management	Low	NLD	Active	Global	3,256.9	1,922.5
Alfred Berg Asset Management	Medium	SWE	Active	Global	1,929.7	1,765.7

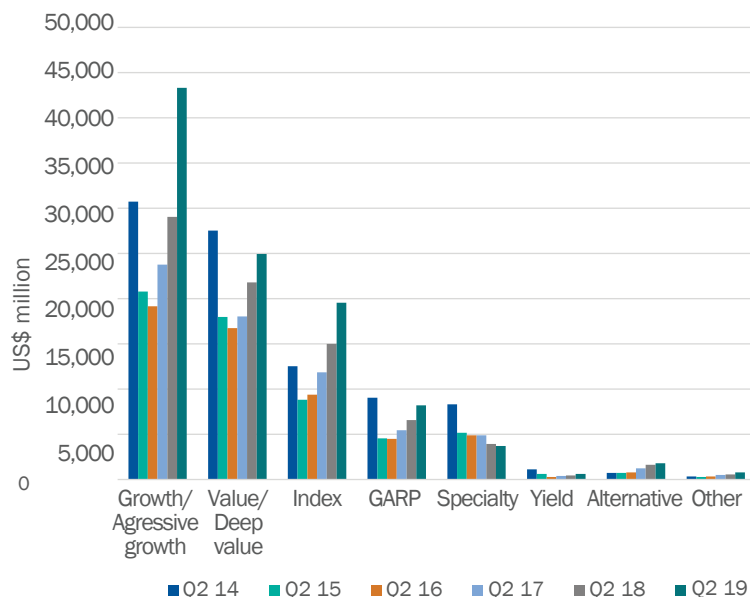
Identified institutional flows

North American investment in Russian equities climbed steadily over the two years to Q2 2019, up a cumulative 15.6 per cent from Q2 2017. Investment styles were mixed during the period. While hedge funds accounted for just 1.7 per cent of institutional ownership, investment by alternative firms increased by 24.5 per cent. In contrast, deep-value investors decreased their exposure by 25.2 per cent. Russia had the greatest percentage of ownership by index firms of all the EBRD regions as of Q2 2019, at 18.8 per cent of institutional ownership.

Ownership by investor region

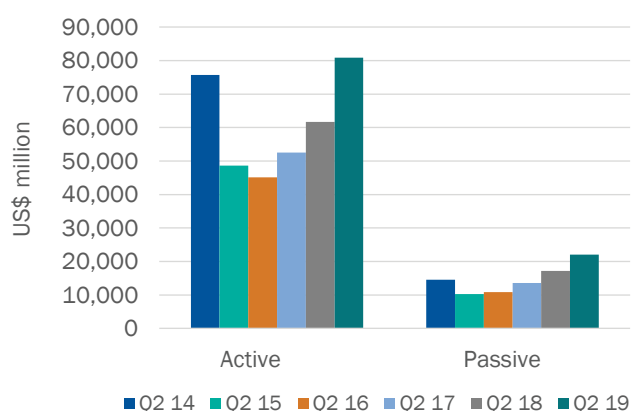


Ownership by investor style

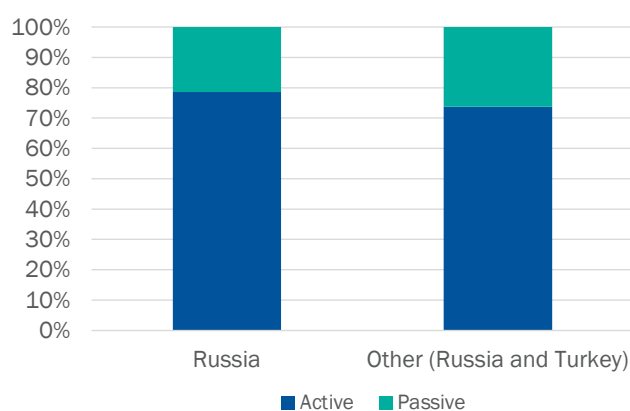


Active investment in Russia grew 1.9 percent from Q2 2017, but passive investment growth far outpaced that, at 18.5 per cent. Passive investment accounted for 21.4 per cent of total institutional investment in Russia as of Q2 2019, compared with 16.1 per cent five years earlier.

Ownership by investor orientation

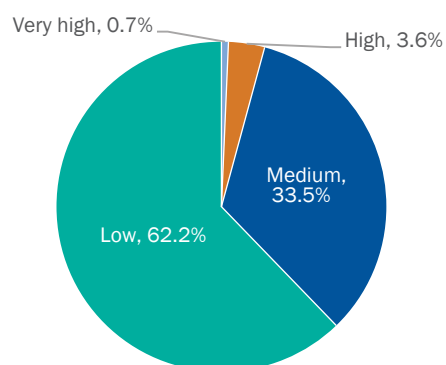


Ownership by investor orientation compared to region



Longer-term strategy investors dominated investment in Russia as of Q2 2019, with investment from low- and medium-turnover firms accounting for 95.8 per cent of total investment. Russia's top five shareholders all managed low-turnover portfolios.

Ownership by investor portfolio turnover



TURKEY

Stock exchange:	Borsa Istanbul (BIST)
Established:	December 2012
Market capitalisation:	US\$ 170.0 billion
Number of stocks:	379
MSCI market classification:	Emerging Markets
FTSE classification of equity market:	Advanced Emerging

Sixteen companies listed on Borsa Istanbul between Q2 2017 and Q2 2019, according to Factset.

Verbatim investor commentary – Turkey

“Turkey has a very dynamic, young population. It is a diverse economy, not a resource economy. It is a large country of 70+ million, so it is an attractive market. There is a skilled labour force, a very good financial system, a well-capitalised banking system, and it is in a very favourable position geographically. Therefore, in terms of logistics it makes sense to operate in Turkey. Additionally, there is a very deep capital markets culture there. Those would be the factors I would highlight ... If I take a broad perspective, wearing my international investment manager hat, I think this country needs more policy predictability. That would increase allocation to Turkey. This is in terms of broad government policies as well as central bank policy ... Finance is always an attractive sector in Turkey. Additionally, payment systems are attractive. These are unlisted but we see that the payment systems sector is actually booming right now. There have been a few deals that have fetched very high multiples. I would highlight that healthcare continues to be interesting. I would also say telecom and telecom equipment are attractive. The private equity universe is very limited, so it is difficult to reach those opportunities that are unlisted. We need to have a broader variety of industries listed. The fairness and transparency of the stock market is very adequate. There are no issues there. It is almost developed market standards.”

European mutual fund (>US\$ 10 million EAUM)

“I am also bullish on Russia and Turkey ... I invest in listed equities ... Turkey and Russia are the two markets that offer a lot of choice. The others do not come close. I would rate the ease of trading there a 5. It is as good as it can be.”

European mutual fund (>US\$ 5 billion EAUM)

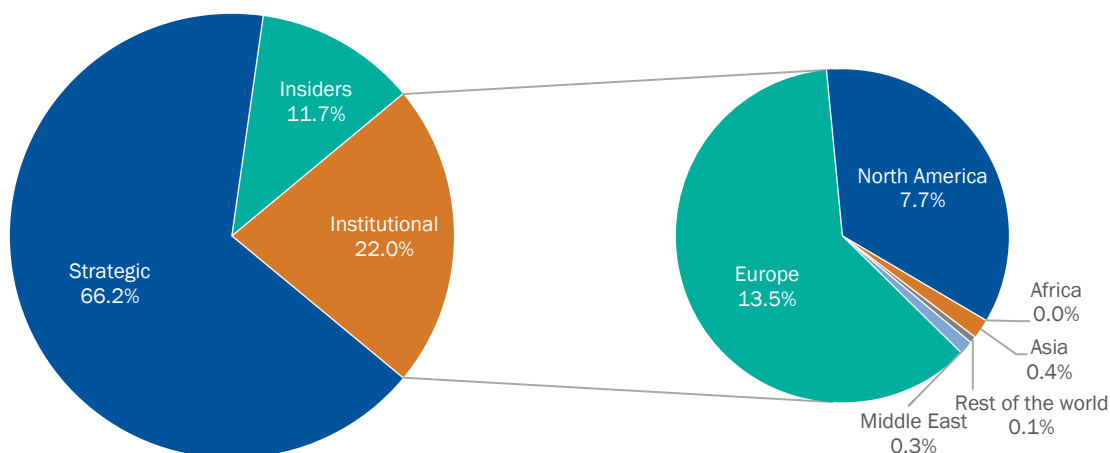
“Turkey, is completely the opposite of Russia. You have an economy that is importing a lot of energy and it gets hurt in this environment, but everything has sold off in large part because people are sceptical of the economy and the economic structure of the government. Within the Turkey context, there are stocks that are very cheap and very interesting.”

North American Hedge Fund (>US\$ 100 million EAUM)

Identified ownership structure

Strategic investors dominated Turkish equity ownership as of Q2 2019, accounting for 66.2 per cent. Insiders owned 11.7 per cent of the market, while institutional investors made up the remaining 22.0 per cent, as no retail investment was identified. European and North American firms accounted for the majority of institutional investors, at 1.1 and 34.9 per cent, respectively. US-based **Invesco Advisers** was a new addition to the top investor list; the firm moved US\$ 469.8 million into Turkish equities between Q2 2017 and Q2 2019.

Investment in Turkey by investor type and institutional investment by investor region, Q2 2019



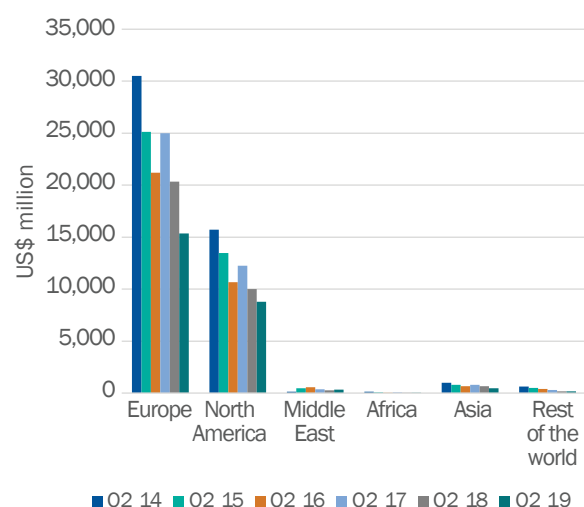
Top investors in Turkey as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in TUR (US\$ million)
Ordu Yardimlasma Kurumu	Unknown	TUR	Passive	Regional	3,048.0	3,048.0
Türkiye İş Bankası	Unknown	TUR	Passive	Regional	1,904.2	1,904.2
The Vanguard Group	Low	USA	Passive	Global	13,641.2	1,453.4
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	943.9
Invesco Advisers	Low	USA	Active	Global	4,616.5	833.1
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	682.3
Genesis Investment Management	Low	GBR	Active	Global	1,823.4	574.5
Lazard Asset Management	Medium	USA	Active	Global	2,674.7	565.0
Grantham Mayo Van Otterloo & Co.	Medium	USA	Active	Global	2,022.4	559.6
Vehbi Koc Foundation	Unknown	TUR	Passive	Regional	534.1	534.1

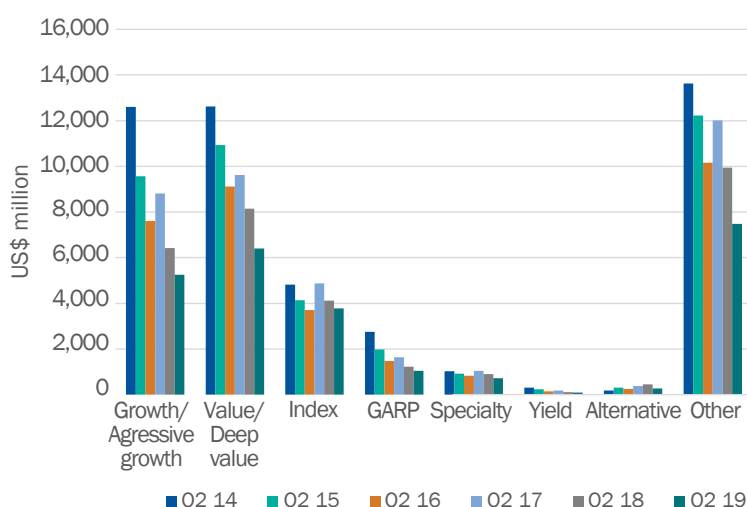
Identified institutional flows

Institutional investment in Turkey nearly halved in the five years to Q2 2019, leaving net investment at US\$ 25.1 billion. This was because of market performance rather than investor sentiment, however, as investors had moved US\$5.4 billion into the country since 2014. Middle Eastern investors increased their exposure to Turkish securities in the two years to Q2 2019, with **Mayhoola for Investments** boosting its investment by US\$ 114.1 million to a total of US\$ 256.5 million since the last analysis. Turkey was the only country in all of the EBRD regions with identified ownership from South America, worth US\$ 3.3 million. This investment was by Brazil-based **Kondor Administradora e Gestora de Recursos Financeiros**. Turkey also saw the largest net investment by private equity firms (US\$ 991.9 million) in the EBRD regions. Private equity is included in the “other” style of investment in the chart below.

Ownership by investor region

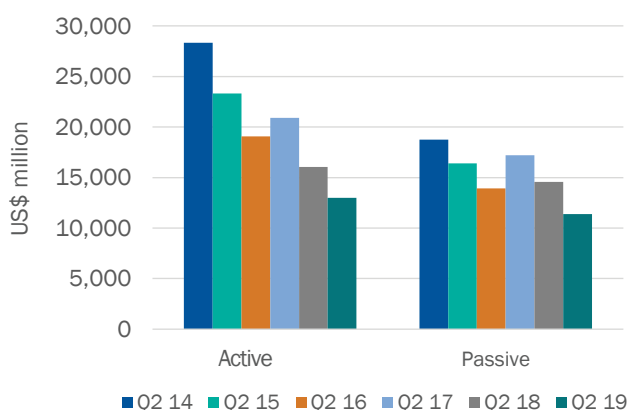


Ownership by investor style

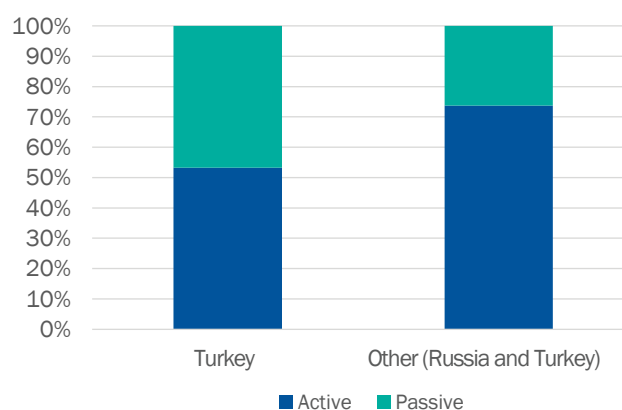


As Russia represents more than 80 per cent of institutional ownership in the “Other” region, the aggregate numbers in the investor orientation chart are obviously skewed towards Russian equity ownership. Turkey had a much more even split between active (53.3 per cent) and passive investment (46.7 per cent) than Russia, where the active-passive split was 78.6 per cent to 21.4 per cent, respectively.

Ownership by investor orientation



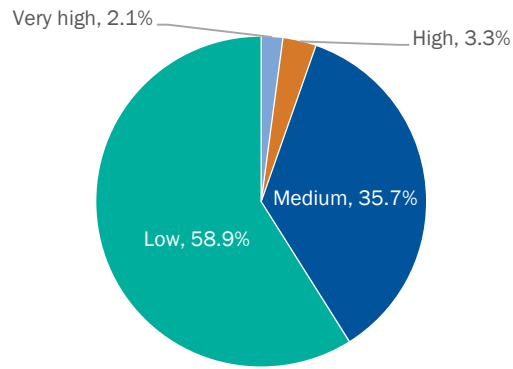
Ownership by investor orientation compared to region



“OTHER” ECONOMIES: RUSSIA AND TURKEY - TURKEY

Turkish investment is dominated by low- and medium-turnover investors, which accounted net 94.6 per cent of investment as of Q2 2019.

Ownership by investor portfolio turnover



SOUTH-EASTERN EUROPE

Economy	Market capitalisation
Albania	Unavailable
Bosnia and Herzegovina	US\$ 2.1 billion (BLBERZA), US\$ 3.0 billion (SASE)
Bulgaria	US\$ 4.9 billion
Cyprus	US\$ 4.0 billion
Greece	US\$ 50.8 billion
Kosovo	Unavailable
Montenegro	US\$ 3.8 billion
North Macedonia	US\$ 3.2 billion
Romania	US\$ 42.1 billion
Serbia	US\$ 5.3 billion
Total	US\$ 119.2 billion

Qualitative sentiment – South-eastern Europe

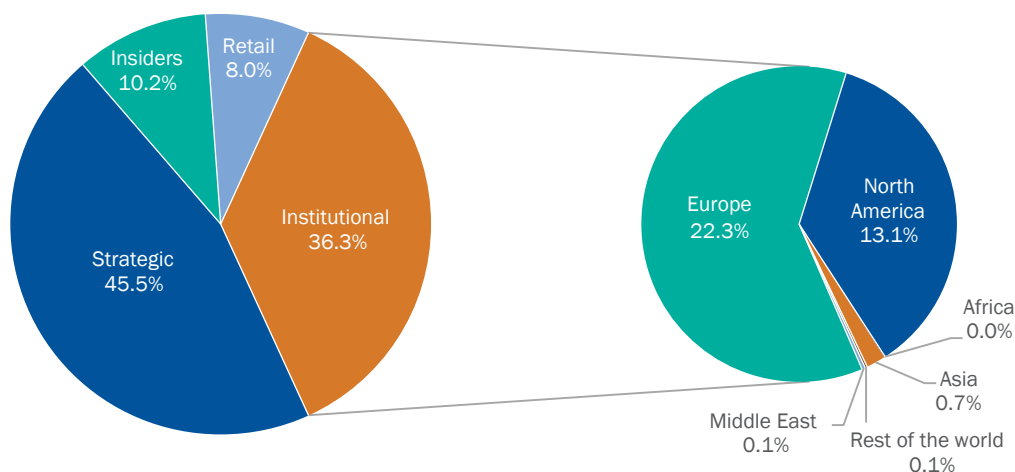
As in 2017, investors perceived the economies of south-eastern Europe (SEE) to be growing fast, as the region continued to “catch up” with western Europe in terms of technology and living conditions. Interviewees cited attractive valuations, although they said that the region’s strong performance in the past two years has made some stocks less attractive.

The threats to returns included the region’s reliance on commodity prices, political stability and its dependence on demand from western Europe and Asia for its exports. However, investors noted that SEE countries recovered from the Great Recession later than the rest of Europe, so might have longer to run on the growth front. Interviewees looked to identify countries that continued to implement reforms or specific companies that are more defensive and might not suffer as significantly in any subsequent downturn.

Identified ownership structure

Strategic investment in SEE accounted for 45.5 per cent of ownership as of Q2 2019, while insiders represented 10.2 per cent and retail investors 8.0 per cent. Institutional investment made up the rest of the market, at 36.3 per cent. Europe accounted for the majority of institutional investment, at 61.4 per cent. Net institutional investment in the region decreased 60.6 per cent in the five years to Q2 2019, which can be attributed to the devaluation following the financial crisis and structural changes in the economy, which took the **Hellenic Financial Stability Fund**’s net investment in Greek equities from US\$ 27.1 billion in Q2 2014 to US\$ 2.0 billion in Q2 2019. Even so, the fund remains the top investor in the region.

Investment in the SEE region by investor type and institutional investment by investor region, Q2 2019



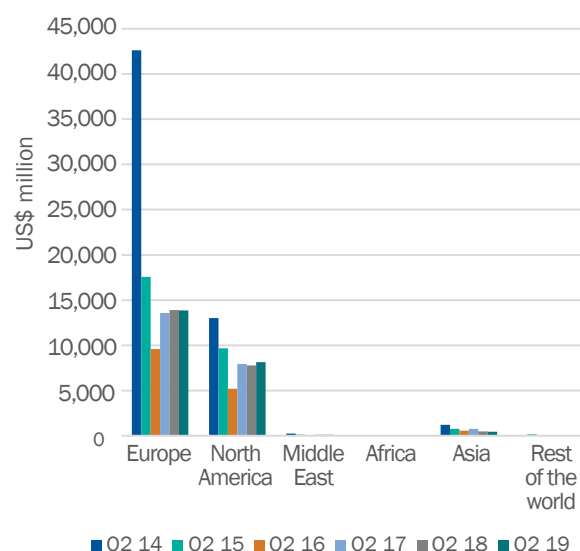
Top investors in SEE as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in SEE (US\$ million)
Hellenic Financial Stability Fund	Low	GRC	Passive	Regional	1,985.1	1,985.1
The Vanguard Group	Low	USA	Passive	Global	13,641.2	813.6
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	804.1
Franklin Templeton Investments Bucharest	Low	ROM	Active	Regional	745.5	745.5
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	733.9
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	652.2
Fidelity Management & Research Company	Low	USA	Active	Global	961.6	628.0
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	436.1
Alpha Asset Management	Low	GRC	Active	Global	421.8	411.5
Paulson & Company	Medium	USA	Active	Global	407.4	407.4

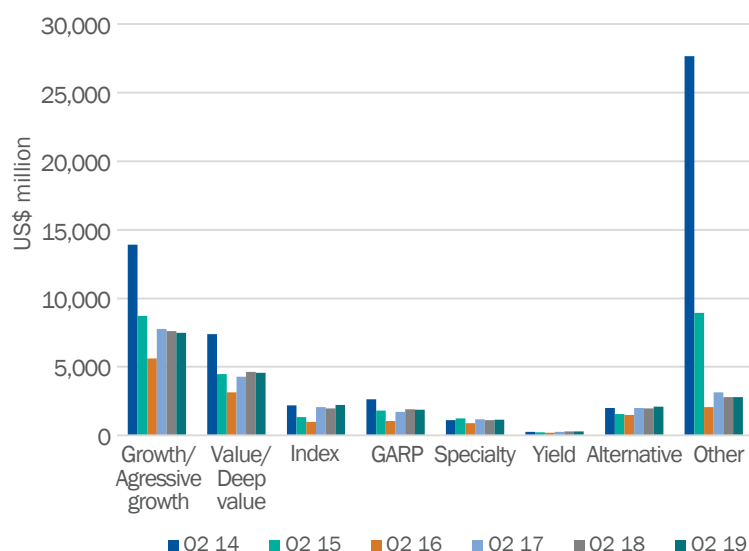
Identified institutional flows

The SEE region saw inflows of net US\$ 1.2 billion in the two years to Q2 2019. This included a rise in exposure by European firms (up 5.6 per cent) and North American institutions (up 7.4 per cent). Most styles of investor increased their exposure to the region during the period, apart from hedge funds, which reduced their investment by 2.8 per cent. Aggressive growth and index firms had the largest inflows, at 20.1 per cent and 14.0 per cent, respectively.

Ownership by investor region



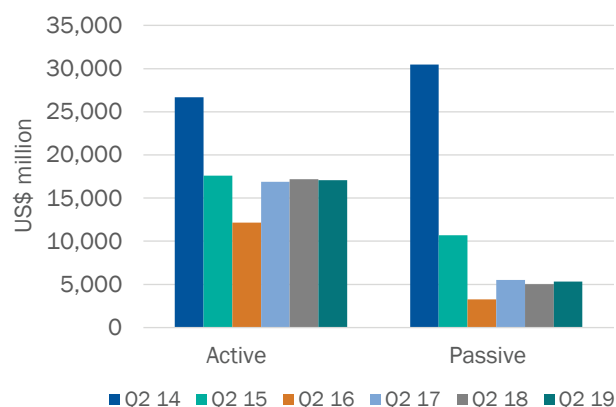
Ownership by investor style



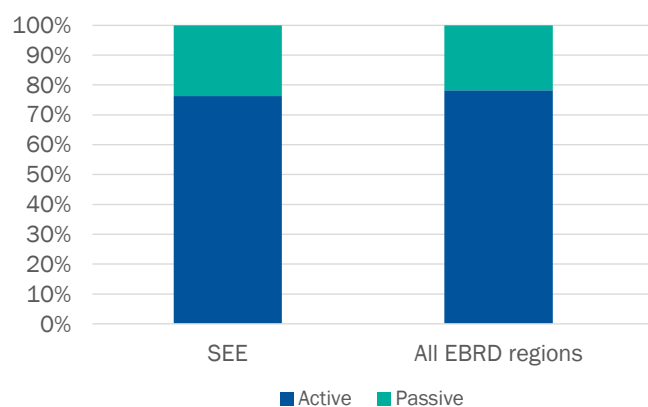
SOUTH-EASTERN EUROPE

Active investment in the SEE region grew 4.0 per cent from Q2 2017, while passive investment increased at more than twice the pace (up 9.2 per cent). SEE's active/passive breakdown was on par with the broader market: passive investment accounted for 23.7 per cent of exposure, compared with 21.8 per cent across the EBRD regions. The top two investors in the region, the Hellenic Financial Stability Fund and The Vanguard Group, are both passively managed, and the two entities' combined investment amounted to 52.6 per cent of total passive investment in SEE as of Q2 2019.

Ownership by investor orientation

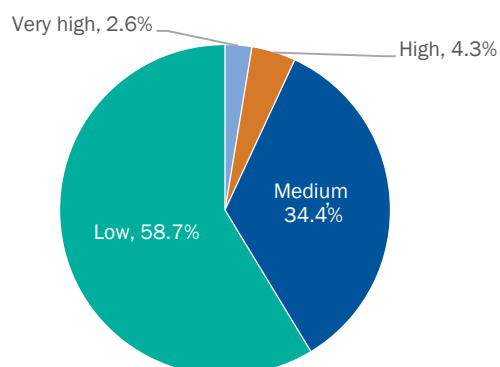


Ownership by investor orientation compared to EBRD regions



Medium-turnover investment accounted for more than a third of SEE investment as of Q2 2019, at 34.4 per cent. Low-turnover firms were in the majority, at 58.7 per cent, but SEE still had the greatest percentage of high-/very-high-turnover ownership of the EBRD regions, at 6.9 per cent.

Ownership by investor portfolio turnover



ALBANIA

Stock exchange:	Tirana Stock Exchange (TSE)
Established:	2002
Market capitalisation:	Unavailable
Number of stocks:	Unavailable

As of the time of writing, the Tirana Stock Exchange (TSE) had not functioned since 2014.

Stock exchange:	Albanian Securities Exchange (ALSE)
Established:	2014
Market capitalisation :	Unavailable
Number of stocks:	Unavailable
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

BOSNIA AND HERZEGOVINA

Stock exchange:	Banja Luka Stock Exchange (BLBERZA)
Established:	May 2001
Market capitalisation:	US\$ 2.1 billion
Number of stocks:	469

Stock exchange:	Sarajevo Stock Exchange (SASE)
Established:	13 September 2001
Market capitalisation:	US\$ 3.0 billion
Number of stocks:	205

MSCI market classification:	Frontier Markets (Standalone)
FTSE classification of equity market:	Not classified

The Banja Luka Stock Exchange and Sarajevo Stock Exchange are part of the SEE link, along with the Athens Stock Exchange, BSE-Sofia, Belgrade Stock Exchange, Ljubljana Stock Exchange, Macedonian Stock Exchange and Zagreb Stock Exchange, aimed at creating a regional infrastructure for trading securities on regional markets.

Verbatim investor commentary – Bosnia and Herzegovina

“Bosnia and Herzegovina is another potential market ... It is about the corporate governance and the liquidity. You need to find a superb, relative play, where you could buy something that brings alpha to your portfolio. We want to keep it simple. You need to find a strong enough opportunity to compensate for the other difficulties ... Also talking with the local stock exchanges and creating better indexes [would be very helpful]. In our fund, we use an index benchmark. To create some kind of pan-[southern] and eastern European benchmark or index could be helpful. For the companies, when they are competing for capital, they can try to be part of the index because usually if companies are not in an index, they are on the sidelines.”

European mutual fund (>US\$ 10 million EAUM)

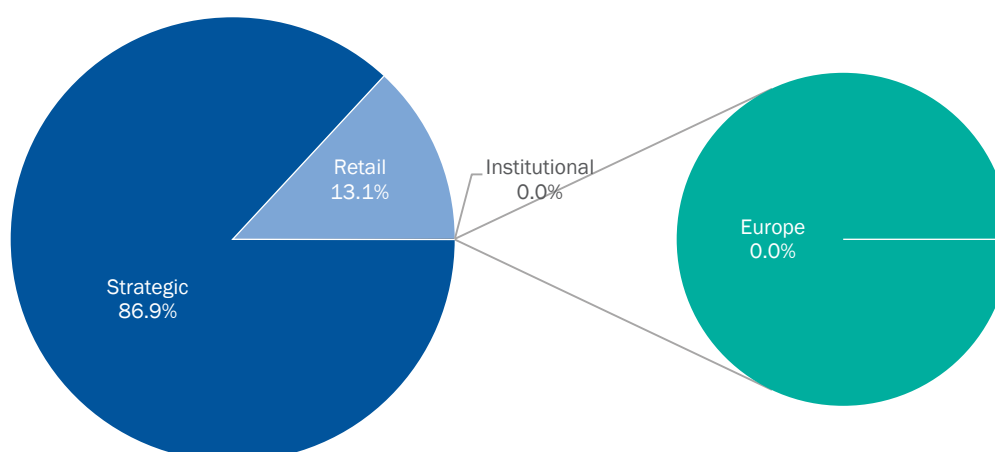
“On south-eastern Europe, which includes Greece, Serbia, Romania, Bulgaria, so the Balkans but not Turkey, I am bullish. I am more neutral on the Baltic states. They are more developed and the absolute upside is a bit lower there, but they are stable.”

European mutual fund (>US\$ 1 billion EAUM)

Identified ownership structure – both Exchanges

Strategic investment (at 86.9 per cent) and retail investment (at 13.1 per cent) accounted for nearly all investment in Bosnia and Herzegovina as of Q2 2019. There was just US\$ 0.6 million invested in by institutional investors, split between four holders, all of which were European.

Investment in Bosnia and Herzegovina by investor type and institutional investment by investor region, Q2 2019



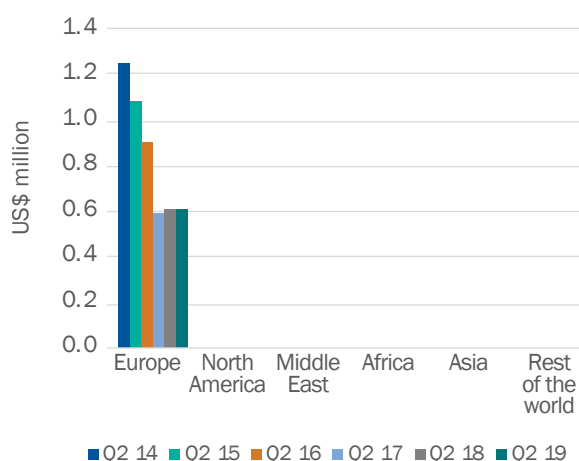
Top investors in Bosnia and Herzegovina as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in BIH (US\$ million)
Security KAG	Low	AUT	Active	Global	22.4	0.3
Hypo Vorarlberg Asset Management	Low	AUT	Active	Global	2.6	0.2
NLB Skladi	Low	SVN	Active	Global	71.3	0.0
ABDS	Low	BIH	Active	Regional	0.0	0.0

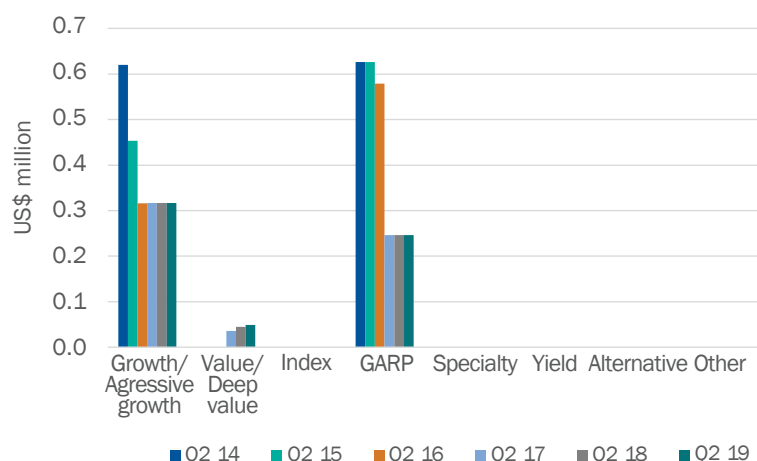
Identified institutional flows – both exchanges

All of Bosnia and Herzegovina's institutional investment was from Europe as of Q2 2019, with the top two investors based in Austria, and the other two in Slovenia and Bosnia and Herzegovina. The investment was split between growth-, deep-value and GARP-oriented firms.

Ownership by investor region



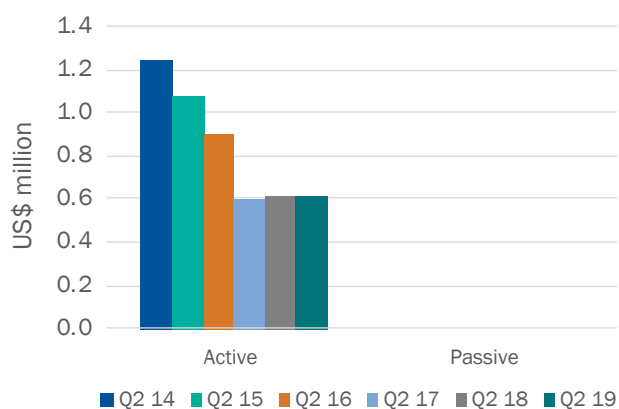
Ownership by investor style



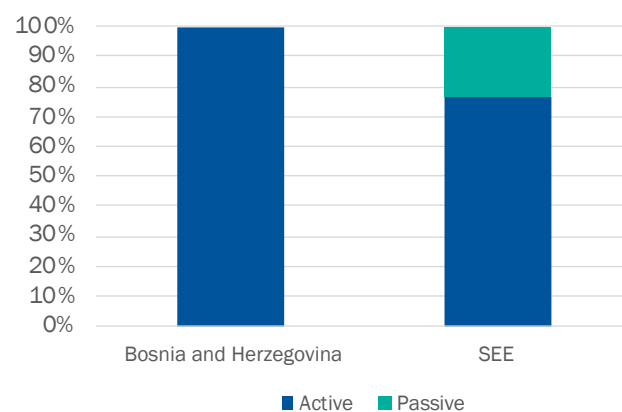
SOUTH-EASTERN EUROPE - BOSNIA AND HERZEGOVINA

All of the country's institutional investors as of Q2 2019 were actively managed firms.

Ownership by investor orientation

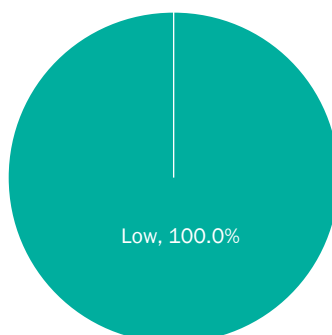


Ownership by investor orientation compared to region



All of the country's investors as of Q2 2019 were low-turnover firms.

Ownership by investor portfolio turnover



BULGARIA

Stock exchange	Bulgarian Stock Exchange – Sofia (BSE-Sofia)
Established:	1991
Market capitalisation:	US\$ 4.9 billion
Number of stocks:	66
MSCI market classification:	Frontier Markets (Standalone)
FTSE classification of equity market:	Frontier

The BSE-Sofia is part of the SEE link, along with the Athens Stock Exchange, Banja Luka Stock Exchange, Belgrade Stock Exchange, Ljubljana Stock Exchange, Macedonian Stock Exchange, Sarajevo Stock Exchange, and Zagreb Stock Exchange, aimed at creating a regional infrastructure for trading securities on regional markets.

According to the BSE-Sofia's website, six new issues were admitted to trading on the exchange between Q2 2017 and Q2 2019; six in the standard equities segment and one in the IPO segment.

Verbatim investor commentary – Bulgaria

“Some markets we have looked at include Bulgaria, Serbia and Croatia. We only invest in publicly listed entities. We do not invest in private equity or anything like this. Currently, we only have one investment in Bulgaria ... The problem in Bulgaria is that there are not that many liquid instruments available at all ... We look for a good ratio of price to quality. The lack of instruments on the public market in Bulgaria is a hindrance ... State-owned enterprises make up a large share in Bulgaria and they need to be pushed for transparency.”
European mutual fund (>US\$ 100 million EAUM)

“Bulgaria is quite a small and shallow market. At the moment, we have very limited exposure there, but that is primarily because at the moment we are positioning our fund more for value versus growth and also because we have to be liquid because of the open-[ended] nature of the fund. Theoretically, at any point all the investors could withdraw their money, so we have to be very, very liquid with regard to offloading the positions that we have. That is why we have kept our core positions as top listed names that are also value plays. We look for companies with very sound and clear balance sheets, with very limited debt and high dividend yields.”

European mutual fund (>US\$ 10 million EAUM)

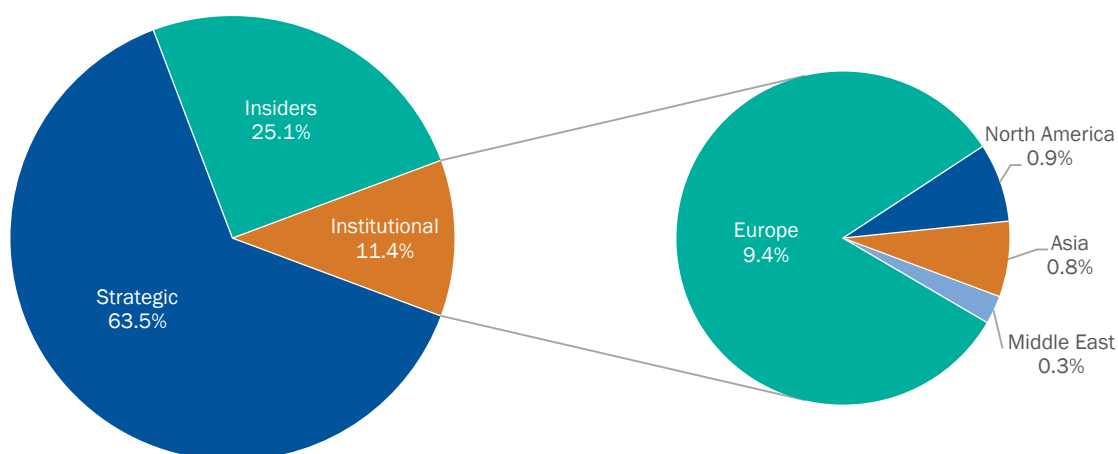
“When you take a small market like Bulgaria, there are a few main points to get someone's interest there. Someone needs to develop the market. There needs to be a strategy or purpose to take it in that direction. There needs to be the will. One way to attract investment might be to combine more than one country into one market. Going into these markets might be beneficial for investors, but they are small. The efficiency of the market is important, in terms of universe size and liquidity. There needs to be the will and the infrastructure for investors to be able to go there. What is most important is the strategy to get those countries up and running, so they have an interesting story to tell, or interesting prices, or both. If some of these criteria were fulfilled, my interest would be more pronounced. There needs to be the will to make a market, to develop infrastructure and the relevant size for investors, and then you have to inform investors about it.”

European mutual fund (>US\$ 100 million EAUM)

Identified ownership structure

Bulgarian equities were primarily held by strategic investors as of Q2 2019. They represented 63.5 per cent of identified ownership, while insiders owned 25.1 per cent and institutional investors held 11.4 per cent. There was no identified retail ownership. Institutions accounted for US\$ 292.4 million in investment, split between 39 firms. Thirty-two of those investors were Europe-based and accounted for a combined 82.3 per cent of institutional ownership. Bulgaria had a higher proportion of ownership by Middle Eastern and Asian investors than any other country in SEE as of Q2 2019, at 2.8 per cent and 7.3 per cent of institutional ownership, respectively. Previous top holder **VTB Capital Investment Management Holding** had liquidated its portfolio since Q2 2017. **235 Holdings**, based in Hong Kong, had invested US\$ 21.4 million in Bulgaria, according to 30 June 2019 filings; there had been no identified Asian investment in Bulgaria in Q2 2017.

Investment in Bulgaria by investor type and institutional investment by investor region, Q2 2019

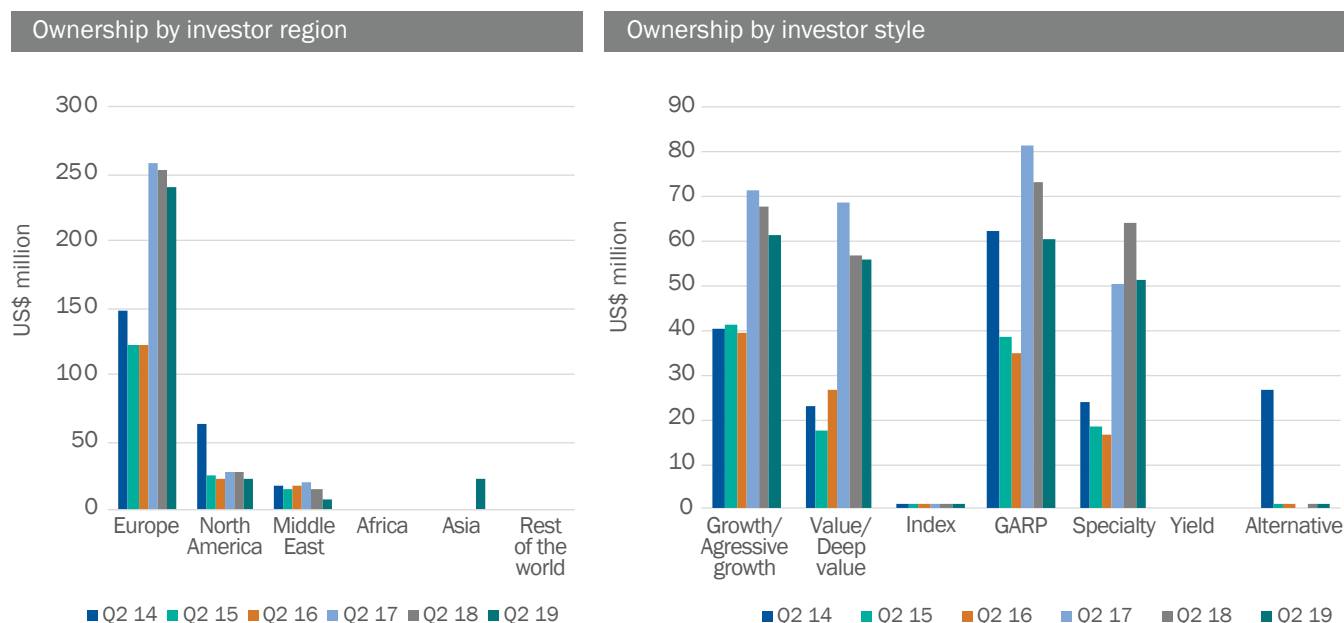


Top investors in Bulgaria as of Q2 2019

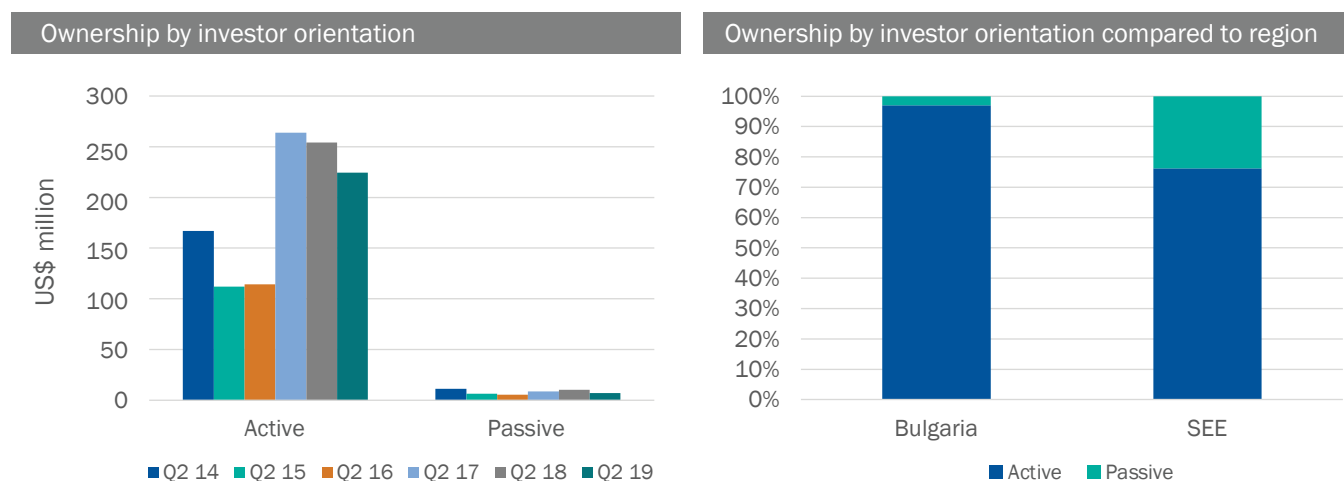
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in BGR (US\$ million)
DV Asset Management	Low	BGR	Active	Regional	55.1	55.1
Allianz Bulgaria Pension Company	Low	BGR	Active	Global	43.9	43.9
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	34.9
CCB Asset Management	Unknown	BGR	-	Regional	26.8	26.8
KJK Capital	Unknown	FIN	Active	Regional	48.0	26.4
235 Holdings	Unknown	HKG	-	Global	21.4	21.4
IFC Asset Management Company	Low	USA	Active	Global	542.7	16.2
Expat Asset Management	Low	BGR	Active	Global	20.0	14.6
PIC Doverie	Unknown	BGR	-	Regional	12.3	12.3
SAI SIRA	Unknown	ROM	Active	Regional	9.8	9.8

Identified institutional flows

Institutional ownership of Bulgarian securities saw outflows of US\$ 34.6 million from Q2 2014 to Q2 2019. In the two years to Q2 2019, outflows totalled US\$ 30.1 million. The decline in exposure occurred irrespective of investor region. Bulgaria's **PIC Doverie** and Romania's **SAI SIRA** were among the new entrants to the top holders list as of Q2 2019; both had invested their entire equity portfolios in Bulgaria.

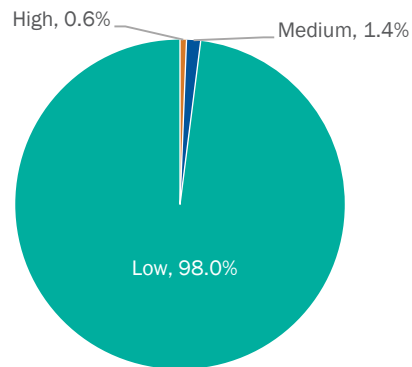


Active and passive investments remained nearly flat between Q2 2017 and Q2 2019. The Bulgarian market was dominated by active investors. There were just three identified passive investors, which had invested an aggregate US\$ 6.8 million in Bulgarian equities, representing 3.0 per cent of institutional ownership in the country. Comparatively, investment in the region has approximately 23.7 per cent from passive institutions.



Bulgarian equities were owned by a few very-low-turnover shareholders as of Q2 2019; their weighted average holding period was more than five years. The top two investors, which held a combined US\$ 99.0 million in Bulgaria, reported a 4 per cent annual turnover rate, corresponding to an average holding period of 25 years. As it is typically hedge funds (alternative-style investors) that have high or very high turnover, with only one hedge-fund investor in Bulgarian equities as of Q2 2019, the low-turnover ownership was unsurprising.

Ownership by investor portfolio turnover



CYPRUS

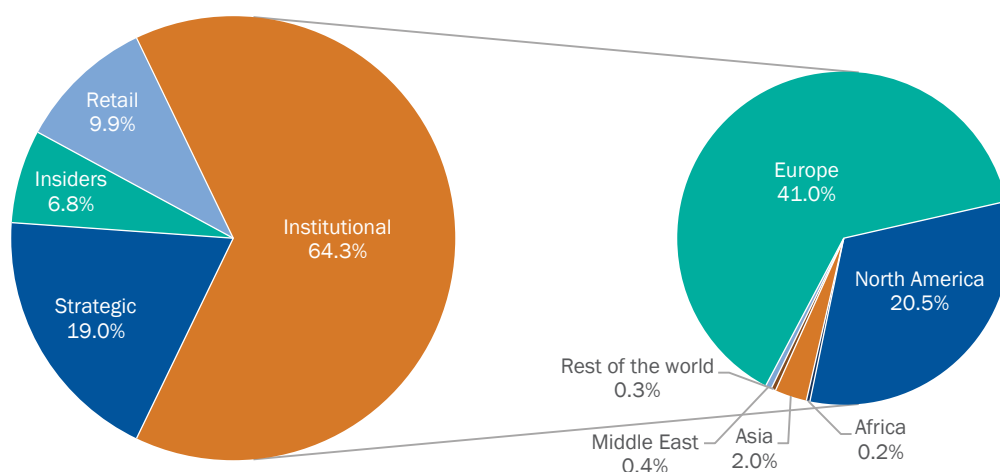
Stock exchange:	Cyprus Stock Exchange (CSE)
Established:	29 March 1996
Market capitalisation:	US\$ 4.0 billion
Number of stocks:	106
MSCI market classification:	Not classified
FTSE classification of equity market:	Frontier

The Cyprus Stock Exchange saw 13 new listings on its Emerging Companies Market between Q2 2017 and Q2 2019, according to its website.

Identified ownership structure

Cypriot equities had the second-highest percentage of institutional ownership across the EBRD regions as of Q2 2019, at 64.3 per cent, just behind Georgia and excluding those countries with just one identified investor. Strategic entities accounted for 19.0 per cent of securities ownership, while retail investors made up 9.9 per cent. Insiders held the remaining 6.8 per cent. European firms had invested more than twice their North American counterparts as of Q2 2019, at US\$ 2.9 billion and US\$ 1.4 billion, respectively.

Investment in Cyprus by investor type and institutional investment by investor region, Q2 2019



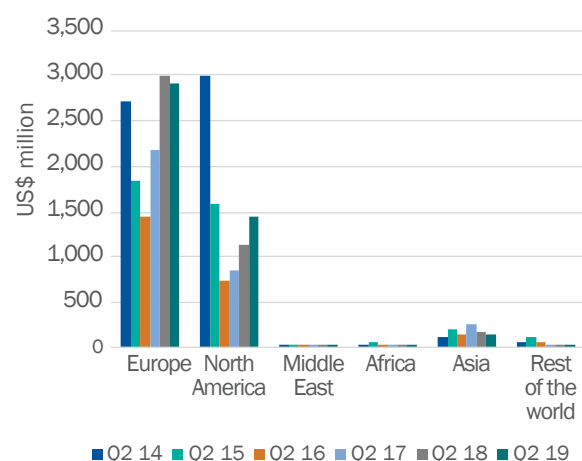
Top investors in Cyprus as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in CYP (US\$ million)
Fidelity International Limited (UK)	Medium	GBR	Active	Global	1,782.8	259.0
T. Rowe Price International	Medium	GBR	Active	Global	1,285.6	171.1
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	163.9
Otkritie Management Company	Unknown	RUS	Active	Regional	221.6	160.8
Comgest	Low	FRA	Active	Global	306.3	146.7
T. Rowe Price Associates	Low	USA	Active	Global	420.2	143.0
BNP Paribas Asset Management USA	Medium	USA	Active	Global	128.3	119.3
Pictet Asset Management UK	Medium	GBR	Active	Global	1,105.3	117.3
Schroder Investment Management UK	Medium	GBR	Active	Global	3,782.3	112.7
Hermes Investment Management	Low	GBR	Active	Global	419.3	103.3

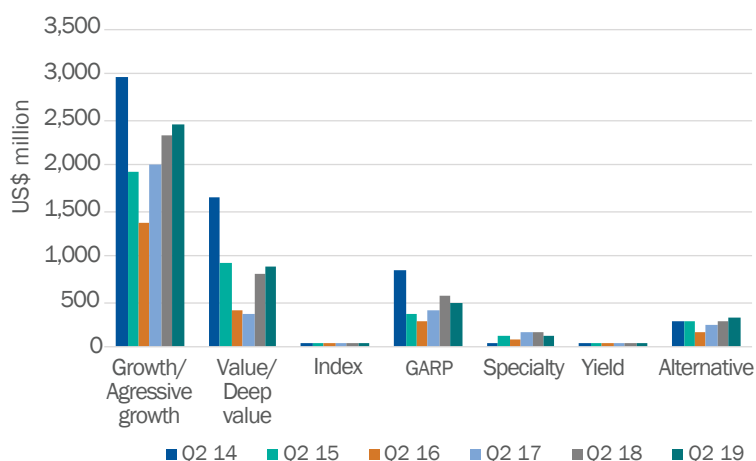
Identified institutional flows

Out of all of the countries in which the EBRD invests, in the two years to Q2 2019, Cyprus saw the biggest decrease in investment by Asian firms; they reduced their investment in Cypriot equities by 52.5 per cent. In contrast, during the same period, North American firms moved US\$ 549.9 million into the country (65.4 per cent growth). Investment of all styles grew during the two-year period, apart from private equity. Notably, value, index and yield investors all more than doubled their investment. Cyprus also recorded the highest level of ownership by aggressive growth firms in the EBRD regions, at 2.3 per cent. Interestingly, 170 of the institutional investors in Cyprus did not have investments there two years previously, corresponding to US\$ 740.5 million in new investment.

Ownership by investor region



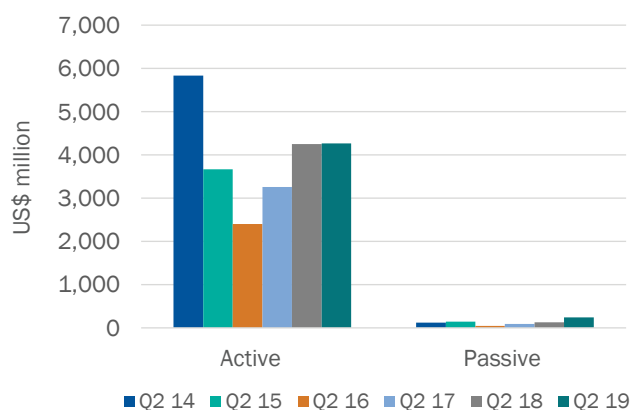
Ownership by investor style



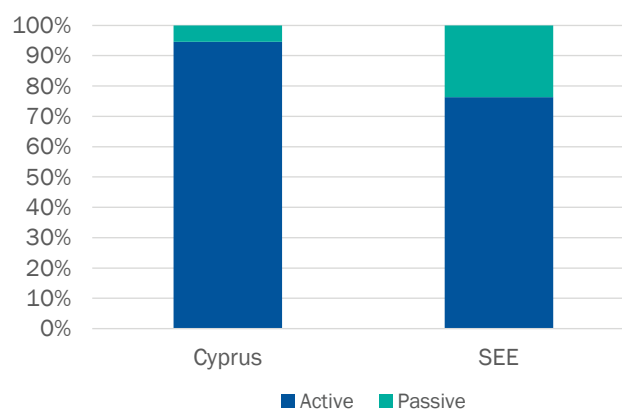
SOUTH-EASTERN EUROPE - CYPRUS

Active investment in Cyprus grew 28.2 per cent in the two years to Q2 2019. While passive investment accounted for just 5.5 per cent of ownership, it had grown 127.8 per cent since the prior analysis in 2017.

Ownership by investor orientation

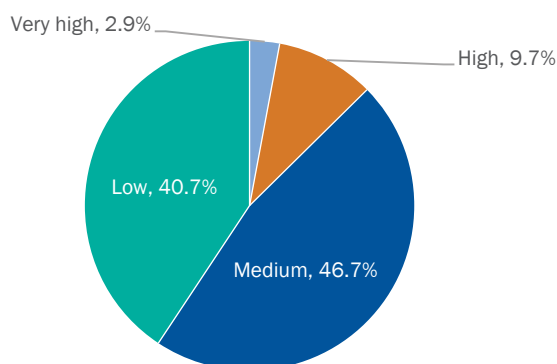


Ownership by investor orientation compared to region



Cyprus had the highest concentration of high-turnover investors in the analysis, at 9.7 per cent of institutional ownership, more than double the 4.3 per cent average of the SEE region. Cyprus also saw significant investment from medium-turnover firms, the most in the SEE region, in fact. Five of the top 10 investors were medium-turnover firms.

Ownership by investor portfolio turnover



GREECE

Stock exchange:	Athens Stocks Exchange (ATHEX)
Established:	1876
Market capitalisation:	US\$ 50.8 billion
Number of stocks:	182
MSCI market classification:	Emerging Markets
FTSE classification of equity market:	Advanced Emerging

According to its website, the Athens Stock Exchange saw two IPOs between Q2 2017 and Q2 2019: CNL Capital, and BriQ Properties.

The Athens Stock Exchange is part of the SEE link, along with the BSE-Sofia, Banja Luka Stock Exchange, Belgrade Stock Exchange, Ljubljana Stock Exchange, Macedonian Stock Exchange, Sarajevo Stock Exchange, and Zagreb Stock Exchange, aimed at creating a regional infrastructure for trading securities on regional markets.

Verbatim investor commentary – Greece

“Greece is attractive because of valuations and for the recovery story ... The risk is that Greece will not recover, that it will backtrack. Another risk is the global environment. That is more general.”

European mutual fund (>US\$ 100 million EAUM)

“I am very impressed by Greece. I have a very positive view on Greece. It has done a tremendous job. They have achieved significant results. Of course, it has had a government ... that did not want to implement the measures that the troika forced them to implement, but they did it and they stayed in the European Union, so I think the results have been really good and I think the outlook is quite bright.”

European mutual fund (>US\$ 50 billion EAUM)

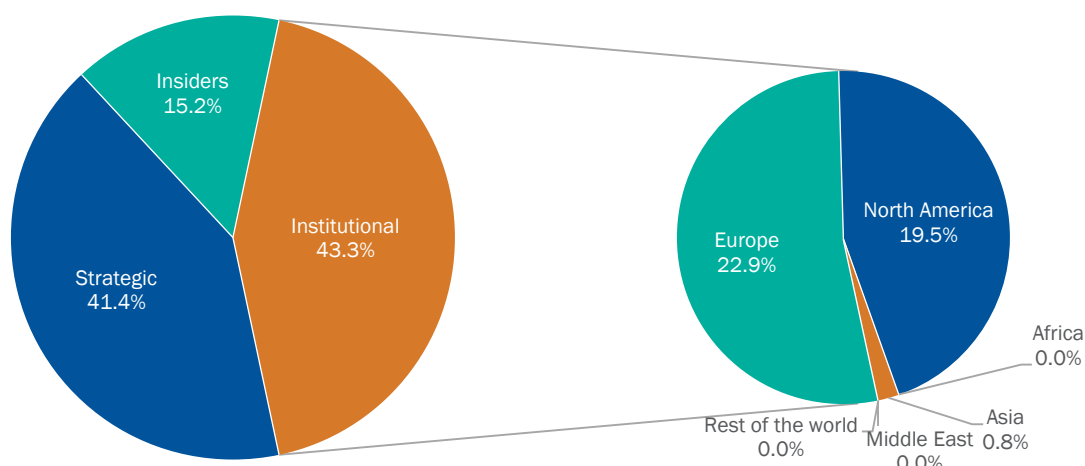
“What we find attractive [about Greece] are specific companies with very interesting fundamentals. Then there is the turnaround of the economy in general... After 10 years of a deep and very big crisis, I think the situation is normalised. I do not think there is a high risk from the country, but only from abroad and the external markets ... We are bullish on Greece ... I want to see more new companies listed, that are currently private ... Companies have to become more open, to communicate more, and come more often to visit investors.”

European mutual fund (>US\$ 100 million EAUM)

Identified ownership structure

Strategic holders accounted for 41.4 per cent of the Greek market as of Q2 2019; insiders held 15.2 per cent and no retail ownership was identified. Institutional investors accounted for 43.3 per cent of identified ownership, predominately European and North American firms. Greece had a higher share of North American investors than any other country in the SEE region, at 45.0 per cent. The **Hellenic Financial Stability Fund** remained the country's top investor, even though its exposure had decreased in value since 2017. Uniquely for the SEE region, the country's top two shareholders were passive investors.

Investment in Greece by investor type and institutional investment by investor region, Q2 2019



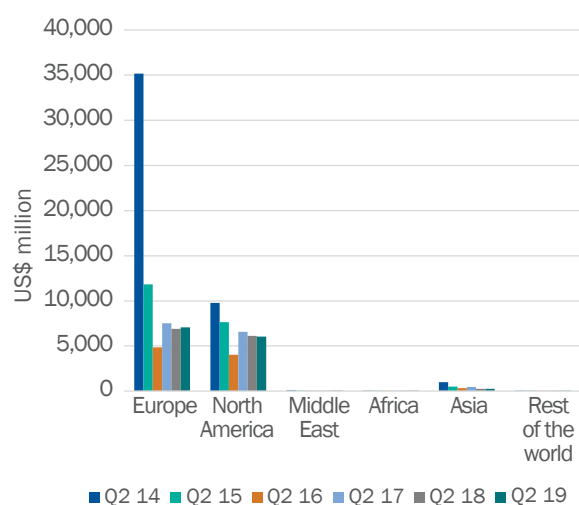
Top investors in Greece as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in GRC (US\$ million)
Hellenic Financial Stability Fund	Low	GRC	Passive	Regional	1,985.1	1,985.1
The Vanguard Group	Low	USA	Passive	Global	13,641.2	796.3
Fidelity Management & Research Company	Low	USA	Active	Global	961.6	618.8
Schroder Investment Management	Medium	GBR	Active	Global	3,782.3	577.2
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	525.8
Alpha Asset Management	Low	GRC	Active	Global	421.8	411.4
Paulson & Company	Medium	USA	Active	Global	407.4	407.4
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	395.4
Oaktree Capital Management	Medium	USA	Active	Global	392.0	365.8
Global X Management Company	Medium	USA	Passive	Global	447.8	354.8

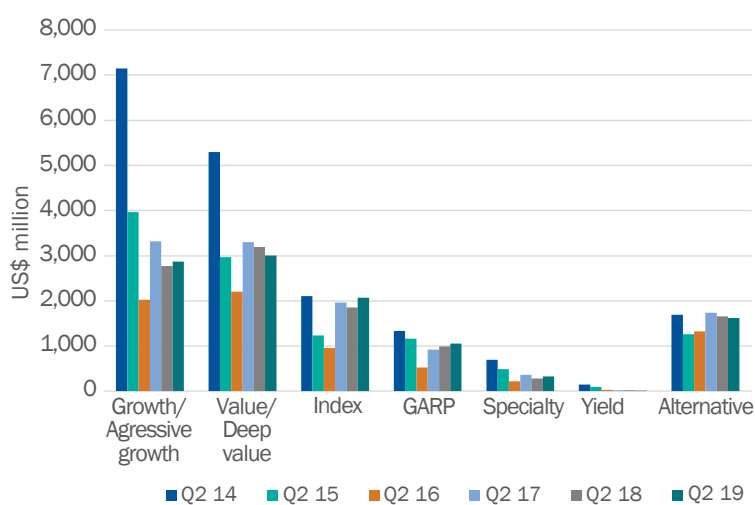
Identified institutional flows

Investors moved US\$ 454.2 million into Greece from Q2 2017 to Q2 2019. This was primarily attributable to European investors, who increased their exposure to Greek equities by 5.8 per cent over the period. North American investment remained fairly flat, while Middle Eastern firms had almost liquidated their investments in the country (down 84.5 per cent). US investors dominated the top shareholder list, occupying six of the top 10 slots. Growth and value-oriented investment accounted for 21.2 per cent and 21.0 per cent of institutional ownership, respectively, while alternative-style hedge funds made up 12.1 per cent – the highest percentage of hedge-fund ownership in the SEE region.

Ownership by investor region

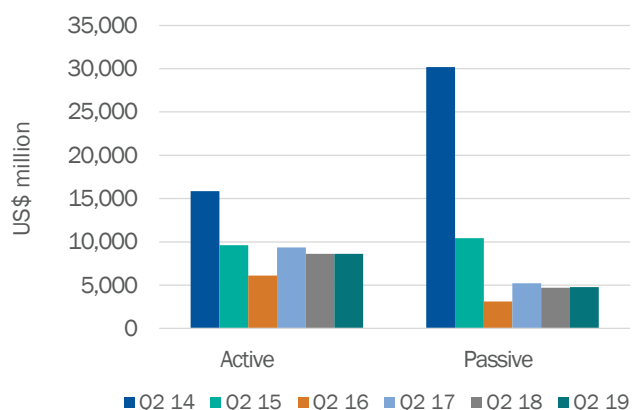


Ownership by investor style

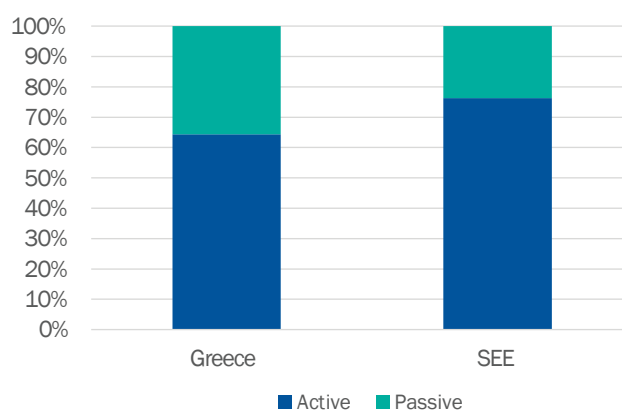


There was a significant increase in passive exposure to Greece in the two years to Q2 2019 (up 7.3 per cent), while active investment grew just 0.7 per cent. Active investment stood at US\$ 8.6 billion as of end Q2 2019, while passive investment was US\$ 4.8 billion. As Greece accounts for the majority of identified institutional investment in the SEE region, its active/passive breakdown is comparable with that of the region. However, passive ownership in the other SEE countries averaged 23.7 per cent as of 30 June 2019, compared with 35.6 per cent in Greece. Four of Greece's top 10 institutional shareholders were passive investors.

Ownership by investor orientation

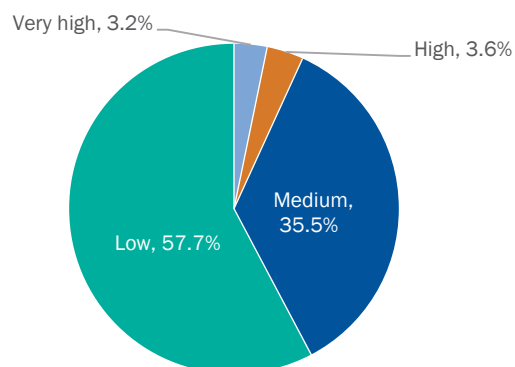


Ownership by investor orientation compared to region



As institutional investment in Greece accounts for 59.3 per cent of that of the SEE region, shareholder composition is very similar. Low-turnover portfolios dominated investment in Greek equities in Q2 2019, at 57.7 per cent. Very-high-turnover hedge fund York Capital Management Global Advisors, with an average holding period of less than a year, had US\$ 205.5 million invested in Greece as of end Q2 2019.

Ownership by investor portfolio turnover



KOSOVO

Stock exchange:	Not applicable
Established:	Not applicable
Market capitalisation:	Not applicable
Number of stocks:	Not applicable
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

Verbatim investor commentary – Kosovo

“Even for us, the financial markets in countries like Kosovo, Montenegro, Albania tend to be too illiquid for us to focus there. So, I cannot claim to be an expert. This is because of the size we manage today, the amounts are already too large to allocate almost anything into these markets, in the equity space at least. Otherwise, the macro convergence story applies there as well. They do have their own political and transparency issues, which is an issue for us. We look for transparency and good corporate governance.”

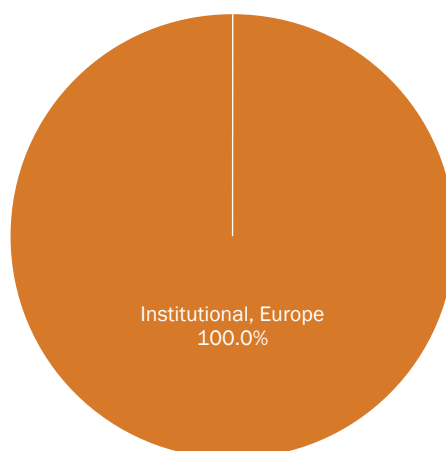
European mutual fund (>US\$ 100 million EAUM)

No information on identified ownership was disclosed to the authors.

MONTENEGRO

Stock exchange:	Montenegro Stock Exchange (MNSE)
Established:	June 1993
Market capitalisation:	US\$ 3.8 billion
Number of stocks:	19
MSCI market classification:	Not classified
FTSE classification of equity market:	Not classified

Investment in Montenegro by investor type and institutional investment by investor region, Q2 2019



Identified ownership structure

The only identified institutional holder of Montenegrin securities was Austria-based Security KAG, a growth-oriented investor with US\$ 1.1 billion in equity assets. The firm had invested less than US\$ 1,000 in the country's securities as of Q2 2019.

NORTH MACEDONIA

Stock exchange:	Macedonian Stock Exchange (MSE)
Established:	13 September 1995
Market capitalisation:	US\$ 3.2 billion
Number of stocks:	101
MSCI market classification:	Not classified
FTSE classification of equity market:	Frontier

The Macedonian Stock Exchange is part of the SEE link, along with the Athens Stock Exchange, Banja Luka Stock Exchange, BSE-Sofia, Belgrade Stock Exchange, Ljubljana Stock Exchange, Sarajevo Stock Exchange and Zagreb Stock Exchange, aimed at creating a regional infrastructure for trading securities on regional markets.

Verbatim investor commentary – North Macedonia

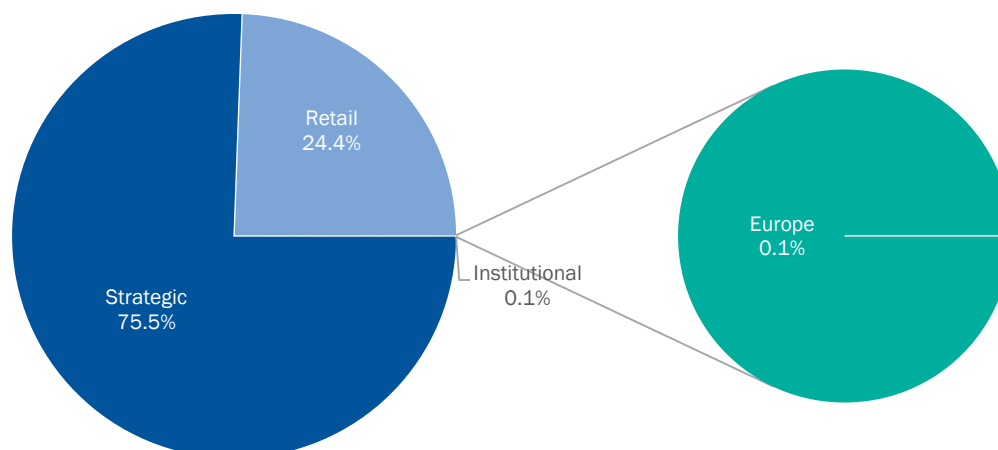
“We would allocate more capital to North Macedonia if there was better liquidity. Our Southern Eastern European fund is roughly €20-25 million, so on a European scale it is not that big, but for the region, if you observe the daily liquidity on the Croatian or Slovenian stock exchange, it is roughly €1 million. Sometimes it is €1.5 million. If you go south to Serbia, North Macedonia, or Bosnia and Herzegovina, this liquidity can be below €100,000 per day.”

European mutual fund (>US\$ 10 million EAUM)

Identified ownership structure

Equities in North Macedonia are primarily held by strategic entities (75.5 per cent) and retail investors (24.4 per cent), with just 0.1 per cent in the hands of institutional investors. Four firms account for all institutional investment in North Macedonia, all of which are active European institutions.

Investment in North Macedonia by investor type and institutional investment by investor region, Q2 2019

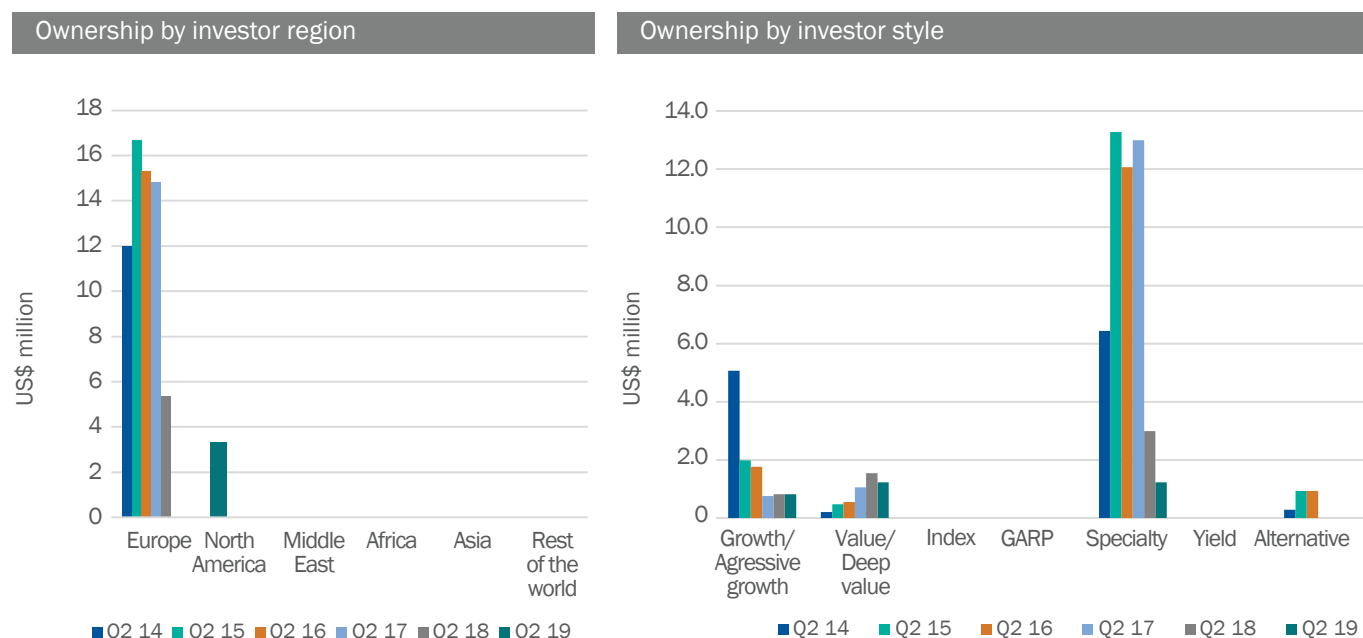


Top investors in North Macedonia as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in MKD (US\$ million)
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	1.2
NLB Skladi	Low	SVN	Active	Global	71.3	1.2
ALTA Skladi	Low	SVN	Active	Global	49.6	0.5
Generali Investments	Low	SVN	Active	Global	46.2	0.3

Identified institutional flows

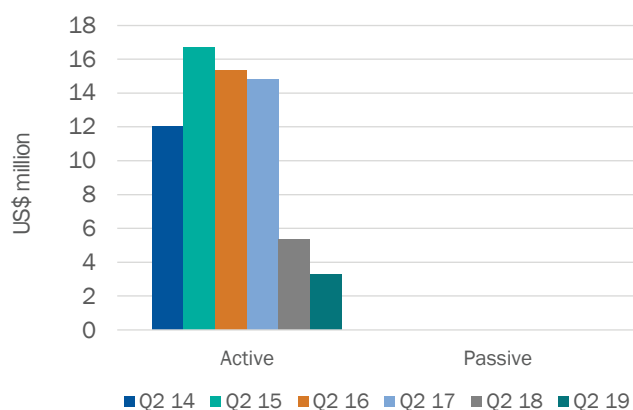
Investment in North Macedonia is somewhat opaque. The identified institutional holders are deep-value (**NLB Skladi**) and growth firms (**ALTA Skladi** and **Generali Investments**), plus the EBRD, all of which have low-turnover portfolios.



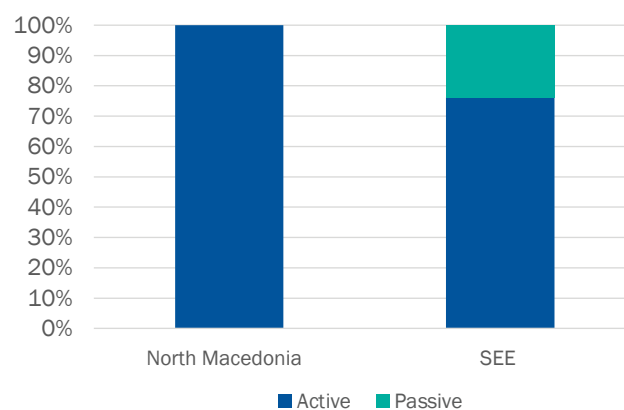
SOUTH-EASTERN EUROPE - NORTH MACEDONIA

Three of North Macedonia's institutional shareholders are based in Slovenia. All investors are actively managed.

Ownership by investor orientation

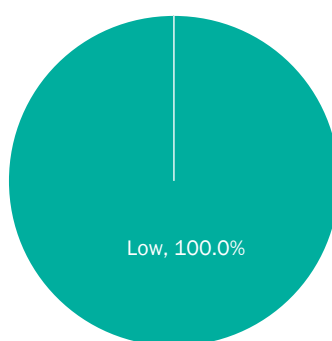


Ownership by investor orientation compared to region



The four investors in North Macedonia are all long-term investors.

Ownership by investor portfolio turnover



ROMANIA

Stock exchange:	Bucharest Stock Exchange (BVB)
Established:	1995
Market capitalisation:	US\$ 42.1 billion
Number of stocks:	84
MSCI market classification:	Frontier Markets
FTSE classification of equity market:	Frontier, Potential reclassification from Frontier to Secondary Emerging in September 2020 ²

The Bucharest Stock Exchange saw three IPOs between Q2 2017 and Q2 2019, according to its website: Purcari Wineries, Sphera Franchise Group and Transilvania Broker de Asigurare.

Verbatim investor commentary – Romania

“For Romania, [political] risks are less present, although it has had its moments. There it is more macro and microeconomic risks rather than political risks, but the politics has been a bit shaky this year.”

European mutual fund (>US\$ 500 million EAUM)

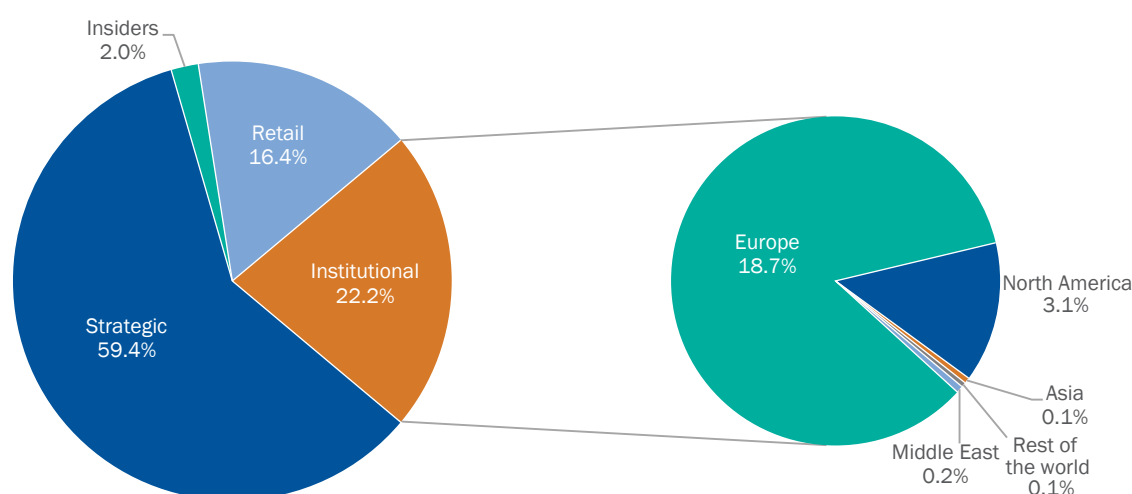
“Now, the corporate governance in Romania has really improved significantly. The country did a tremendous job, but there is still room to improve. In our investment approach, ESG is significantly important. As a company, we are applying now for a corporate social responsible investment certificate. We would probably be the first in the region to get such a certificate and we are really paying attention to that.”

European mutual fund (>US \$ 0 million EAUM)

Identified ownership structure

As of end Q2 2019, strategic investors dominated the Romanian market, with 59.4 per cent of ownership, while retail investors and insiders held 16.4 per cent and 2.0 per cent, respectively. European investors accounted for the majority of institutional holdings, at 18.7 per cent, up from 16.7 per cent at end Q2 2017. The country had 169 unique investors, only 12 of which not European or North American. Anchorage Capital Group, a US-headquartered hedge fund, entered the list of top investors after building a US\$ 124.6 million position in Romania in the year to June 2019; this corresponded to the firm's entire investment in the EBRD regions. Six of Romania's top shareholders had no exposure to any other country in which the EBRD invests.

Investment in Romania by investor type and institutional investment by investor region, Q2 2019



² According to the FTSE Equity Country Classification, September 2019.

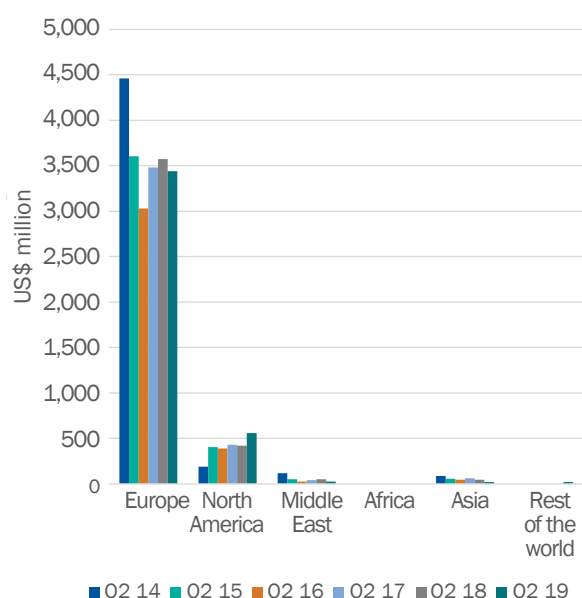
Top investors in Romania as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in ROU (US\$ million)
Franklin Templeton Investments Bucharest	Low	ROM	Active	Regional	745.5	745.5
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	347.6
SIF Banat-Crisana	Low	ROM	Active	Global	270.8	270.8
SIF Oltenia	Low	ROM	Active	Global	235.3	235.3
SIF Transilvania	Low	ROM	Active	Regional	213.5	213.5
NN Investment Partners	Low	CZE	Active	Global	403.8	158.8
SAI Muntenia Invest	Low	ROM	Active	Global	151.9	151.9
Anchorage Capital Group	Medium	USA	Active	Global	124.6	124.6
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	114.4
IFC Asset Management Company	Low	USA	Active	Global	542.7	98.4

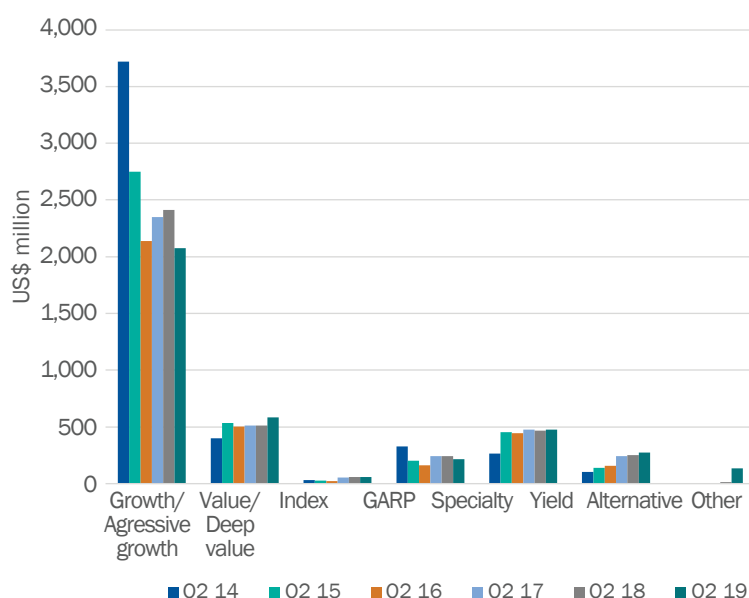
Identified institutional flows

European investors accounted for the majority of Romanian ownership, though European firms moved US\$ 310.0 million out of the country between Q2 2017 and Q2 2019. Regionally, only North American firms moved money into the country during that period, increasing their investment by 2.8 per cent. Notably, alternative investors (hedge funds) more than doubled their investment in Romania, raising their exposure by 163.6 per cent since Q2 2017. Yield-focused investment saw a slight increase (of 4.2 per cent) and accounted for 6.7 per cent of institutional ownership as of end Q2 2019. Romania had the highest percentage yield-investor ownership in the SEE region.

Ownership by investor region



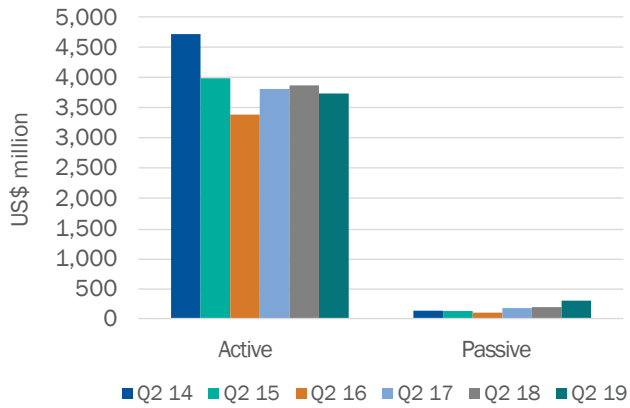
Ownership by investor style



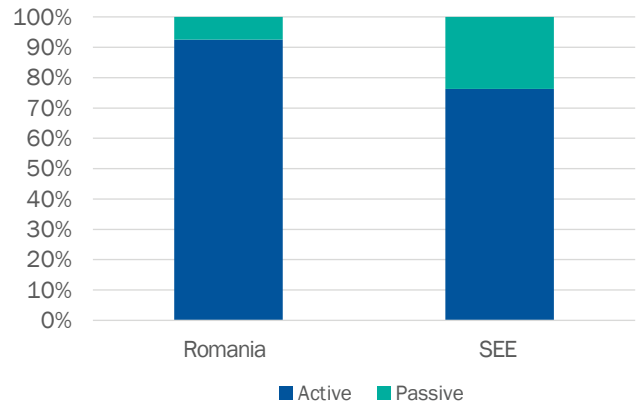
SOUTH-EASTERN EUROPE - ROMANIA

There was a net outflow of active investment between Q2 2017 and Q2 2019, while passive investment grew by 2.1 per cent. This was partly due to a new equity position taken by passive investor **Allianz Investment Management** in early 2019.

Ownership by investor orientation

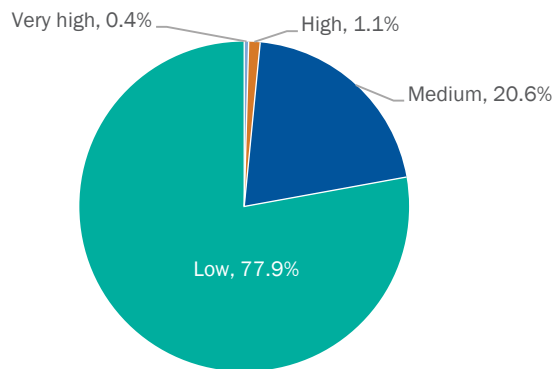


Ownership by investor orientation compared to region



As of end June 2019, more than three-quarters of Romania's institutional ownership stemmed from low-turnover investors. The entire Romanian investor base had an average weighted holding period of more than five years.

Ownership by investor portfolio turnover



SERBIA

Stock exchange:	Belgrade Stock Exchange (BELEX)
Established:	December 1989
Market capitalisation:	US\$ 5.3 billion
Number of stocks:	32
MSCI market classification:	Frontier Markets
FTSE classification of equity markets:	Frontier

Fintel Energija was the country's only listing between Q2 2017 and Q2 2019 and the exchange's first IPO in 78 years. The deal generated initial proceeds of US\$ 7.2 million.

Verbatim investor commentary – Serbia

"Similar to Georgia, Romania and Serbia are reform stories, although they have better connections in relations and trade and understandings with the EU, which can drive some extra security and stability, and yet you still get some good value."

European mutual fund (>US\$ 500 million EAUM)

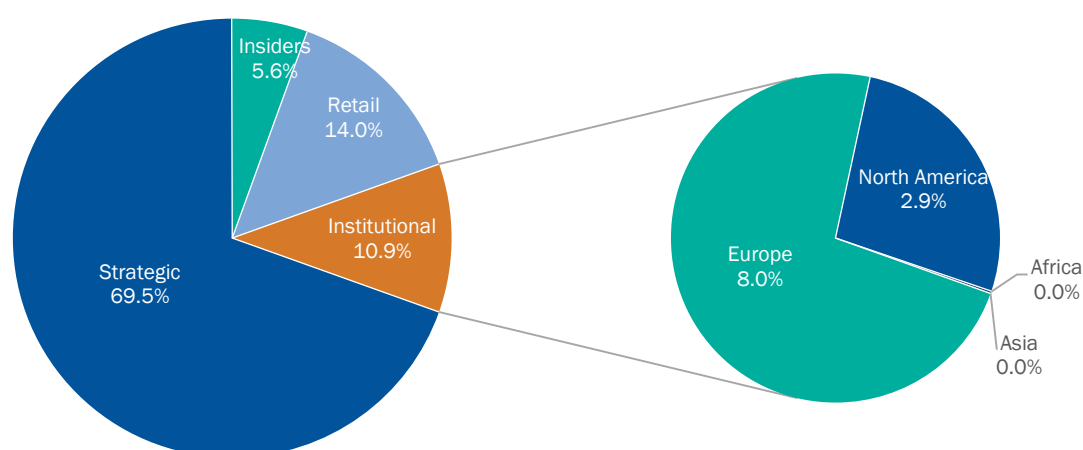
"The driver of allocation is primarily on a stock-by-stock basis, but if the country was on a more certain path toward the EU, it could increase our efforts to find stocks there. In Serbia I think the key problem is liquidity ... What is attractive to an investor is stability, predictability, and when companies are allowed to make profits and not forced to play all kinds of different agendas and when there is not the risk of all sorts of unpredictable taxes."

European mutual fund (>US\$ 10 billion EAUM)

Identified ownership structure

Strategic ownership accounted for 69.5 per cent of investment in Serbia at end Q2 2019. Retail investment stood at 14.0 per cent, while insiders accounted for 5.6 per cent. Institutional ownership of Serbian equities grew to 10.9 per cent of identified ownership as of Q2 2019 from 2.8 per in Q2 2017. These shareholdings were divided among 32 firms, most of them located in Europe. The country gained its first African investor in recent history after **Steyn Capital Management** initiated a US\$ 0.4 million position in Q2 2019. The country had just one Asian investor as of 30 June 2019: **Prudence Capital Management** (US\$ 0.2 million invested).

Investment in Serbia by investor type and institutional investment by investor region, Q2 2019



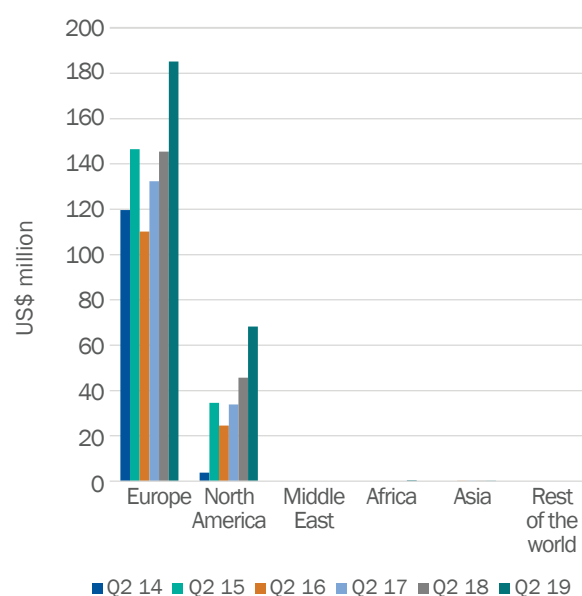
Top investors in Serbia as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in SRB (US\$ million)
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	109.3
IFC Asset Management Company	Low	USA	Active	Global	542.7	48.5
Deutsche Investitions- und Entwicklungsgesellschaft	Low	DEU	Active	Regional	31.3	22.0
Eaton Vance Management	Low	USA	Active	Global	128.4	14.5
East Capital Asset Management	Medium	SWE	Active	Global	1,031.3	12.8
Swedfund International	Unknown	SWE	Active	Regional	15.0	11.0
NLB Skladi	Low	SVN	Active	Global	71.3	5.0
ALTA Skladi	Low	SVN	Active	Global	49.6	3.8
Frontaura Capital	Low	USA	Active	Global	3.2	3.2
Security KAG	Low	AUT	Active	Global	22.4	3.1

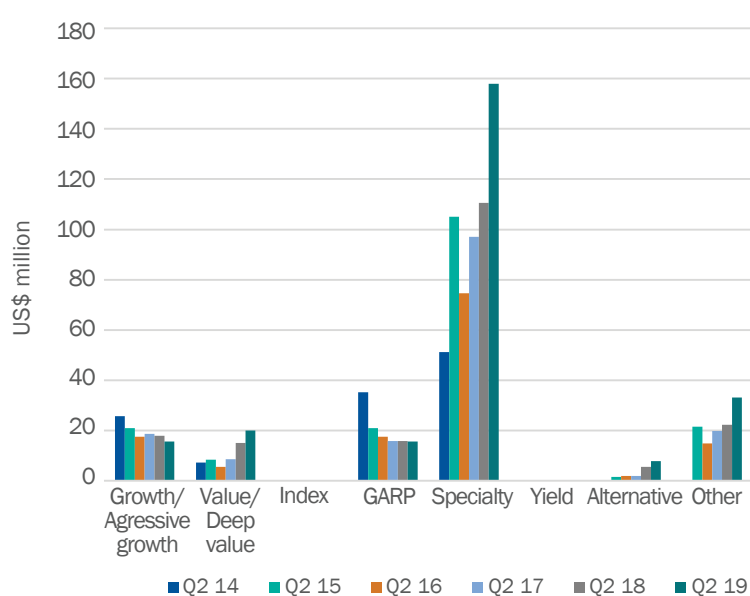
Identified institutional flows

Institutional investment in Serbia grew to US\$ 254.0 million as of end Q2 2019. Europe and North America accounted for 72.9 per cent and 26.8 per cent of global institutional ownership as of 30 June 2019, respectively. Serbia had the greatest percentage of specialty-firm investment in the EBRD regions. The country also had the largest percentage of private-equity investment in the SEE region: at 13.0 per cent of identified institutional ownership. Private equity is included in the “other” category below.

Ownership by investor region



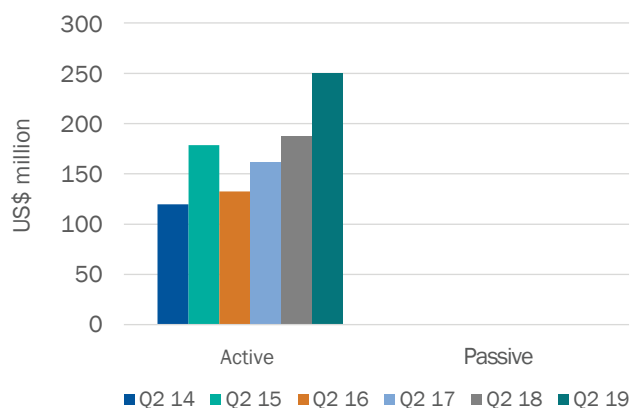
Ownership by investor style



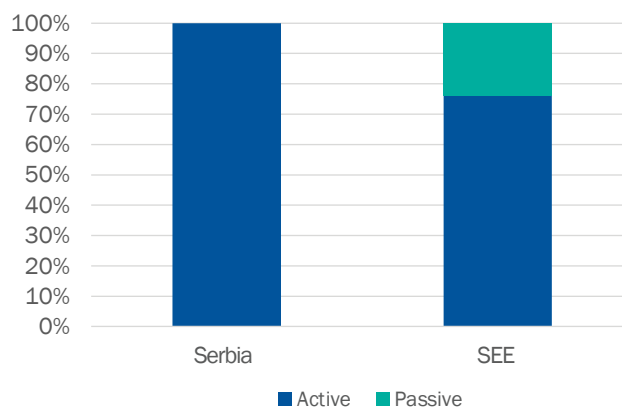
SOUTH-EASTERN EUROPE - SERBIA

Serbian securities were held exclusively by active investors as of end June 2019, in contrast to the wider SEE region, where active participation stood at 76.3 per cent. There was little change in Serbia's level of active investment in the two years to Q2 2019, with net inflows of just US\$ 0.2 million during that period.

Ownership by investor orientation

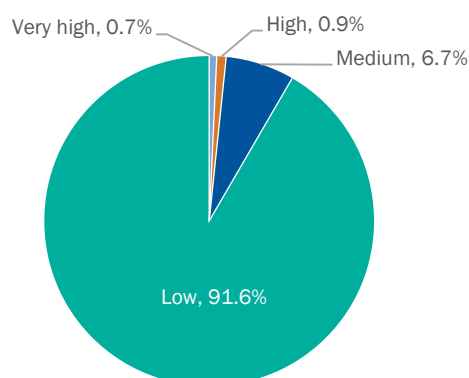


Ownership by investor orientation compared to region



As of Q2 2019, 91.6 per cent of the institutional ownership of Serbian equities came from low-turnover firms, compared with 51.3 per cent in Q2 2017.

Ownership by investor portfolio turnover



SOUTHERN AND EASTERN MEDITERRANEAN

Economy	Market capitalisation
Egypt	US\$ 43.2 billion
Jordan	US\$ 21.2 billion
Lebanon	US\$ 8.2 billion
Morocco	US\$ 61.6 billion
Tunisia	US\$ 8.3 billion
West Bank and Gaza	US\$ 3.7 billion
Total	US\$ 146.2 billion

Qualitative sentiment – Southern and eastern Mediterranean

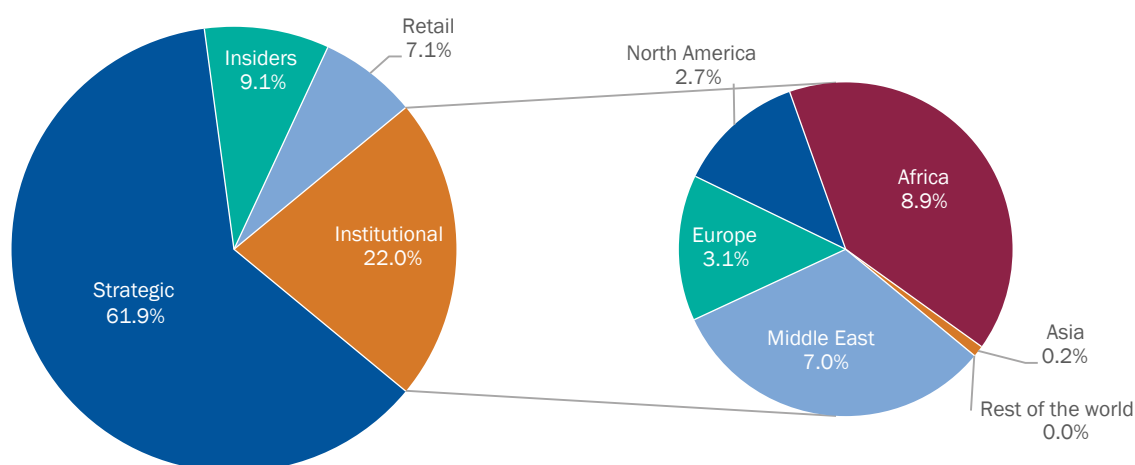
Investor sentiment on the southern and eastern Mediterranean (SEMED) region remained largely unchanged from Q2 2017. Those surveyed perceived Egypt as a higher-risk-higher-reward destination, where low labour costs and ongoing reforms were driving growth. Investors looked favourably on the country's work with the IMF, as well as its valuations and demographics. Morocco was considered a safer investment, however, with low growth rates, but protection from conventional boom-bust cycles.

The SEMED region was deemed less politically stable than the other EBRD regions, though its valuations were cheaper. Continued improvements on ESG issues and the liberalisation of markets presented an interesting long-term investment story. Liquidity was a concern in some economies, such as Jordan, Lebanon and Tunisia.

Identified ownership structure

Strategic ownership dominated the region's disclosed investment as of Q2 2019, accounting for 61.9 per cent of the market. Institutional investors accounted for 22.0 per cent, followed by insiders at 9.1 per cent. Retail institutions made up the remaining 7.1 per cent. SEMED institutional investment was dominated by African and Middle Eastern firms, with seven of the top 10 investors coming from those regions.

Investment in the SEMED region by investor type and institutional investment by investor region, Q2 2019



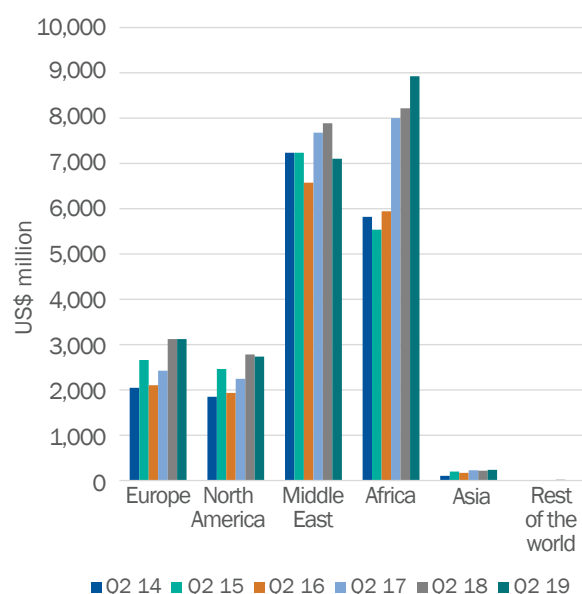
Top investors in SEMED as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in SEMED (US\$ million)
Caisse de Dépôt et de Gestion des Fonds au Maroc	Low	MAR	Active	Global	3,110.5	3,110.5
Jordan Social Security Investment Fund	Unknown	JOR	Active	Global	2,418.9	2,418.9
Caisse Interprofessionnelle Marocaine de Retraites	Low	MAR	Passive	Global	1,553.6	1,553.6
Caisse Marocaine des Retraites	Low	MAR	Active	Regional	686.3	686.3
Kuwait Investment Authority	Low	KWT	Active	Global	685.8	642.6
Banque Populaire de Fès-Taza	Unknown	MAR	-	Regional	574.9	574.9
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	519.0
Abraaj Capital	Unknown	ARE	Active	Global	455.5	455.5
The Vanguard Group	Low	USA	Passive	Global	13,641.2	447.4
Actis	Unknown	GBR	Active	Global	431.7	431.7

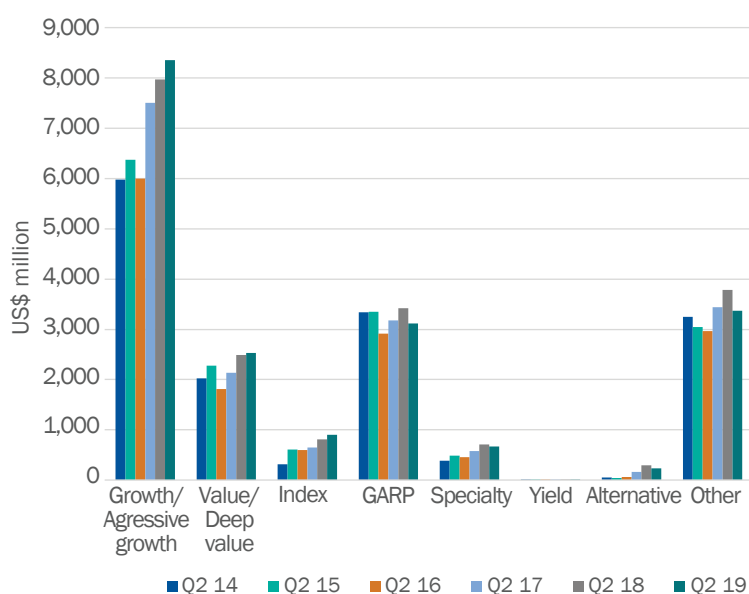
Identified institutional flows

Investment in SEMED increased 16.3 per cent in the five years to Q2 2019. As of 30 June 2019, institutional investors had US\$ 22.1 billion invested in the region's equities. Net investment in the region had grown 2.3 per cent from Q2 2017. Middle Eastern firms decreased their investment in SEMED by 4.1 per cent, though they still accounted for a significant portion of the market, at 32.1 per cent. African firms remained the largest investor group by investor region, holding 40.3 per cent of all market investment. Investment styles were mixed. Aggressive growth firms moved US\$ 12.8 million into the region, increasing their exposure by 75.6 per cent in the two years to Q2 2019, while alternative-style hedge funds sold US\$ 29.3 million, reducing their exposure by 18.2 per cent.

Ownership by investor region



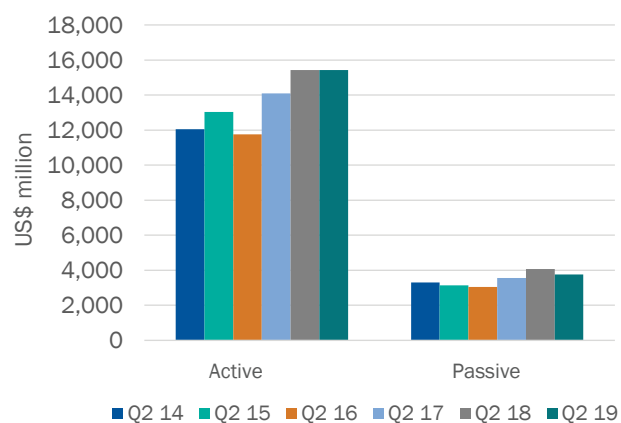
Ownership by investor style



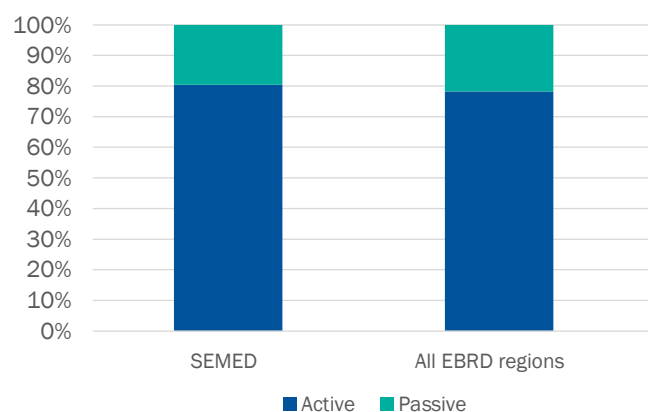
SOUTHERN AND EASTERN MEDITERRANEAN

Both active and passive firms increased their investment in the SEMED region between Q2 2017 and Q2 2019, by 0.3 per cent and 4.2 per cent, respectively. The level of active investment in SEMED, at 80.4 per cent, slightly exceeded that in the rest of the EBRD regions, at 78.2 per cent.

Ownership by investor orientation

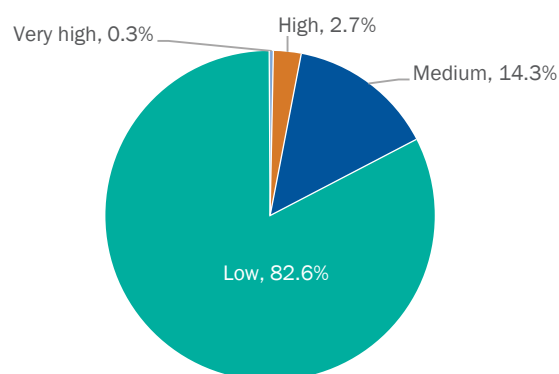


Ownership by investor orientation compared to EBRD regions



All of the top investors in the region that disclosed levels of turnover were low-turnover firms. Those six firms accounted for 31.4 per cent of all SEMED investment as of end June 2019. Some 82.6 per cent of all investment in the region was low turnover.

Ownership by investor portfolio turnover



EGYPT

Stock exchange:	Egyptian Exchange (EGX)
Established:	1995
Market capitalisation:	US\$ 43.2 billion
Number of stocks:	248
MSCI market classification:	Emerging Markets
FTSE classification of equity markets:	Secondary Emerging

Eight companies had an IPO on the Egyptian Exchange between Q2 2017 and Q2 2019.

Verbatim investor commentary – Egypt

“There are lots of reforms going on in Egypt, in terms of the central bank and monetary and fiscal policy and the IMF programme. There are cheap valuations, strong growth and good demographics ... For the southern and eastern Mediterranean, we are neutral on the markets, except Egypt where we are bullish. We are positive there because of lots of reform, they are working well with the IMF. There is a new finance minister, rates are coming down, demographics are good and there is still reasonable value. There are lots of reasons there.”

European mutual fund (>US\$ 500 million EAUM)

“There are some short-term and longer-term elements that are attractive for investing in Egypt. In terms of the short-term cyclical elements, interest rates in the country are still high. Increasingly, it is becoming visible that there is still room to lower interest rates because inflation is decreasing. This will provide a favourable wind for the equity market.”

European mutual fund (>US\$ 5 billion EAUM)

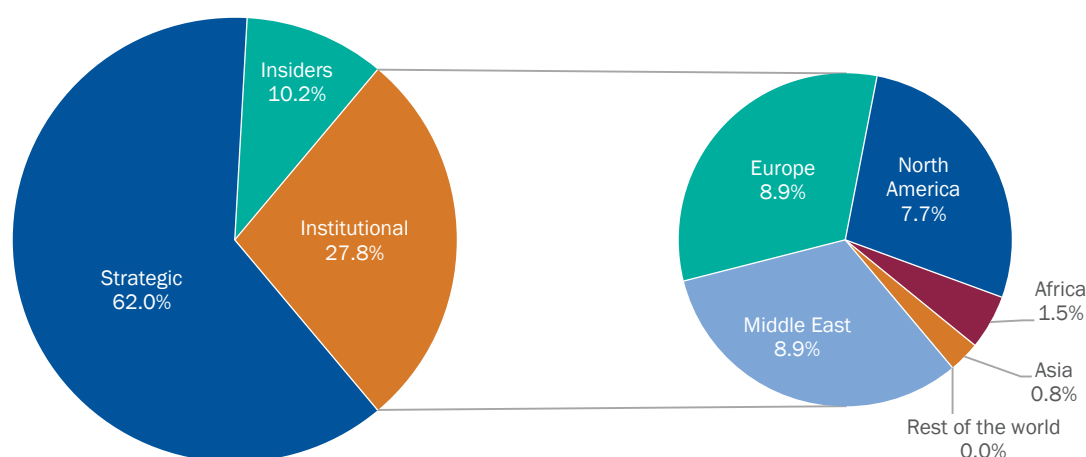
“I have one holding in Egypt and I think many investors have that holding ... Of course, it is worrying with the political situation ... The currency situation has improved. The country can probably improve and fair elections would be a very positive signal to us and other international investors.”

European mutual fund (>US\$ 50 billion EAUM)

Identified ownership structure

Egyptian equities were primarily held by strategic investors, which accounted for 62.0 per cent of identified holdings as of 30 June 2019. Insiders held 10.2 per cent, while institutional investors made up the remaining 27.8 per cent. Among the institutions, ownership was split primarily between Middle Eastern investors (32.1 per cent), European firms (32.0 per cent) and North American institutions (27.5 per cent). **The Vanguard Group** remained the country's top investor, having increased its exposure by 29.3 per cent from Q2 2017.

Investment in Egypt by investor type and institutional investment by investor region, Q2 2019



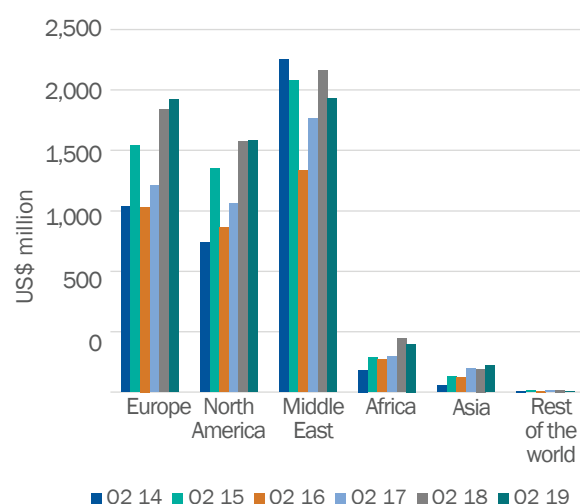
Top investors in Egypt as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in EGY (US\$ million)
The Vanguard Group	Low	USA	Passive	Global	13,641.2	445.3
Actis	Unknown	GBR	Active	Global	431.7	431.7
Abraaj Capital	Unknown	ARE	Active	Global	455.5	425.3
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	409.9
Abu Dhabi Investment Authority	Low	ARE	Active	Global	369.9	369.9
Misr Insurance Company	Low	EGY	Active	Regional	353.9	353.9
Invesco Advisers	Low	USA	Active	Global	4,616.5	259.1
BlackRock Fund Advisors	Low	USA	Passive	Global	8,216.5	199.3
Social Insurance Fund For Government Employees (Egypt)	Unknown	EGY	Passive	Regional	195.6	195.6
Lazard Asset Management	Medium	USA	Active	Global	2,674.7	191.3

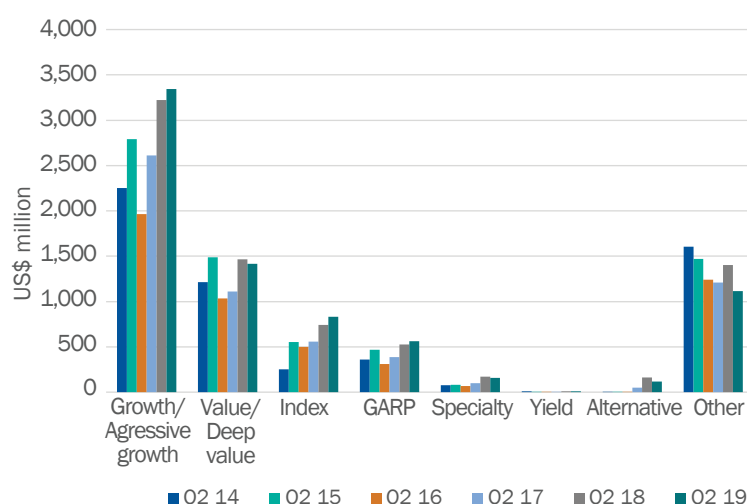
Identified institutional flows

Investment in Egyptian securities grew 30.4 per cent in the five years to Q2 2019 and 8.3 per cent between Q2 2017 and Q2 2019. Though Asian investors were behind only a small portion of total investment in the country, they had increased their exposure to Egyptian stocks by 26.6 per cent since 2017. European investors had moved the largest amount into the country, posting US\$ 448.0 million of inflows in the two years to end June 2019. Egypt saw more investment by venture capital firms than any other economy in the EBRD regions, at US\$ 565.0 million. The country's second-largest holder, **Actis**, accounted for most of that investment (US\$ 431.7 million). Venture capital is included in the "other" investor style in the chart below.

Ownership by investor region



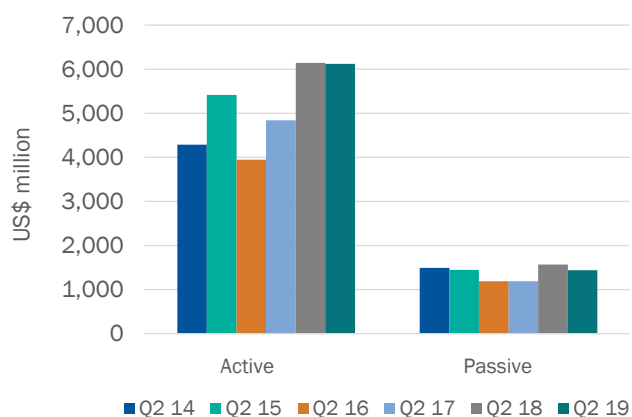
Ownership by investor style



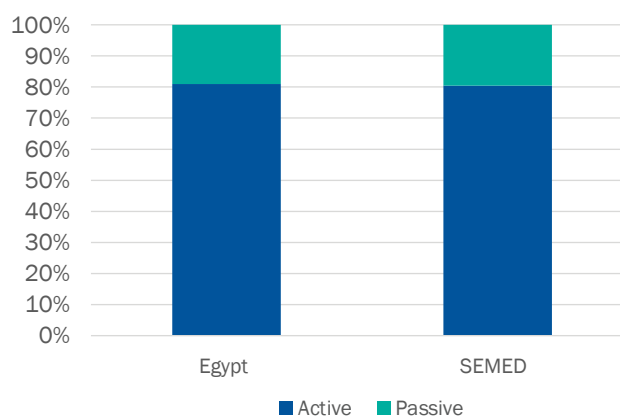
SOUTHERN AND EASTERN MEDITERRANEAN - EGYPT

Active investment in Egypt increased 6.3 per cent in the two years to Q2 2019, while passive investment rose 16.6 per cent. The country's active-passive breakdown was nearly identical to that of the broader region, standing at 19.0 per cent compared with SEMED's 19.6 per cent. **The Vanguard Group** alone accounted for 31.0 per cent of the country's total passive investment.

Ownership by investor orientation

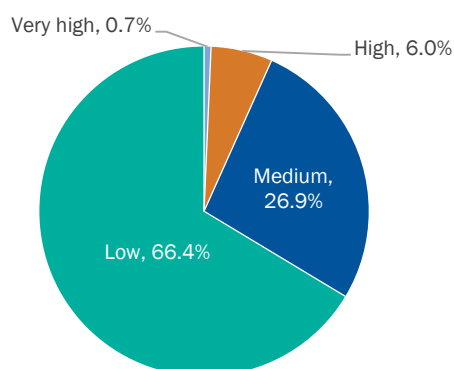


Ownership by investor orientation compared to region



At 0.7 per cent and 6.0 per cent, respectively, Egypt had the highest levels of very-high-turnover and high-turnover ownership in the SEMED region. Low-turnover investors still dominated, however, with 66.4 per cent of the market.

Ownership by investor portfolio turnover



JORDAN

Stock exchange:	Amman Stock Exchange (ASE)
Established:	March 1999
Market capitalisation:	US\$ 21.2 billion
Number of stocks:	228
MSCI market classification:	Frontier Markets
FTSE classification of equity markets:	Frontier

Verbatim investor commentary – Jordan

“In Jordan, Morocco, Lebanon and Tunisia sometimes we see some cheap businesses. They are very illiquid and most of them have political issues at the moment, so theoretically we look at them, but we have not invested much in quite some time ... We have investments [in Morocco]. It is politically stable. It has a reasonably sensible central bank with a pegged currency. It has good trade with Europe and will also invest in faster-growing economies south of it, in Africa.”

European mutual fund (>US\$ 500 million EAUM)

“We are not looking at Jordan much. It is partly its size makes it less attractive ... It is difficult, especially with the Syrian conflict. If that eased a bit or improved, Jordan would become more interesting. It is too much on the edge. It is a small market, in a difficult situation, so I do not feel the need to go there. Egypt is next to it. Egypt has its difficulties as well, but it is a bigger market and country. The size is a hedge for you because if there is trouble in Egypt, the [USA] and Europe will try to stabilise it.”

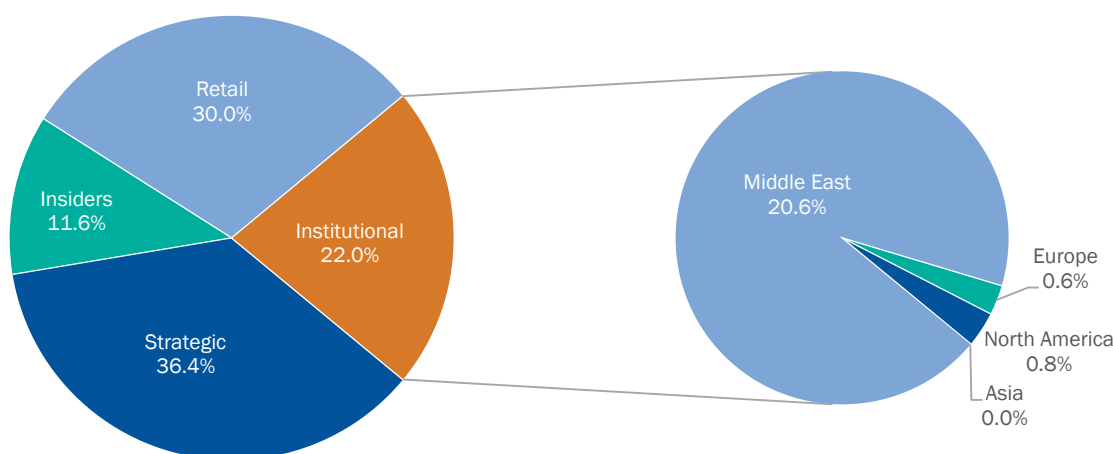
European mutual fund (>US\$ 5 billion EAUM)

Identified ownership structure

Strategic investors accounted for the greatest portion of Jordanian investment as of Q2 2019, at 36.4 per cent. Retail investors were close behind, at 30.0 per cent. Institutional investors accounted for 22.0 per cent of ownership, while insiders made up 11.6 per cent. Middle Eastern firms dominated institutional investment, at 93.6 per cent, the highest percentage in all of the EBRD regions. While Jordan saw net investment of US\$ 4.3 billion as of Q2 2019 90.9 per cent of it stemmed from the top 10 investors.

Millville Opportunities Management, the **Palestine Investment Fund** and **Investbank (Jordan)** were all new additions to the top investor list since Q2 2017.

Investment in Jordan by investor type and institutional investment by investor region, Q2 2019



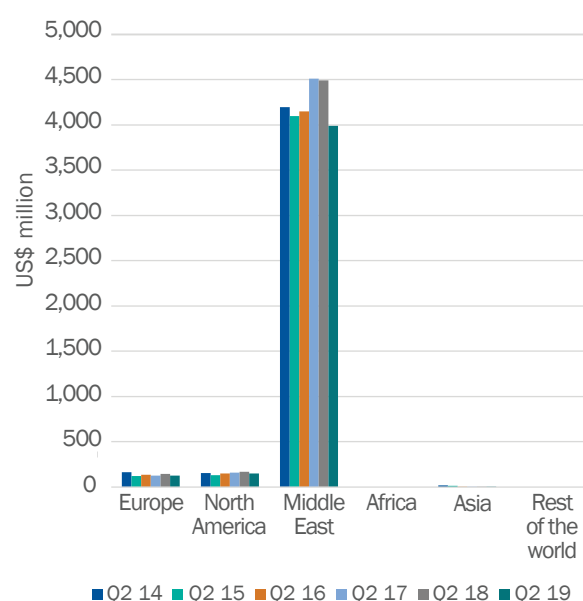
Top investors in Jordan as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in JOR (US\$ million)
Jordan Social Security Investment Fund	Unknown	JOR	Active	Global	2,418.9	2,418.9
Kuwait Investment Authority	Low	KWT	Active	Global	685.8	642.6
Abdul Hameed Shoman Foundation	Unknown	JOR	Passive	Regional	283.3	283.3
Iran Foreign Investment Company	Unknown	IRN	Active	Regional	149.6	149.6
Oman State General Reserve Fund	Low	OMN	Active	Global	90.3	90.3
Millville Opportunities Management	Unknown	USA	Active	Global	68.9	68.9
Palestine Investment Fund	Low	WBG	Passive	Global	174.1	65.4
BankMed (Suisse)	Unknown	CHE	Active	Global	62.1	62.1
Arab Palestinian Investment Company	Unknown	JOR	Active	Regional	51.6	51.6
Investbank (Jordan)	Unknown	JOR	Active	Regional	43.6	41.7

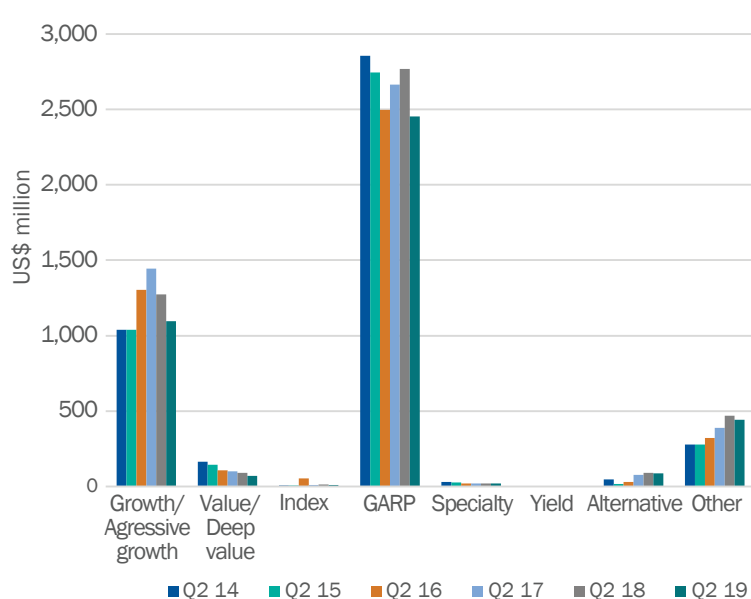
Identified institutional flows

Net investment in Jordan slipped 2.7 per cent in the two years to Q2 2019, with selling by investors of all stripes in all regions. Private equity firms, however, moved US\$ 3.8 million into Jordanian issuers during that period. As the country's **Social Security Investment Fund** is GARP-oriented, that style of investing dominates in Jordan, at 58.8 per cent of total institutional ownership as of end June 2019.

Ownership by investor region



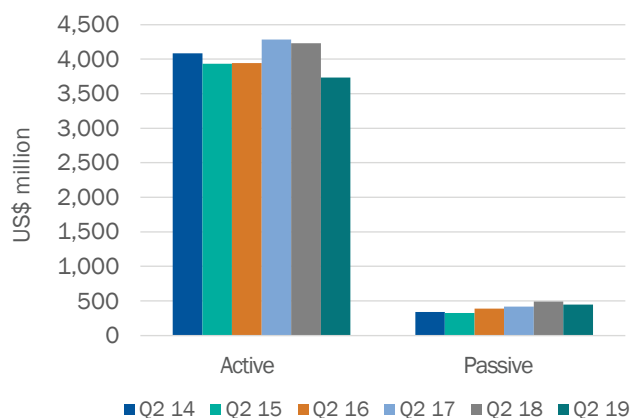
Ownership by investor style



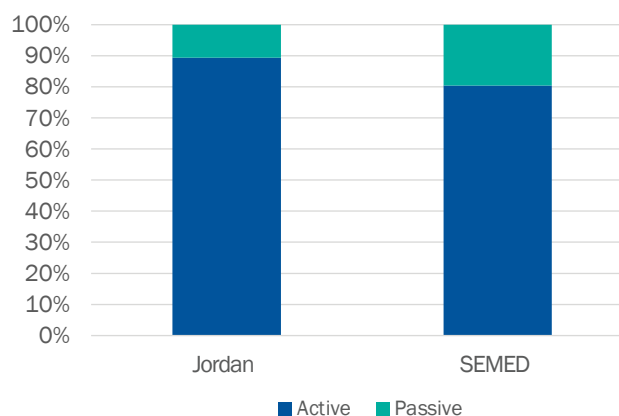
SOUTHERN AND EASTERN MEDITERRANEAN - JORDAN

Passive investment accounted for a small portion (10.7 per cent) of ownership as of 30 June 2019. Passively managed firms moved US\$ 18.1 million out of the country between Q2 2017 and Q2 2019. Active investment also decreased during that period, by 4.5 per cent.

Ownership by investor orientation

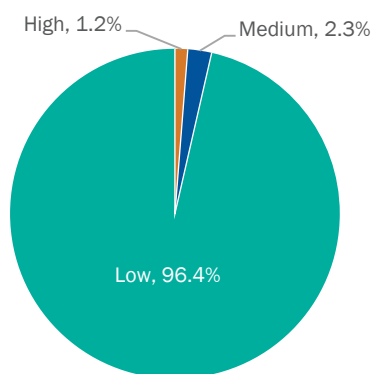


Ownership by investor orientation compared to region



Jordanian equities were primarily bought by low-turnover institutions. Just one high-turnover firm was invested in the country as of Q2 2019: **Coeli Asset Management**, a Sweden-based growth firm.

Ownership by investor portfolio turnover



LEBANON

Stock exchange:	Beirut Stock Exchange (BSE)
Established:	1920
Market capitalisation:	US\$ 8.2 billion
Number of stocks:	10
MSCI market classification:	Frontier Markets
FTSE classification of equity markets:	Not classified

Verbatim investor commentary – Lebanon

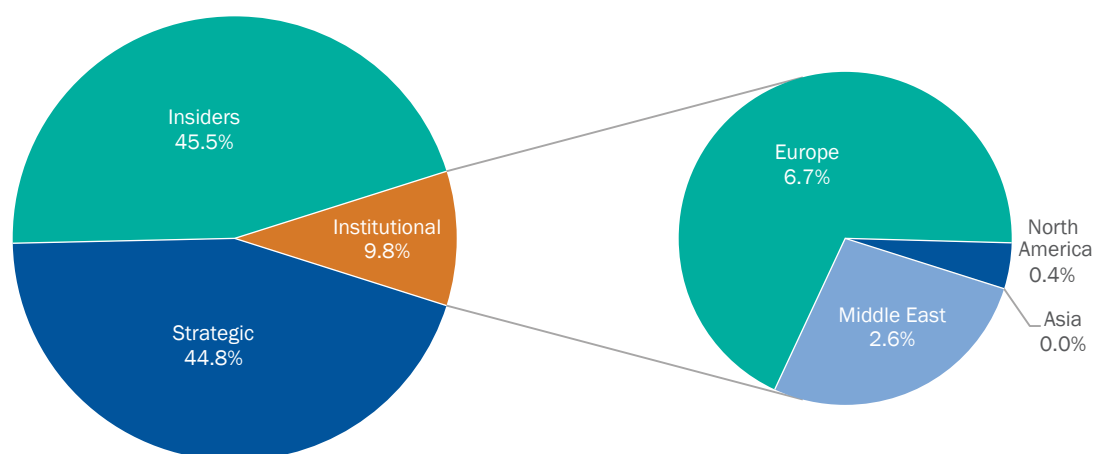
“Morocco is one of the more attractive countries in northern Africa, with a fairly stable political situation and fairly good macro conditions. [Conditions in] Lebanon can improve. It has accepted a lot of refugees from Syria, but it looks like the country has handled the situation very well.”

European mutual fund (>US\$ 50 billion EAUM)

Identified ownership structure

Investment in Lebanese securities was split nearly evenly between insiders and strategic investors as of Q2 2019, with the former accounting for 45.5 per cent and the latter 44.8 per cent. With no retail investment identified, the remaining 9.8 per cent was held by institutional investors. Insight into institutional investment in Lebanon is limited, with just 21 firms identified. Europe accounts for 68.5 per cent of that, while the Middle East accounts for 27.0 per cent, including the country's second-largest investor, **Schroder Investment Management (Dubai)**. The firm had sold a considerable amount of its exposure to Lebanese equities since Q2 2017, some US\$ 13.9 million.

Investment in Lebanon by investor type and institutional investment by investor region, Q2 2019



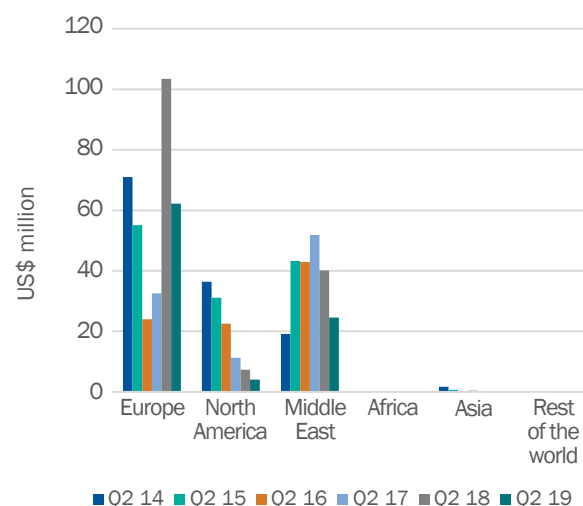
Top investors in Lebanon as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in LBN (US\$ million)
European Bank for Reconstruction and Development	Low	GBR	Active	Global	2,050.2	40.2
Schroder Investment Management (Dubai)	Medium	ARE	Active	Global	349.8	11.0
Banque Saudi Fransi	Unknown	SAU	Active	Regional	10.3	10.3
Genesis Investment Management	Low	GBR	Active	Global	1,823.4	7.7
J.P. Morgan Asset Management (UK)	Medium	GBR	Active	Global	3,715.4	6.2
Aventicum Capital Management	Low	QAT	Active	Global	23.2	3.3
East Capital Asset Management	Medium	SWE	Active	Global	1,031.3	2.4
Royce & Associates	Medium	USA	Active	Global	12.4	1.6
Blakeney Management	Low	GBR	Active	Global	37.0	1.5
Amundi Ireland (London)	Medium	GBR	Active	Global	254.4	1.2

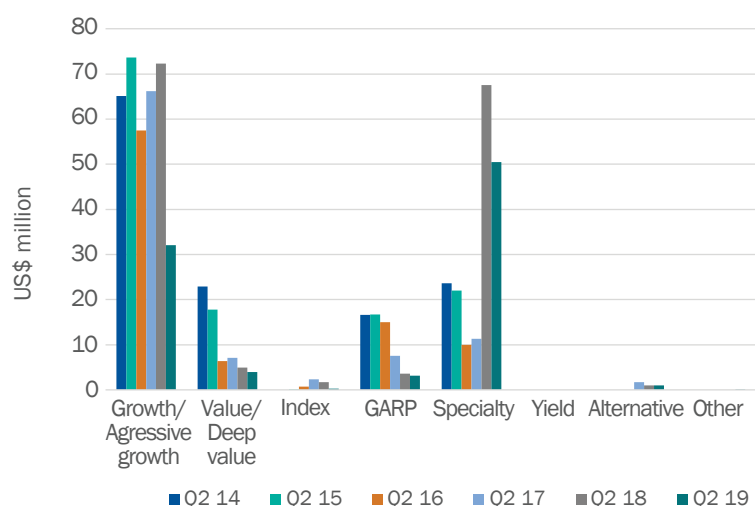
Identified institutional flows

Firms decreased their exposure to Lebanese securities by 43.0 per cent in the five years to Q2 2019 and by 8.1 per cent between Q2 2017 and Q2 2019. Selling was seen across all investor regions, apart from Europe, which had increased its exposure to the economy by 32.8 per cent since Q2 2017. All styles of investors sold Lebanese equities during that period, apart from deep-value firms. Just one deep-value firm, Acadian Asset Management, had invested in Lebanon as of Q2 2019, moving US\$ 0.3 million into the country since Q2 2017.

Ownership by investor region

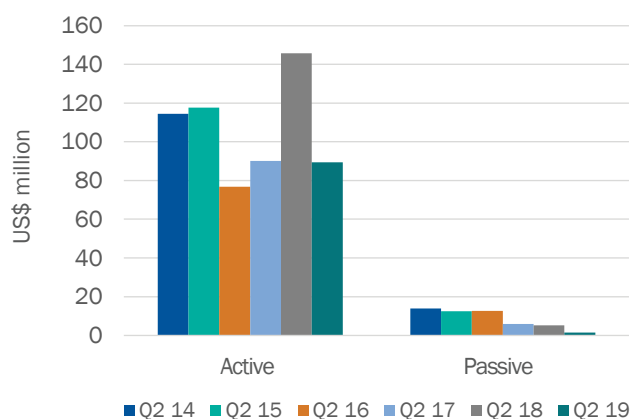


Ownership by investor style

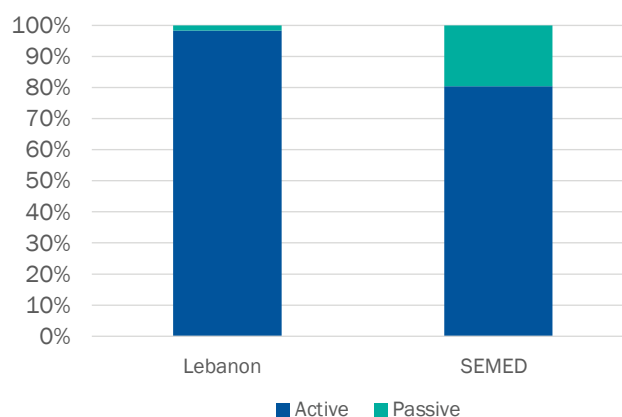


Active firms decreased their investment in Lebanon by 4.9 per cent in the two years to Q2 2019, including **Schroder Investment Management (Dubai)**, **Genesis Investment Management** and three other firms that liquidated their positions. Passive investment in the country likewise decreased (down 57.8 per cent from 2017). With just 1.6 per cent of ownership by passive firms, Lebanon had the lowest percentage of passive investment in SEMED.

Ownership by investor orientation

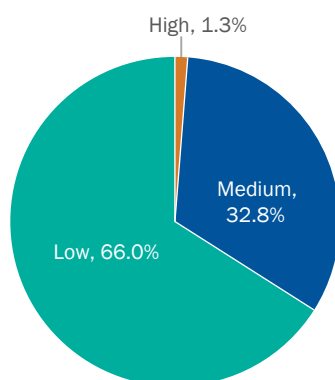


Ownership by investor orientation compared to region



Medium-turnover firms accounted for a significant portion of the investment in Lebanon as of 30 June 2019. Indeed, five of the top 10 investors in Lebanese equities were medium-turnover firms. The country had the greatest percentage of medium-turnover ownership in SEMED as of end Q2 2019. With just one high-turnover firm in the country and no very-high-turnover firms, investors' equity strategies were focused more on the longer term. The significant amount of selling suggests Lebanese equities may have been outliers in the portfolios of these investors.

Ownership by investor portfolio turnover



MOROCCO

Stock exchange:	Casablanca Stock Exchange (CSE)
Established:	1929
Market capitalisation:	US\$ 61.6 billion
Number of stocks:	75
MSCI market classification:	Frontier Markets
FTSE classification of equity markets:	Frontier

Two Moroccan companies listed on the exchange between Q2 2017 and Q2 2019: Mutandis and Immorente Invest.

Verbatim investor commentary – Morocco

“There is more coverage in Morocco relative to some of the other markets we discussed like Slovenia. There is a proper institutional investment market there. There are domestic pension funds. It is not particularly deep, but it is more liquid than some of the others we have talked about ... In Egypt, infrastructure and banking are interesting, while in Morocco it is the consumer story.”

European mutual fund (>US\$ 500 million EAUM)

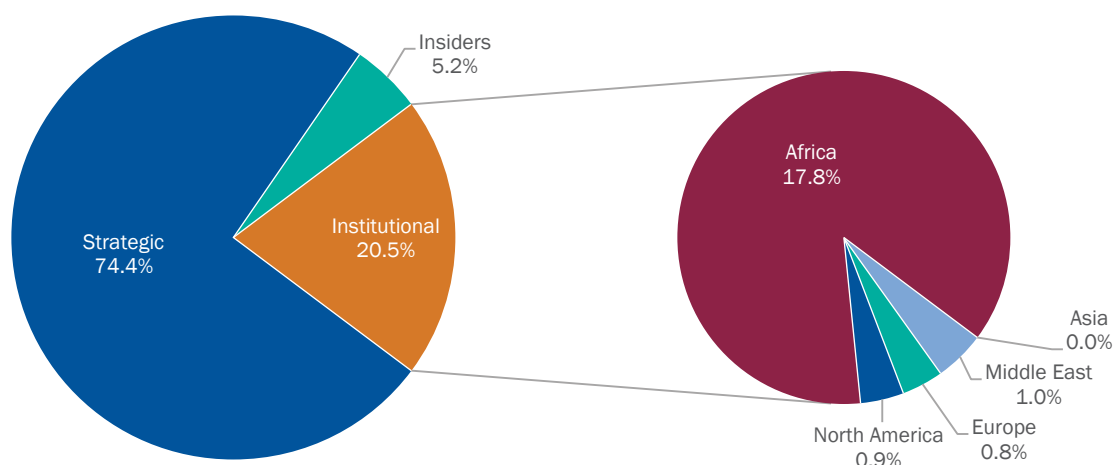
“I like to compare Morocco and Egypt. Morocco is attractive because of its consistency. With other emerging markets in Africa, it is boom and bust. Morocco is paying off for us as investors. There is nothing too spectacular, but consistency is underestimated in the investment business ... Morocco is quite stable on the macroeconomic side. What the stock exchange lacks is more listings. I would like to see more paper coming onto the stock exchange because it would be a way for the country to benefit more from the stability. Morocco should be more proactive in attracting investors ... In Morocco, we like some consumer names. There is another push to formal retailing channels. The government is fighting tax evasion from small businesses that are unregulated. This is helping the formal retail channels that are actually paying taxes. If small retailers do not pay taxes and you pay taxes, you are at a disadvantage. We see some opportunity in the formal retail channels. I am also always keen on anything related to industry. For example, some companies in the electricity area such as producers of cables and transformers. I like industry because it brings jobs to these countries. I also like the corporate social responsibility programmes where they take on people and give them a formal training in some areas of work.”

European mutual fund (>US\$ 5 billion EAUM)

Identified ownership structure

Strategic investment accounted for nearly three-quarters of identified investment in Morocco as of end Q2 2019, at 74.4 per cent. Insiders accounted for 5.2 per cent and there is no insight into retail ownership. The remaining 20.5 per cent was in the hands of institutional investors, predominantly African firms. Morocco had the highest percentage (17.8 per cent) ownership by African investors in SEMED as of Q2 2019, as well as the highest net dollar investment (US\$ 8.5 billion) by African investors across the EBRD regions. While African investment made up 86.8 per cent of institutional investment, African investors accounted for just 30 of the 105 firms with investment in Moroccan equities.

Investment in Morocco by investor type and institutional investment by investor region, Q2 2019

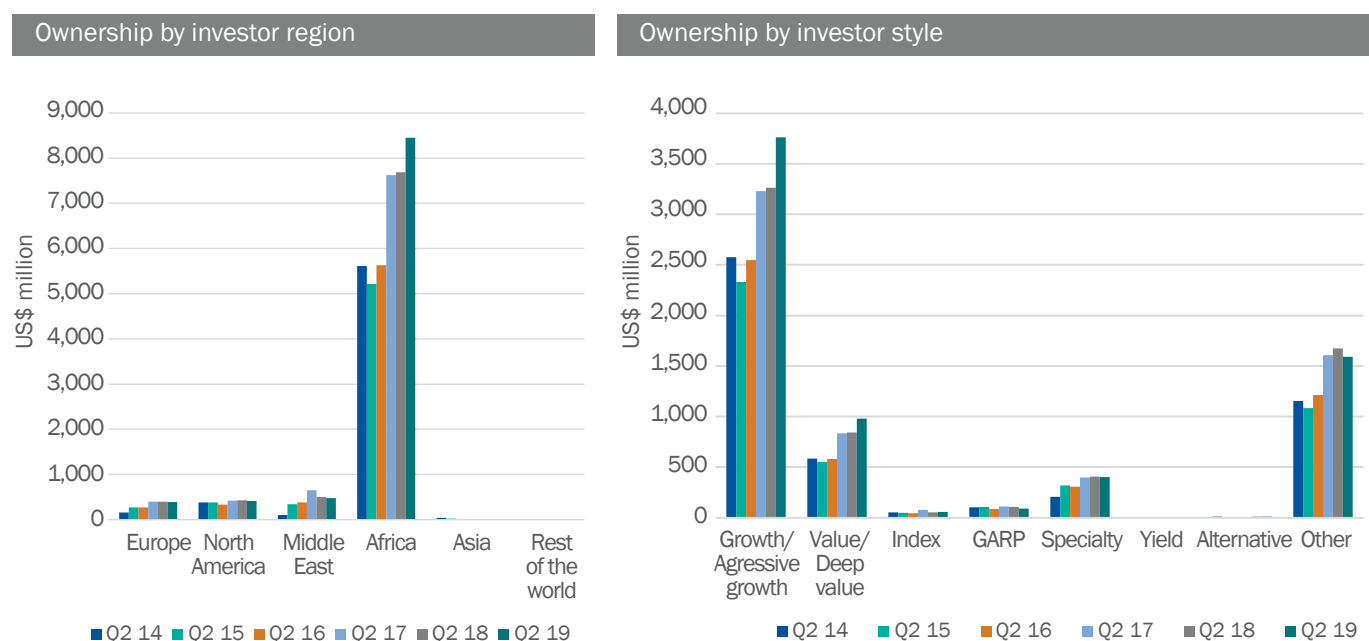


Top investors in Morocco as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in MAR (US\$ million)
Caisse de Dépôt et de Gestion des Fonds au Maroc	Low	MAR	Active	Global	3,110.5	3,110.5
Caisse Interprofessionnelle Marocaine de Retraites	Low	MAR	Passive	Global	1,553.6	1,553.6
Caisse Marocaine des Retraites	Low	MAR	Active	Regional	686.3	686.3
Banque Populaire de Fès-Taza	Unknown	MAR	-	Regional	574.9	574.9
Zahid Group	Unknown	SAU	-	Global	322.5	322.5
Banque Populaire du Centre Sud	Unknown	MAR	-	Regional	315.5	315.5
Banque Populaire de Rabat-Kénitra	Unknown	MAR	-	Regional	315.1	315.1
Banque Populaire de Nador-Al Hoceima	Unknown	MAR	-	Regional	311.4	311.4
Banque Populaire de Tanger-Tétouan	Unknown	MAR	-	Regional	309.4	309.4
Banque Populaire d'Oujda	Unknown	MAR	-	Regional	308.0	308.0

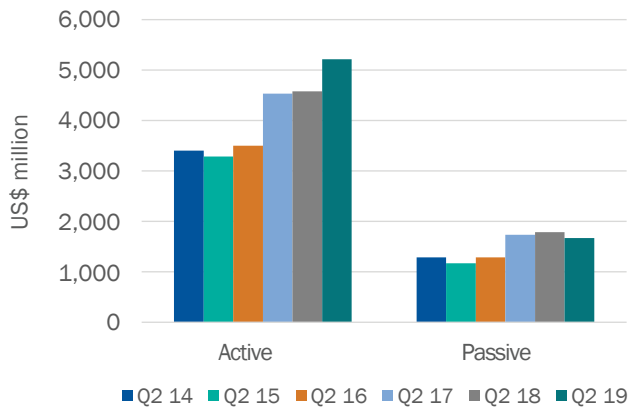
Identified institutional flows

From a regional perspective, African investors were the only group that had increased their exposure to Morocco over the two years to Q2 2019, by 3.5 per cent. European firms sold down 8.0 per cent of their investment in the same timeframe. Selling was evident across all investment styles, notably GARP investors, which decreased their exposure to Moroccan equities by nearly a quarter.

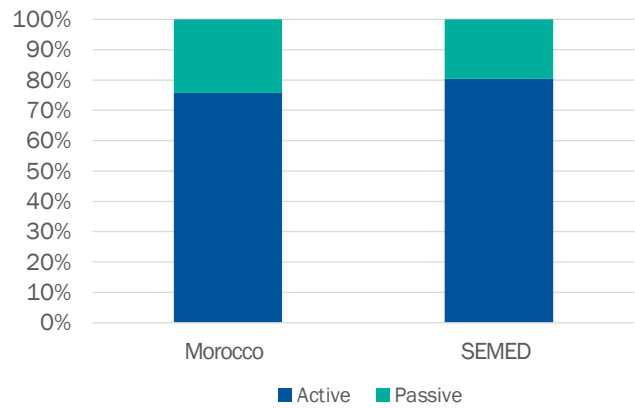


Active and passive funds continued to flow out of the country at the same pace (both down 1.5 percent since Q2 2017). Active investment accounted for US\$ 5.2 billion and passive investment stood at US\$ 1.7 billion.

Ownership by investor orientation

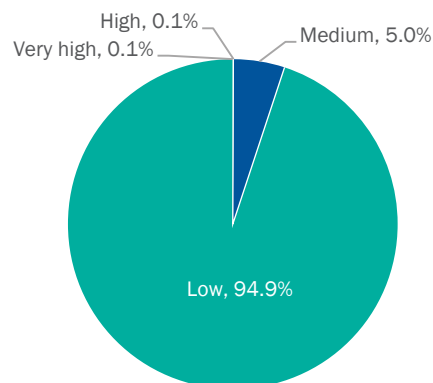


Ownership by investor orientation compared to region



The country's investor base comprised primarily low-turnover firms (94.9 per cent), so it was unsurprising that the country's top 10 shareholders remained the same as in Q2 2017.

Ownership by investor portfolio turnover



TUNISIA

Stock exchange:	Bourse de Tunis (BVMT)
Established:	1969
Market capitalisation:	US\$ 8.3 billion
Number of stocks:	82
MSCI market classification:	Frontier Markets
FTSE classification of equity markets:	Frontier

One company listed on the Bourse de Tunis between Q2 2017 and Q2 2019, according to Factset – Tunisie Valeurs in 2018.

Verbatim investor commentary – Tunisia

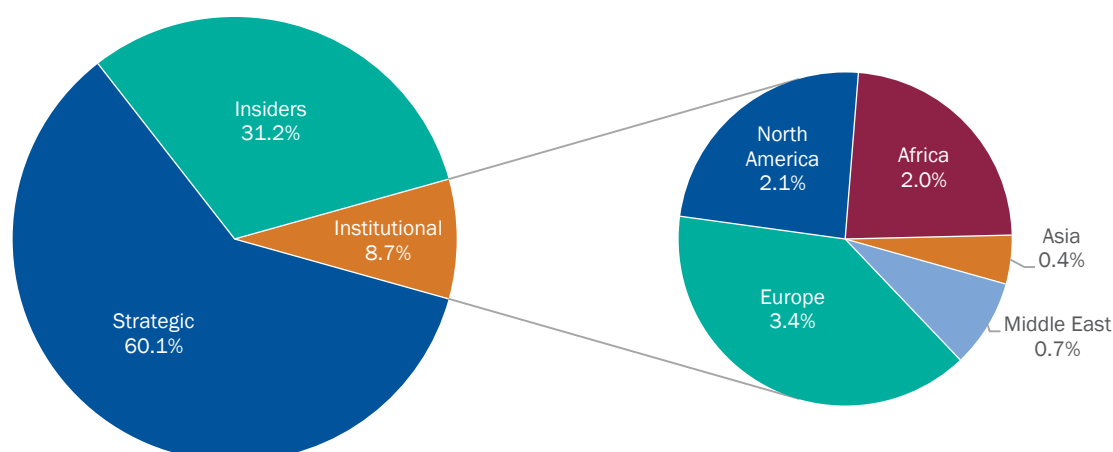
“Tunisia is investible but we are not currently invested. The country’s economic policy is not strong enough. We would like to see less hiring of state employees as this is unsustainable. There is lots of pressure on the currency and on inflation running higher because of this use of money. We have pulled out quite a bit from Tunisia until we see more clarity. The politics is challenging and it is unclear what the economic plans are ... To invest in Tunisia, I would want the government to be focusing more on the economy. The government should have a clear plan and the willingness to talk to foreign investors.”

European mutual fund (>US\$ 5 billion EAUM)

Identified ownership structure

Strategic investment (60.1 per cent) and insider ownership (31.2 per cent) accounted for the majority of investment in Tunisian equities as of 30 June 2019. Institutional investment made up just 8.7 per cent. Europe accounted for most institutional ownership. Apart from Morocco, Tunisia had a greater percentage of African securities ownership than any other economy in which the EBRD invests, at 2.0 per cent of total ownership and 23.4 per cent of institutional ownership (excluding the Kyrgyz Republic, which only had one institutional holder, located in Africa). **Genesis Investment Management**, which was the country’s top investor in Q2 2017 and again in Q2 2019, has since liquidated its investment.

Investment in Tunisia by investor type and institutional investment by investor region, Q2 2019



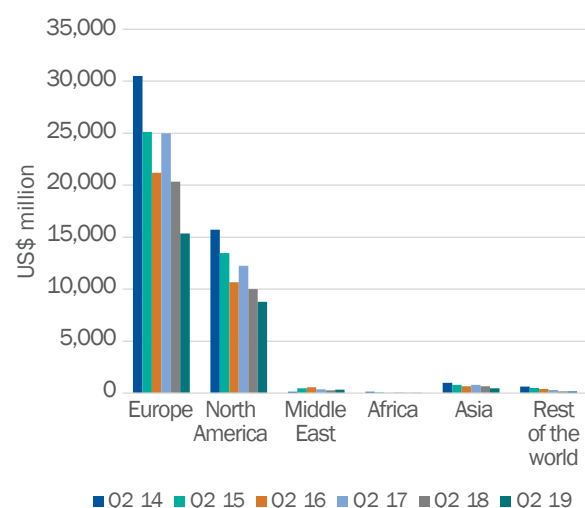
Top investors in Tunisia as of Q2 2019

Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in TUN (US\$ million)
Tuninvest Finance Group	Unknown	TUN	Passive	Regional	47.9	47.9
Groupama	Unknown	FRA	Passive	Global	611.2	36.2
Blakeney Management	Low	GBR	Active	Global	37.0	32.1
Groupe des Assurances du Cr�dit Mutuel	Unknown	FRA	Active	Global	22.0	22.0
SQM Frontier Management	Low	USA	Active	Global	21.1	21.1
IFC Asset Management Company	Low	USA	Active	Global	542.7	21.0
Swicorp Private Equity	Unknown	SAU	Active	Global	16.7	16.7
Banque de Tunisie	Unknown	TUN	Active	Regional	14.7	14.7
Arisaig Partners	Low	SGP	Active	Global	81.9	14.6
Norges Bank Investment Management	Low	NOR	Active	Global	7,268.3	14.3

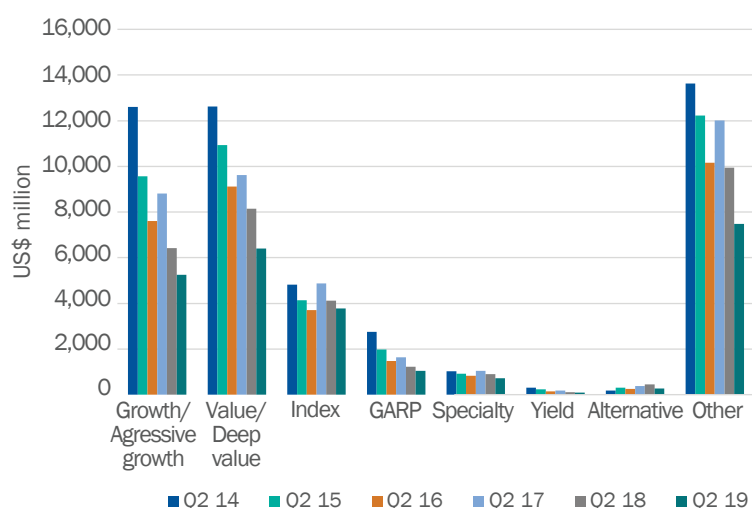
Identified institutional flows

Tunisian equities saw a 63.3 per cent rise in investment in the five years to 30 June 2019. However, there was a 2.4 per cent outflow from mid-2017 to mid-2019. The selling was down to European and Asian investors; both Middle Eastern and North American investors moved into the country during the period. Notably, Middle Eastern investment was driven by just three firms. In terms of investment styles, all but venture-capital and GARP-oriented firms decreased their exposure to Tunisian equities from June 2017 to June 2019. Tunisia had a greater percentage of venture-capital ownership than any other SEMED country as of end Q2 2019, at 20.9 per cent. It also had the greatest percentage of alternative investment (hedge funds) in the SEMED region, at 7.3 per cent.

Ownership by investor region

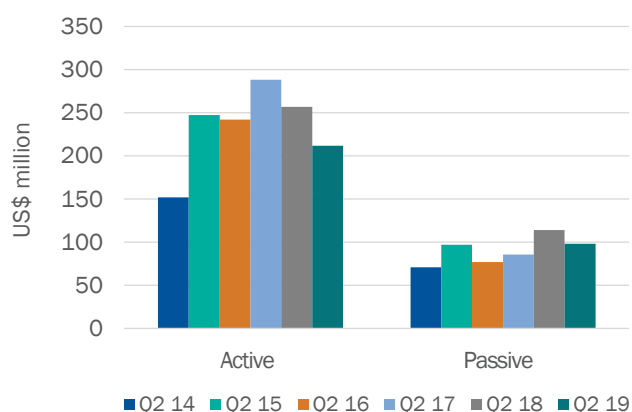


Ownership by investor style

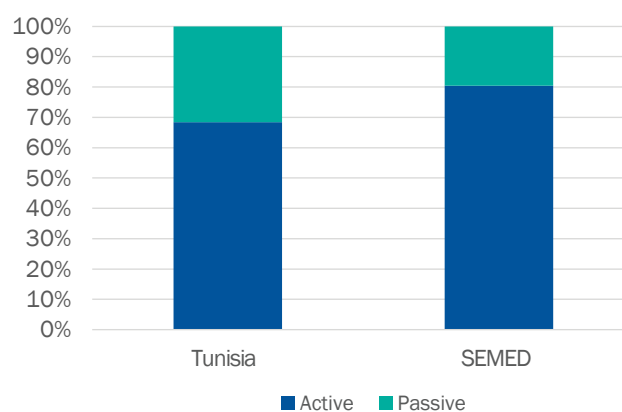


Tunisia's top two investors, **Tuninvest Finance Group** and **Groupama**, are both passive and together accounted for 27.2 per cent of the country's total investment as of 30 June 2019. The country's active-passive ownership profile was split 68.4 per cent to 31.6 per cent, respectively.

Ownership by investor orientation

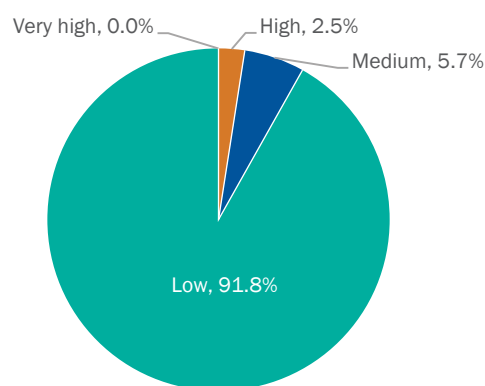


Ownership by investor orientation compared to region



Almost all of Tunisia's top shareholders were low-turnover, long-term investors as of Q2 2019, accounting for 91.8 per cent of investment in Tunisian equities.

Ownership by investor portfolio turnover



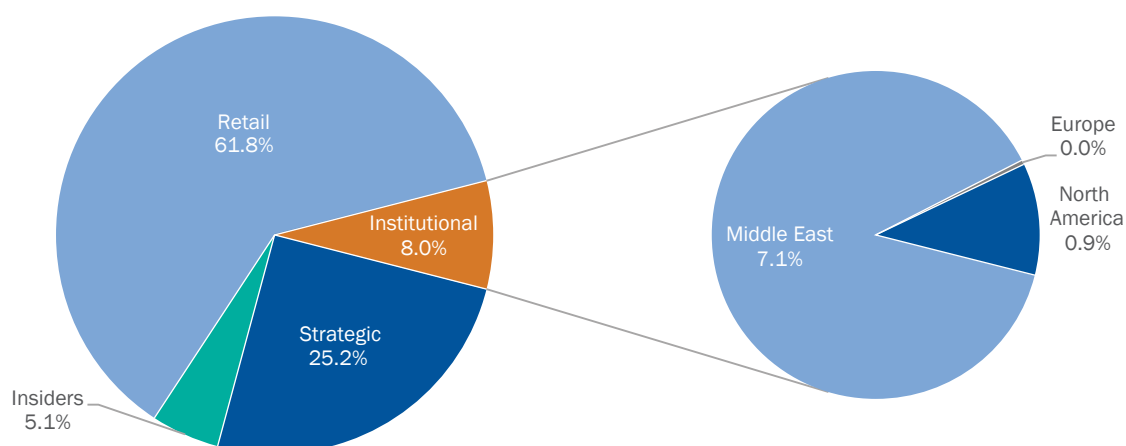
WEST BANK AND GAZA

Stock exchange:	Palestine Exchange (PEX)
Established:	1995
Market capitalisation:	US\$ 3.7 billion
Number of stocks:	48
MSCI market classification:	Frontier Markets (Standalone)
FTSE classification of equity markets:	Frontier

Identified ownership structure

Retail owners dominated identified investment in the West Bank and Gaza as of Q2 2019, with 61.8 per cent of the market. Strategic investment accounted for 25.2 per cent, with insiders at 5.1 per cent and institutional investment at just 8.0 per cent. Insight into institutional investment was limited, with only six investors identified. Middle Eastern investment outweighed investment from any other region, similar to many other economies in the region, accounting for a net inflow of US\$ 153.5 million in the country's equities. While the **Palestine Investment Fund** had moved US\$ 11.6 million out of the territory since 2017, it remained the top investor, with investment of US\$ 108.7 million.

Investment in the West Bank and Gaza by investor type and institutional investment by investor region, Q2 2019

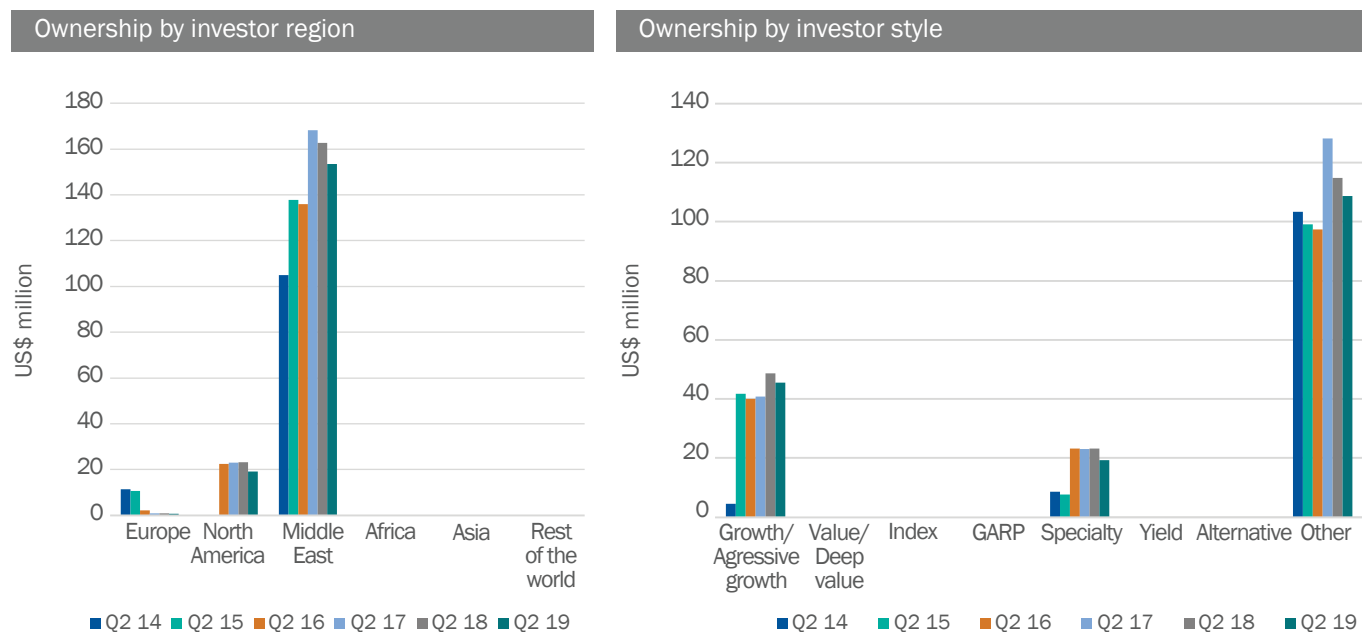


Top investors in the West Bank and Gaza as of Q2 2019

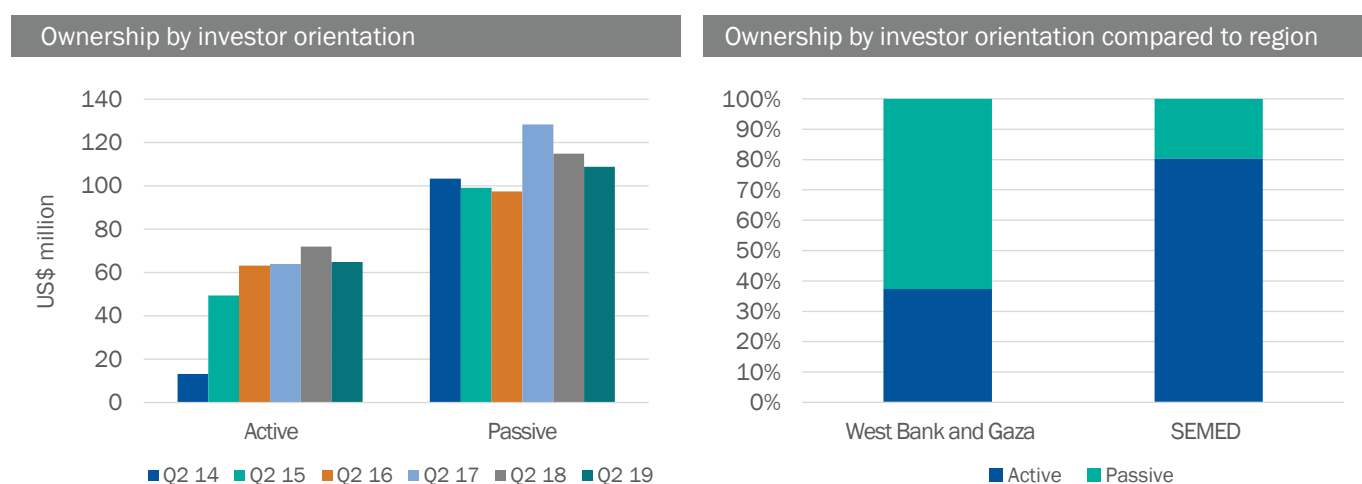
Top holders, Q2 2019	Turnover	Investor location	Orientation	Focus	Value of holdings in the EBRD regions (US\$ million)	Value of holdings in WBG (US\$ million)
Palestine Investment Fund	Low	WBG	Passive	Global	174.1	108.7
Rasmala Investment Bank	Low	ARE	Active	Regional	50.7	42.3
IFC Asset Management Company	Low	USA	Active	Global	542.7	19.2
Investbank (Jordan)	Unknown	JOR	Active	Regional	43.6	1.9
Blakeney Management	Low	GBR	Active	Global	37.0	0.8
Al Mal Capital	Unknown	ARE	Active	Regional	0.6	0.6

Identified institutional flows

Investment in West Bank and Gaza equities rose 33.3 per cent between mid-2014 and mid-2019 and 9.2 per cent from June 2017 to June 2019. This stemmed primarily from Middle Eastern investors, which increased their exposure by 10.8 per cent in the two years to June 2019. **IFC Asset Management Company**, meanwhile, became the first North American firm to invest in the West Bank and Gaza since 2014. Four of the six identified investors were growth firms as of Q2 2019.



Active investment grew significantly between Q2 2017 and Q2 2019, with inflows equivalent to 45.8 per cent of investment as of Q2 2017. Passive investment fluctuated during the period and decreased 9.0 per cent in the two years to June 2019. Passive investment accounted for 62.7 per cent of total ownership as of end Q2 2019, the highest in the SEMED countries.



As of 30 June 2019, West Bank and Gaza equities were exclusively held by low-turnover investors or investors with unknown rates of turnover.

Ownership by investor portfolio turnover



INVESTOR PROFILES

Below are the profiles of the investors featured in the analysis. The number immediately following the investor name is the firm's Q2 2019 investment in the EBRD region; the number in brackets is the firm's Q2 2017 investment. The EAUM figures are as of Q2 2019. All firm names are based on public filings.

235 Holdings, Ltd: US\$ 21.4 million

(Private Equity – Hong Kong)

235 Holdings, Ltd (235 Holdings) is the private investment vehicle of a Hong Kong family.

ABDS d.d.: <US\$ 0.1 million

[US\$ 8.5 million]

(Growth – Bosnia and Herzegovina – EAUM: < US\$ 0.1 million)

ABDS d.d. (ABDS) invests in growth stocks in Bosnia and Herzegovina of all sizes in all sectors. The firm uses a combination of proprietary analysis and research from local brokers to look for stocks with high liquidity and strong growth prospects.

Abdul Hameed Shoman Foundation: US\$ 283.3 million

[US\$ 263.9 million]

(Externally managed – Jordan – EAUM: US\$ 283.3 million)

The Abdul Hameed Shoman Foundation (AHSF) outsources its investments to Arab Bank, PLC. The AHSF was founded in 1978 by Arab Bank.

Aberdeen Emerging Capital, Ltd: US\$ 21.8 million

[US\$ 28.4 million]

(Index – United Kingdom – EAUM: US\$ 254.9 million)

Aberdeen Emerging Capital, Ltd (Aberdeen Emerging Capital) invests in emerging market exchange-traded funds (ETFs). The firm uses fundamental and technical analysis.

Aberdeen Standard Investments (UK): US\$ 945.5 million

[US\$ 2.4 billion]

(Growth – United Kingdom – EAUM: US\$ 127.0 billion)

Aberdeen Standard Investments (UK) (Aberdeen Standard Investments) invests in global GARP stocks of all sizes in all sectors. The global investment group uses this research to develop a firm-wide strategy. The firm then conducts fundamental research to target stocks with: (a) market dominance or niche; (b) innovative products/services; (c) strong earnings growth potential; (d) increasing dividend payouts; and (e) quality management. Fundamental sector research, combined with Aberdeen Standard Investments' general strategy view, is used in the stock-selection process. The firm uses a combination of in-house and external research and likes to meet with the management of companies under consideration prior to making an investment decision. Portfolio managers are organised into geographic teams that include a specialist manager for each country.

Abraaj Capital, Ltd: US\$ 455.5 million

[US\$ 278.8 million]

(Growth – United Arab Emirates – EAUM: US\$ 678.2 million)

Abraaj Capital, Ltd (Abraaj Capital) is in the process of liquidating its assets. Historically, the firm invested in stocks in the Middle East and North Africa (MENA) and South Asia, of all sizes. The firm is a growth investor. Abraaj Capital uses fundamental analysis to select stocks.

Abu Dhabi Investment Authority: US\$ 369.9 million

[US\$ 287.6 million]

(Growth – United Arab Emirates – EAUM: US\$ 8.6 billion)

The Abu Dhabi Investment Authority (ADIA) is a sovereign wealth fund of the Emirate of Abu Dhabi. The firm invests globally, with particular focus on MENA, European, South African and Asia-Pacific mid- and large-cap growth stocks. The firm also invests in MENA yield stocks of mid- and large-sized, global index stocks of all sizes and Latin American private equity firms prior to IPO. ADIA follows a top-down approach to asset allocation, based on: (a) economic, (b) interest rate and (c) market-valuation criteria. The firm combines this approach with stock selection based on in-house fundamental quantitative analysis that uses a proprietary multi-factor modelling methodology. ADIA also invests in index-replicating strategies. The firm benchmarks against the MSCI World Index.

Acadian Asset Management, LLC: US\$ 935.4 million

[US\$ 626.6 million]

(Deep Value – United States – EAUM: US\$ 37.7 billion)

Acadian Asset Management, LLC (Acadian Asset Management) invests in global deep value and growth stocks across all market capitalisations. The firm also invests in ADRs. Acadian Asset Management employs a long/short strategy and uses a combination of top down, bottom up and quantitative analysis to select stocks.

Actis LLP: US\$ 431.7 million

[US\$ 431.7 million]

(Venture Capital – United Kingdom – EAUM: US\$ 643.3 million)

Actis, LLP (Actis) is primarily a private equity and venture capital investor.

INVESTOR PROFILES

AEGON PTE SA: US\$ 2.9 billion

[US\$ 2.9 billion]

(Growth – Poland – EAUM: US\$ 3.2 billion)

AEGON PTE SA (Aegon PTE) is a pension company that invests in US and European growth stocks of all sizes in all sectors. The firm focuses mainly on Polish stocks. Aegon PTE employs a combined top-down and fundamental approach to select stocks with steady long-term growth.

Al Mal Capital PSC: US\$ 0.6 million

[US\$ 0.6 million]

(Growth – United Arab Emirates – EAUM: US\$ 40.8 million)

Al Mal Capital PSC (Al Mal Capital) invests in global growth stocks of all sizes. The firm uses bottom-up analysis and considers current and projected financial, economic, regulatory and social conditions. Al Mal Capital draws on a combination of in-house and external research and seeks stocks with long-term growth potential.

Alfred Berg Asset Management AB: US\$ 1.9 billion

[US\$ 1.4 billion]

(Growth – Sweden – EAUM: US\$ 2.8 billion)

Alfred Berg Asset Management AB (Alfred Berg Asset Management) invests in European growth stocks of all sizes in all sectors. The firm also invests in European ETFs.

Allianz Bulgaria Pension Company AD: US\$ 43.9 million

[US\$ 64.5 million]

(Value – Bulgaria – EAUM: US\$ 44.0 million)

Allianz Bulgaria Pension Company AD (Allianz Bulgaria Pension Company) invests in European mid- to mega-cap stocks in all sectors. The firm also invests in global ETFs.

Allianz Investment Management SE: US\$ 92.4 million

(Externally Managed – Germany – EAUM: US\$ 92.4 million)

Allianz Investment Management SE (Allianz Investment Management) directs the insurance investments of Allianz SE. The firm outsources its asset management to its affiliate: Allianz Global Investors.

Allianz ZB d.o.o. (Croatia): US\$ 655.1 million

[US\$ 377.8 million]

(Yield – Croatia – EAUM: US\$ 718.1 million)

Allianz ZB d.o.o. (Croatia) (Allianz ZB (Croatia)), a voluntary and obligatory pension-fund company, invests in global income stocks of all market sizes in the (a) consumer goods, (b) consumer services, (c) healthcare, (d) industrials and (e) utilities sectors. The firm considers global economic forecasts and performs fundamental and quantitative analysis when making its investment decisions.

Alpha Asset Management A.E.D.A.K: US\$ 421.8 million

[US\$ 300.2 million]

(Growth – Greece – EAUM: US\$ 612.0 million)

Alpha Asset Management A.E.D.A.K (Alpha Asset Management) invests in global growth stocks of all sizes in all sectors. The firm uses fundamental analysis. Alpha Asset Management selects stocks based on (a) profitability, (b) growth prospects and (c) comparative valuations. The firm benchmarks against the Athex Composite Share Price Index and the FTSE® Athex Large Cap Index.

ALTA Skladi, družba za upravljanje, d.d.: US\$ 49.6 million

[US\$ 67.7 million]

(Growth – Slovenia – EAUM: US\$ 203.5 million)

ALTA Skladi, družba za upravljanje, d.d. (ALTA Skladi) invests in global growth stocks of all sizes in all sectors. The firm conducts top-down analysis to determine country/sector allocation, then fundamental analysis. ALTA Skladi defines mid-cap stocks as those with a market capitalisation of US\$ 1 billion to US\$ 3 billion and large-cap stocks as those with a market capitalisation of more than US\$ 3 billion. The firm combines proprietary analysis with research from brokerage houses and independent research firms.

Ambient Sound Investments OÜ: US\$ 21.3 million

[US\$ 19.9 million]

(Venture Capital – Estonia – EAUM: US\$ 21.3 million)

Ambient Sound Investments OÜ (Ambient Sound Investments) invests in global value stocks of all sizes in all sectors.

Amundi Ireland, Ltd (London): US\$ 254.4 million

[US\$ 312.9 million]

(Growth – United Kingdom – EAUM: US\$ 2.3 billion)

Amundi Ireland, Ltd (London) (Amundi Ireland (London)) invests in global growth stocks of all sizes. The firm's research process is a combination of top-down and bottom-up analysis of individual stocks. Amundi Ireland (London) seeks securities in (a) under-appreciated regions, (b) under-appreciated countries and (c) sectors that are selling at reasonable prices or at substantial discounts to underlying value and which offer favourable growth and economic outlooks. The firm takes a team approach to fund management and relies heavily on in-house research produced by its analysts. Amundi Ireland (London) uses the relevant MSCI country and regional indexes for its investment universes and likes to meet with the management of companies under consideration prior to making investment decisions.

INVESTOR PROFILES

Anchorage Capital Group, LLC: US\$ 124.6 million

(Alternative – United States of America – EAUM: US\$ 1.9 billion)

Anchorage Capital Group, LLC (Anchorage Capital Group) invests in North American and European stocks of all sizes in all sectors. The firm uses a long/short and special-situations strategy.

ANZ New Zealand Investments, Ltd: US\$ 8.7 million

[US\$ 12.1 million]

(Growth – New Zealand – EAUM: US\$ 5.6 billion)

ANZ New Zealand Investments, Ltd (ANZ New Zealand Investments) invests in global growth and value stocks of all sizes in all sectors. The firm takes a bottom-up approach and seeks stocks with (a) a competitive advantage, (b) free cash flow and (c) strong management.

APG Asset Management N.V.: US\$ 3.3 billion

[US\$ 3.0 billion]

(Specialty – Netherlands – EAUM: US\$ 168.0 billion)

APG Asset Management N.V. (APG Asset Management) invests in global income, growth and socially responsible investment stocks of all sizes in all sectors. The firm uses a top-down research approach to pick stocks with (a) high yield, (b) low risk, (c) low price-to-earnings ratios, (d) low liquidity and (e) above-average long-term growth rates. APG Asset Management relies primarily on research from outside brokerage firms.

AQR Capital Management, LLC: US\$ 294.3 million

[US\$ 260.8 million]

(Alternative – United States of America – EAUM: US\$ 103.2 billion)

AQR Capital Management, LLC (AQR Capital Management or AQR) seeks global stocks with a 12-month return in the top third of its relevant universe. The firm weights its portfolio based on stock-market capitalisation and re-balances it quarterly. AQR experiences high turnover and seeks to reduce transaction costs by using proprietary trading optimisation models. For its international momentum portfolios, the firm uses a stock universe of companies included in the MSCI World ex-US Index.

Arab Palestinian Investment Co., Ltd: US\$ 51.6 million

[US\$ 54.7 million]

(Private equity – Jordan – EAUM: US\$ 77.8 million)

Arab Palestinian Investment Co., Ltd (Arab Palestinian Investment Company) is a private equity investor.

Arisaig Partners (Asia) Pte., Ltd: US\$ 81.9 million

[US\$ 189.4 million]

(Value – Singapore – EAUM: US\$ 3.8 billion)

Arisaig Partners (Asia) Pte., Ltd (Arisaig Partners) invests in Asian small and mid-cap stocks. The firm maintains a bias towards brand-owning companies in the consumer, distribution, media and service sectors. Its investment process relies on bottom-up, in-house research focusing on stocks with quality earnings at a reasonable price. The firm makes 1,500 visits to company management teams annually in the 15 markets it covers. The Arisaig Asia Fund tends to hold between 100 and 120 stocks and is benchmarked against the MSCI Asia Free Ex Japan Index. The Arisaig ASEAN Fund generally holds 25 to 35 stocks and is benchmarked against the SET/ASEAN Index. The Arisaig India Fund holds between 25 and 35 stocks and is benchmarked against the BSE Index. The Arisaig Greater China Fund tends to hold 30 to 35 stocks and is benchmarked against the MSCI Asia Pacific Golden Dragon Index. The Arisaig Korea Fund holds 15 to 20 stocks. The firm invests in Tunisian equities via its Arisaig Africa Consumer Fund Limited Fund.

Arrowstreet Capital, LP: US\$ 467.0 million

[US\$ 355.1 million]

(Deep Value – United States – EAUM: US\$ 53.8 billion)

Arrowstreet Capital, LP (Arrowstreet Capital) invests in global deep value stocks across all sectors and market capitalisations. The firm also invests in mid- through mega-cap global preferred stocks as well as ADRs and GDRs. Arrowstreet Capital uses fundamental analysis and proprietary research. The firm employs long/short and quantitative strategies. Arrowstreet Capital selects stocks based on the momentum of the market and earnings forecast. The firm's portfolio typically holds 150-250 positions. Arrowstreet Capital benchmarks its funds against the MSCI World Index, MSCI All Country World Investable Market Index, MSCI World Minimum Volatility Index and MSCI ACWI Small Cap Index.

Ashmore Investment Management, Ltd: US\$ 62.9 million

[US\$ 60.6 million]

(Specialty – United Kingdom – EAUM: US\$ 676.0 million)

Ashmore Investment Management, Ltd (Ashmore Investment Management) invests in emerging-market growth and value stocks of all sizes in all sectors. The firm uses fundamental top-down, bottom-up and quantitative analysis for stock selection. Its investment approach is based on: (a) searching for information and insight to spark new ideas and perspectives; (b) reviewing details; (c) investigating competing evidence; and (d) distinguishing fact from opinion. The firm builds portfolios based on information obtained from company visits, earnings forecasts and screening its proprietary company database.

Aurejärvi Varainhoito Oy: US\$ 2.0 million

[US\$ 2.0 million]

(Value – Finland – EAUM: US\$ 21.4 million)

Aurejärvi Varainhoito Oy (Aurejärvi Varainhoito) invests in global value stocks across all market capitalisations and sectors. The firm follows fundamental and top down analysis to select the stocks and aims to create a profit in the long term through active and dynamic investments with high returns while tolerating substantial value changes.

INVESTOR PROFILES

Aventicum Capital Management (Qatar) LLC: US\$ 23.2 million [US\$ 28.7 million]
(Growth – Qatar – EAUM: US\$ 211.9 million)

Aventicum Capital Management (Qatar) LLC (Aventicum Capital Management) invests in MENA and Turkish growth and value stocks of all sizes in all sectors.

Aviva Investors Poland Towarzystwo Funduszy Inwestycyjnych SA: US\$ 2.2 billion [US\$ 2.2 billion]
(Growth – Poland – EAUM: US\$ 2.3 billion)

Aviva Investors Poland Towarzystwo Funduszy Inwestycyjnych SA (Aviva Investors Poland TFI) is a Polish universal pension investment-fund company. It invests in central and eastern European growth and value stocks of all sizes and follows a long/short strategy.

Aviva PTE Aviva Santander S.A.: US\$ 6.2 billion [US\$ 6.7 billion]
(Value – Poland – EAUM: US\$ 6.8 billion)

Aviva PTE Aviva Santander S.A. (Aviva Santander) is a pension company that invests in developed European, Polish, Turkish and Mexican growth and value stocks of all sizes. The firm uses a combination of macroeconomic and fundamental analysis to select stocks with (a) long-term growth potential, (b) an attractive position in a consolidating sector and (c) strong managerial consistency and effectiveness. Aviva Santander combines proprietary analysis with external broker research.

AXA PTE SA: US\$ 1.9 billion [US\$ 2.1 billion]
(Growth – Poland – EAUM: US\$ 2.1 billion)

AXA PTE S.A. (AXA PTE) is a pension company that invests in Polish growth stocks of all sizes in all sectors. It seeks stocks with steady long-term growth prospects and strong cash flows.

BankMed (Suisse) SA: US\$ 62.1 million [US\$ 58.4 million]
(Growth – Switzerland – EAUM: US\$ 62.1 million)

BankMed (Suisse) SA (BankMed (Suisse)) invests in European growth stocks of all sizes.

Banque de Tunisie SA: US\$ 14.7 million [US\$ 14.8 million]
(Growth – Tunisia – EAUM: US\$ 14.7 million)

Banque de Tunisie SA (Banque de Tunisie) invests in Tunisian stocks of all sizes in all sectors. The firm is a growth investor.

Banques Populaires Régionales (Maroc): US\$ 2.3 billion [US\$ 2.1 billion]
(Specialty – Morocco – Net EAUM: US\$ 2.3 billion)

This Moroccan banking group includes Banque Populaire d'Oujda (net EAUM: US\$ 308.0 million), Banque Populaire de Fès-Taza (net EAUM: US\$ 574.9 million), Banque Populaire de Laâyoune (net EAUM: US\$ 145.1 million), Banque Populaire de Nador-Al Hoceima (net EAUM: US\$ 311.4 million), Banque Populaire de Rabat-Kénitra (net EAUM: US\$ 315.1 million), Banque Populaire de Tanger-Tétouan (net EAUM: US\$ 309.4 million) and Banque Populaire du Centre Sud (net EAUM: US\$ 315.5 million).

Banque Saudi Fransi: US\$ 10.3 million [US\$ 11.3 million]
(Specialty – Saudi Arabia – EAUM: US\$ 18.4 million)

Banque Saudi Fransi manages proprietary assets. Established in 1977, the firm invests in derivatives and is a Sharia-compliant investor.

Baring Asset Management, Ltd: US\$ 1.1 billion [US\$ 1.2 billion]
(GARP – United Kingdom – EAUM: US\$ 8.5 billion)

Baring Asset Management, Ltd (Baring Asset Management) invests in global GARP stocks of all sizes in all sectors. It also invests in global ADRs, GDRs and convertibles. The firm uses fundamental top-down analysis to evaluate stocks and focuses primarily on a company's (a) growth, (b) management, (c) value creation and (d) valuation. Baring Asset Management's growth analysis looks for (a) earnings quality, (b) duration and pace of the growth, (c) competitive positioning, (d) innovative cultures and (e) growth catalysts. It examines the management strengths of potential investees by looking at: (a) strategy, (b) corporate governance, (c) company culture, (d) track record and (e) acquisitions and disposals. An asset allocation team meets regularly to come up with a regional market and global sector outlook. The firm relies primarily on in-house research, with about 30 per cent of research received from outside sources. It also relies heavily on contact, including visits, with the management of companies under consideration prior to making investment decisions.

Baring Private Equity Asia: US\$ 20.2 million [US\$ 70.9 million]
(Private equity – Hong Kong – EAUM: US\$ 1.4 billion)

Baring Private Equity Asia is a private equity manager.

INVESTOR PROFILES

BlackRock Advisors (UK), Ltd: US\$ 2.1 billion

[US\$ 1.7 billion]

(Index – United Kingdom – EAUM: US\$ 133.6 billion)

BlackRock Advisors (UK), Ltd (BlackRock Advisors (UK)) invests in global indexed and value stocks of all sizes in all sectors. The firm also invests in ETFs. Its large-cap portfolios look for stocks with: (a) a market capitalisation of more than US\$ 2 billion; (b) low price-to-cash flow ratios; (c) low price-to-book ratios; (d) low institutional ownership and, (e) low price-to-earnings ratios. The firm's portfolios seek stocks with high earnings growth rates and positive price momentum. BlackRock Advisors (UK) benchmarks against the Russell 2000 index for its micro/small-cap growth and value stocks, the Russell Midcap Value indexes for its mid-cap value positions and the S&P 500, Russell Top 200 and Russell Top 200 Value indexes for its large-cap growth and value holdings. The value portfolios tend to overweight financial services, utilities and basic materials stocks, while the growth portfolios tend to overweight technology stocks. The firm's non-US exposure is through its International Equity, International Emerging Markets and International Small-Cap funds.

BlackRock Fund Advisors: US\$ 8.2 billion

[US\$ 6.7 billion]

(Index – United States of America – EAUM: US\$ 2.1 trillion)

BlackRock Fund Advisors invests in global stocks of all sizes in all sectors, as well as ETFs. The firm primarily uses an indexed approach and offers portfolios based on various indexes, including the S&P 500, Russell 1000, S&P 400, MSCI EAFE, MSCI EMU, MSCI ACWI ex-US, and Wilshire 5000. The firm employs an enhanced index strategy portfolio called alpha tilts, which screens for stocks with favourable valuation and technical characteristics. BlackRock Fund Advisors also adopts a socially responsible investing (SRI) strategy for sustainable investments and uses long/short event-driven, macro and quantitative strategies to pick stocks for its portfolios.

BlackRock Investment Management (UK), Ltd: US\$ 2.8 billion

[US\$ 2.6 billion]

(Growth – United Kingdom – EAUM: US\$ 455.0 billion)

BlackRock Investment Management (UK), Ltd (BlackRock Investment Management (UK)) invests in global growth and value stocks of all sizes in all sectors, as well as ETFs. It employs a combination of fundamental top-down, bottom-up and technical analysis to evaluate stocks for its portfolios. The firm considers stocks with (a) earnings momentum, (b) above-average growth prospects, (c) reasonable valuations, (d) quality management and (e) sound fundamentals. BlackRock Investment Management (UK) conducts top-down analysis to identify market themes and determine asset, country and sector allocation. Country allocation is based on economic, political and market conditions. The firm relies heavily on in-house research, but also uses broker research. BlackRock Investment Management (UK)'s professionals meet with corporate management of current holdings. The firm manages SRI investments for institutional investors, which hold segregated accounts that may be customised in order to meet specific ethical and social governance standards set by the investors themselves.

Blakeney Management, Ltd: US\$ 37.0 million

[US\$ 9.4 million]

(Growth – UK – EAUM: US\$ 46.9 million)

Blakeney Management, Ltd (Blakeney Management) invests in global emerging-market growth and value stocks of all sizes. The firm uses a bottom-up approach that looks for stocks with (a) defined business strategies, (b) strong earnings potential, (c) solid market position and (d) positive cash flows.

BNP Paribas Asset Management USA, Inc.: US\$ 128.3 million

[US\$ 150.4 million]

(Growth – United States of America – EAUM: US\$ 5.0 billion)

BNP Paribas Asset Management USA, Inc. (BNP Paribas Asset Management USA) invests in global growth stocks of all sizes in all sectors.

BT Asset Management SAI SA: US\$ 52.4 million

[US\$ 44.1 million]

(Growth – Romania – EAUM: US\$ 67.5 million)

BT Asset Management SAI SA (BT Asset Management) invests in (a) European growth stocks of all sizes in all sectors, (b) Romanian index stocks and (c) Austrian index stocks. The firm combines proprietary fundamental analysis with research from affiliated companies and external brokers.

Caisse de Dépôt et de Gestion des Fonds au Maroc: US\$ 3.1 billion

[US\$ 2.6 billion]

(Growth – Morocco – EAUM: US\$ 3.1 billion)

Caisse de Dépôt et de Gestion des Fonds au Maroc invests in Moroccan stocks of all sizes in all sectors. The firm is a growth investor. It uses a combination of top-down and fundamental analysis to select stocks and tends to favour long-term investments.

Caisse Interprofessionnelle Marocaine de Retraites: US\$ 1.6 billion

[US\$ 1.6 billion]

(Externally managed – Morocco – EAUM: US\$ 1.6 billion)

Caisse Interprofessionnelle Marocaine de Retraites is a strategic investor that focuses on Moroccan mega- and large-cap stocks in all sectors.

Caisse Marocaine des Retraites: US\$ 686.3 million

[US\$ 555.9 million]

(Value – Morocco – EAUM: US\$ 686.3 million)

Caisse Marocaine des Retraites invests in Moroccan value stocks of all sizes in all sectors. The firm uses proprietary and sell-side bottom-up, top-down and quantitative research to select positions.

INVESTOR PROFILES

California Public Employees' Retirement System: US\$ 856.9 million

[US\$ 908.5 million]

(Index – United States of America – EAUM: US\$ 89.1 billion)

The California Public Employees' Retirement System (CalPERS) is the largest public pension fund in the United States of America. It invests in North American and European index stocks of all sizes in all sectors. The firm's equity assets include the S&P 500, pooled S&P 500 and Wilshire 2500 indexed portfolios. CalPERS is well known for its shareholder activism and for championing better corporate governance of both US and non-US companies. Each year, the firm compiles a list of stocks that have underperformed their peers due to what it considers to be inadequate corporate governance (and that are, presumably, appropriate targets for shareholder activism).

Capital International, Inc. (Singapore): US\$ 91.6 million

[US\$ 28.0 million]

(Growth – Singapore – EAUM: US\$ 6.1 billion)

Capital International, Inc. (Singapore) (Capital International (Singapore)) invests in global growth, yield and value stocks of all sizes in all sectors. The investment process begins with research and analysis to determine fundamental value, which is then compared with the market price of the stock in its home market. Portfolios are typically divided into segments and individual portfolio managers retain discretion over stock selection, industry and country allocation for their portion of the overall portfolio. Portfolio management responsibility is divided between portfolio managers and analysts. The firm benchmarks its portfolios against the MSCI All Country World Index.

Capital Research Global Investors (US): US\$ 1.5 billion

[US\$ 375.3 million]

(GARP – United States of America – EAUM: US\$ 445.7 billion)

Capital Research Global Investors (US) (Capital Research Global Investors), part of the Capital Group, invests in global stocks with small- to mega-sized market capitalisations in all sectors. The firm is a GARP and income investor and also invests in global convertibles. The firm conducts bottom-up research with a view to identifying differences in underlying and market value. It prefers stocks with: (a) sound balance sheets, (b) undervalued assets and (c) reasonable valuation multiples relative to growth potential. Its investment process is typically initiated by analysts, who pitch their ideas to portfolio managers. Each manager makes independent decisions on the purchase or sale of stocks in their portfolio. All portfolios are team managed, with a lead manager to assure the overall portfolio's compliance with set benchmarks. Portfolios are divided into parts, each with a manager and team of analysts. Capital Research Global Investors also likes to visit company management, competitors, suppliers and customers before making investment decisions.

Capital World Investors (US): US\$ 3.2 billion

[US\$ 1.8 billion]

(Value – United States of America – EAUM: US\$ 674.6 billion)

Capital World Investors (US) (Capital World Investors) invests in global growth, income and value stocks of all sizes in all sectors. The firm also invests in US convertibles. It uses bottom-up analysis and prefers stocks with: (a) sound balance sheets, (b) undervalued assets and (c) reasonable valuation multiples relative to growth potential.

Carrera Asset Management Company, Ltd: US\$ 16.8 million

[US\$ 11.8 million]

(GARP – Japan – EAUM: US\$ 218.6 million)

Carrera Asset Management Company, Ltd (Carrera Asset Management Company) invests in global GARP and growth stocks across all sectors and market capitalisations.

Cascade Investment, LLC: US\$ 69.7 million

[US\$ 69.7 million]

(Deep value – United States of America – EAUM: US\$ 40.0 billion)

Cascade Investment, LLC (Cascade Investment) invests in global deep-value stocks of all sizes in all sectors. The institution is the investment vehicle for the holdings of Bill Gates and meets the cash demands of his foundations. Cascade Investment uses a systematic approach that focuses on: (a) interest and inflation rates, (b) market trends and (c) sector growth rates. Overall, the firm tends to invest in stocks that are undervalued and under-followed as the result of negative trends in the market and tends to avoid technology stocks. A portion of the portfolio is allocated to investments in biotechnology stocks, which are personally screened by Bill Gates.

Cavendish Asset Management, Ltd: US\$ 7.9 million

[US\$ 3.4 million]

(Growth – United Kingdom – EAUM: US\$ 1.1 billion)

Cavendish Asset Management, Ltd (Cavendish Asset Management) invests in global growth and value stocks of all sizes in all sectors. The firm seeks to analyse company fundamentals, such as: (a) management, (b) business model, (c) products and (d) competitors and to identify opportunities for mergers, acquisitions and competitive advantage. Cavendish Asset Management employs a long-only strategy. It uses a combination of proprietary and external research to look for stocks with: (a) low price-to-earnings ratios, (b) consistent earnings growth that is not reflected in the share price and (c) share prices that are half the underlying asset value. The firm typically aims to hold its investments for 12 to 36 months, depending on market conditions.

INVESTOR PROFILES

CBL Asset Management: US\$ 4.6 million

[US\$ 4.4 million]

(Growth – Latvia – EAUM: US\$ 7.9 million)

CBL Asset Management (CBL) invests in central and eastern European growth and value stocks of all sizes in all sectors. The firm also invests in northern European growth stocks. CBL uses a long-only strategy and conducts proprietary research, using a combination of top-down and bottom-up approaches to stock selection.

CCB Asset Management EAD: US\$ 26.8 million

[US\$ 32.0 million]

(Undefined – Bulgaria – EAUM: US\$ 40.1 million)

CCB Asset Management EAD (CCB Asset Management) is an investment manager based in Sofia, Bulgaria. The firm was incorporated on 22 November 2006. It runs three mutual funds: CCB Leader, CCB Aktiv, and CCB Garant.

Charles Schwab Investment Management, Inc.: US\$ 1.2 billion

[US\$ 668.9 million]

(Index – United States of America – EAUM: US\$ 207.6 billion)

Charles Schwab Investment Management, Inc. (Charles Schwab Investment Management or CSIM) invests in US stocks of all sizes in all sectors, as well as in ETFs and real-estate investment trusts (REITs). CSIM screens a pool of 3,200 companies every week using a proprietary research model, the Schwab Equity Index. The Index consists of 18 metrics grouped into four categories: fundamental (includes cash generation and capital utilisation), valuation (includes operating income, cash holdings and management share buybacks), momentum (includes brokerage analyst assessments and price momentum) and risk (includes earnings stability). It then rates stocks as buys, holds, or sells. The results typically recommend purchasing the top 30 per cent and selling the remaining 70 per cent. The Index is benchmarked against the S&P 1500 Super Composite. CSIM uses sell-side research as an input into the Index, but does not look at it further. The firm does not meet with the management teams of the companies in which it invests.

Coeli Asset Management AB: US\$ 61.0 million

[US\$ 41.4 million]

(Growth – Sweden – EAUM: US\$ 876.3 million)

Coeli Asset Management AB (Coeli Asset Management) manages equity and fixed income mutual funds for institutions and private clients. The firm also manages CTA funds and is exposed to derivatives. The firm invests in global growth stocks across all sectors and market capitalisations. The firm is a long-only investor.

Comgest SA: US\$ 306.3 million

[US\$ 200.6 million]

(Growth – France – EAUM: US\$ 22.3 billion)

Comgest SA (Comgest) invests in global growth stocks of all sizes. The company uses bottom-up analysis to find stocks with: (a) strong earnings growth, (b) positive cash flows, (c) strong balance sheets, (d) proven management, (e) barriers to entry and (f) a solid market position. The firm also uses computer models that focus on economic factors and future earnings potential. It holds 20-25 positions in a typical fund. Comgest's portfolio managers act as analysts by conducting all research in-house and they benchmark against the MSCI Europe, HSBC Small European, MSCI World, MSCI Emerging Markets Global, MSCI Pacific Free Ex Japan, and MSCI Pacific Free indexes. The firm has a low portfolio turnover, but will sell a stock if company fundamentals change. Comgest prefers sectors that are clearly able to communicate the data needed to calculate intrinsic value and avoids investments in the financial sector.

Conseq Investment Management a.s.: US\$ 110.6 million

[US\$ 64.5 million]

(Value – Czech Republic – EAUM: US\$ 162.3 million)

Conseq Investment Management a.s. (Conseq Investment Management) invests in central and eastern European value stocks of all sizes in all sectors. The firm uses a top-down approach with a liquidity screen to seek out undervalued stocks. Conseq Investment Management begins the stock-picking process by analysing asset allocation in specific countries, then selecting sector weightings, before completing the process with individual stock selection. Its funds are team managed and the chief investment officer makes the final investment decisions. Portfolio managers do not meet with company management as part of the investment process. Conseq Investment Management relies on outside macroeconomic, sector-specific and fundamental company-specific research from local brokers and global investment banks.

Coronation Asset Management Pty., Ltd: US\$ 496.2 million

[US\$ 422.3 million]

(Value – South Africa – EAUM: US\$ 11.2 billion)

Coronation Asset Management Pty., Ltd (Coronation Asset Management) invests in African GARP stocks and global value stocks of all sizes in all sectors. It has a long-only strategy and uses bottom-up analysis to determine sector allocation. The firm uses detailed proprietary research to monitor: (a) investment trends, (b) benchmark weightings, (c) market themes and (d) long-term earnings. It uses fundamental analysis to find undervalued stocks with: (a) global exposure, (b) above-average earnings growth and (c) innovative management and business models.

CPP Investment Board: US\$ 1.6 billion

[US\$ 881.6 million]

(Growth – Canada – EAUM: US\$ 112.9 billion)

The CPP Investment Board (Canada Pension Plan Investment Board) is a pension fund that invests in global growth and index stocks and Canadian value stocks of all sizes in all sectors. The firm uses SRI, long-only and macroeconomic strategies to select its stocks.

INVESTOR PROFILES

CSAM Asset Management Pte., Ltd (Singapore): US\$ 107.7 million **[US\$ 60.1 million]**

(Alternative – Singapore – EAUM: US\$ 107.7 million)

CSAM Asset Management Pte., Ltd (Singapore) (CSAM Asset Management) invests in global stocks of all sizes in all sectors. The firm has a long/short strategy and uses bottom-up and top-down research to select stocks.

Danske Bank Asset Management (Denmark): US\$ 399.1 million **[US\$ 208.9 million]**

(Growth – Denmark – EAUM: US\$ 16.5 billion)

Danske Bank Asset Management (Denmark) (Danske Bank Asset Management) invests in global growth and value stocks of all sizes in all sectors. The firm conducts fundamental bottom-up analysis of individual stocks. It seeks securities from under-appreciated regions, countries and sectors that are selling at a reasonable price or a substantial discount to their underlying value and which offer a favourable growth and/or economic outlook. Danske Bank Asset Management takes a team approach to fund management and relies heavily on in-house research produced by its analysts. It benchmarks against the relevant MSCI country and regional indexes and likes to meet with company management prior to making investment decisions.

Deutsche Investitions- und Entwicklungsgesellschaft mbH: US\$ 31.3 million **[US\$ 22.5 million]**

(Private equity – Germany – EAUM: US\$ 99.9 million)

Deutsche Investitions- und Entwicklungsgesellschaft mbH (Deutsche Investitions- und Entwicklungsgesellschaft) is a private equity investor and a development finance institution. Founded in 1962, it is a member of German state-owned KfW Group.

Dimensional Fund Advisors, L.P. (US): US\$ 959.5 million **[US\$ 3.4 billion]**

(Value – United States of America – EAUM: US\$ 322.5 billion)

Dimensional Fund Advisors, L.P. (US) (Dimensional Fund Advisors) invests primarily in value stocks of all sizes in all sectors globally. The firm also invests in global mid- through mega-cap growth stocks, as well as ETFs. It uses fundamental analysis and limited technical analysis to screen for stocks and is a socially responsible investor.

Državni ured za upravljanje državnom imovinom: US\$ 85.3 million **[US\$ 109.4 million]**

(Undefined – Croatia – EAUM: US\$ 111.5 million)

Državni ured za upravljanje državnom imovinom is a real-estate investor and responsible for the management and administration of Croatia's state properties.

Dunross & Co. AB: US\$ 74.8 million

(Value – Sweden – EAUM: US\$ 80.5 million)

Dunross & Co. AB (Dunross) invests in emerging-market value stocks of all sizes in all sectors. The firm uses fundamental bottom-up analysis in its stock-picking process. It looks at long-term stocks with low leverage in regions rich in natural resources, devoid of protectionist threats, with strict regulation.

DV Asset Management, EAD: US\$ 55.1 million **[US\$ 65.0 million]**

(GARP – Bulgaria – EAUM: US\$ 55.1 million)

DV Asset Management, EAD (DV Asset Management) invests in European and emerging-market GARP stocks of all sizes in all sectors, as well as ETFs. DV Asset Management relies on fundamental and macroeconomic analysis in its investment process.

DWS Investment GmbH: US\$ 954.5 million **[US\$ 701.2 million]**

(Value – Germany – EAUM: US\$ 107.7 billion)

DWS Investment GmbH (DWS) invests in global growth stocks of all sizes, as well as global ETFs. DWS seeks stocks with: (a) active management, (b) sound fundamentals and (c) strong investor relations. The firm hedges its risk/reward ratios for most of its equity funds by placing a considerable portion of its assets in government bonds and cash. DWS benchmarks against the DJ EURO STOXX 50 and relevant region-specific MSCI indexes.

East Capital Asset Management AB: US\$ 1.0 billion **[US\$ 1.0 billion]**

(GARP – Sweden – EAUM: US\$ 1.3 billion)

East Capital Asset Management AB (East Capital Asset Management) invests in central and eastern European GARP stocks and European and Asian growth and deep-value stocks of all sizes in all sectors, as well as global ADRs and GDRs. East Capital Asset Management uses fundamental bottom-up analysis in its selection process. The firm seeks stocks with: (a) strong management and (b) consistent growth. It benchmarks its funds against the RTS index, Baltic 30 index and MSCI Emerging Europe Index and relies on proprietary research.

Eastspring Investments (Singapore), Ltd: US\$ 364.0 million **[US\$ 333.3 million]**

(Growth – Singapore – EAUM: US\$ 25.7 billion)

Eastspring Investments (Singapore), Ltd (Eastspring Investments) invests in global growth and value stocks of all sizes in all sectors, as well as Asian ETFs. Eastspring Investments uses fundamental bottom-up analysis to select stocks that have: (a) a strong competitive edge, (b) financial strength, (c) low valuations, (d) leadership in a niche market, (e) natural barriers to entry, (f) technological advantage, (g) strong balance sheets and (h) strong earnings growth.

INVESTOR PROFILES

Eaton Vance Management: US\$ 128.4 million

[US\$ 68.4 million]

(Value – United States of America – EAUM: US\$ 49.4 billion)

Eaton Vance Management invests in global value, growth, income and GARP stocks of all sizes in all sectors, as well as ADRs, convertibles, closed-end funds and ETFs. Eaton Vance Management employs a combination of fundamental top-down, bottom-up, technical and quantitative analysis. It considers companies with: (a) above-average financial characteristics, (b) strong growth potential, (c) improving earnings and cash flows and (d) a competitive advantage in their industries. The equity analysis involves a proprietary evaluation process that assigns each stock a weighted target price. For much of its screening process, Eaton Vance Management relies on outside research. The firm assimilates available research information from a variety of Wall Street firms.

Emirates International Investment Company, LLC: US\$ 36.5 million

[US\$ 23.9 million]

(Specialty – United Arab Emirates – EAUM: US\$ 2.0 billion)

Emirates International Investment Company, LLC (Emirates International Investment Company) invests in global stocks of all sizes in all sectors. The firm is an opportunistic investor and uses a combination of top-down and bottom-up analysis.

Enterprise Investors Sp. z.o.o.: US\$ 69.1 million

[US\$ 64.4 million]

(Private equity – Poland – EAUM: US\$ 94.9 million)

Enterprise Investors Sp. z.o.o. (Enterprise Investors) is a private equity and venture capital firm. It has a strong focus on Polish companies, which account for around two-thirds of all its exposure, with the remainder invested in the growing economies of central and eastern Europe.

EOS Russia AB: US\$ 91.6 million

[US\$ 69.2 million]

(Specialty – Sweden – EAUM: US\$ 112.0 million)

EOS Russia AB (EOS Russia) invests in Russian power generation and seeks opportunities arising from the country's reform of the sector. The firm uses a blend of proprietary analysis and research from brokers to find undervalued and liquid stocks with strong growth potential in the: (a) electrical utility, (b) thermal and hydro generation, (c) power distribution, (d) power transmission, (e) power service and supply, and (f) utility construction sectors. EOS Russia is typically a long-only investor, but it can consider an arbitrage approach and leverage up to 40 per cent of its total assets in such situations. The firm also invests in derivatives and typically holds about 22 positions in a portfolio. Investment decisions are made by the board of directors based on the recommendations of the head of research.

Erste Asset Management d.o.o: US\$ 51.4 million

[US\$ 14.7 million]

(Deep value – Croatia – EAUM: US\$ 53.3 million)

Erste Asset Management d.o.o (Erste Asset Management) manages mutual funds and a property fund and is exposed to derivatives. The firm is a subsidiary of Austria-based Erste Sparinvest Kapitalanlage GmbH, a division of Erste Group Bank AG. Its name was changed from Erste Invest d.o.o. to Erste Asset Management d.o.o as of October 2013.

Erste d.o.o. - društvo za upravljanje obveznim mirovinskim fondom: US\$ 275.3 million

[US\$ 147.2 million]

(Growth – Croatia – EAUM: US\$ 293.3 million)

Erste d.o.o. - društvo za upravljanje obveznim mirovinskim fondom (Erste d.o.o.) invests in large and mega-sized Croatian and EU growth stocks. The firm uses proprietary analysis and research from its affiliates.

Eurizon Capital SGR S.p.A.: US\$ 30.0 million

[US\$ 6.2 million]

(Yield – Italy – EAUM: US\$ 16.1 billion)

Eurizon Capital SGR S.p.A. (Eurizon Capital) invests in global small-, mid- and large-cap growth and value stocks. The firm conducts a macroeconomic overlay analysis to determine country and sector allocation, followed with bottom-up and/or quantitative analysis depending on the specific objectives of the fund in question. Eurizon Capital's fund managers and analysts prefer to meet with the management of the companies they are considering. A strategy committee meets regularly to discuss all investment decisions. The company has separate global, European, Italian, American and emerging-market funds, as well as two thematic funds that focus on international socially conscious and high-risk stocks. It benchmarks against the various MSCI Indexes.

European Bank for Reconstruction and Development: US\$ 2.1 billion

[US\$ 2.1 billion]

(Specialty – United Kingdom – EAUM: US\$ 2.1 billion)

The European Bank for Reconstruction and Development (EBRD) is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 38 economies across three continents from central Europe to Central Asia, the Western Balkans and SEMED. The EBRD was established and is acting on the basis of an international agreement known as the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990, as amended. The principal office of the EBRD is located in London, United Kingdom. As an international organisation, the EBRD is established and governed on the basis of public international law and, therefore, the EBRD is not incorporated under the laws of England or the national law of any other country and has no company registration in the United Kingdom or any other country.

INVESTOR PROFILES

Expat Asset Management EAD: US\$ 20.0 million

[US\$ 17.9 million]

(Growth – Bulgaria – EAUM: US\$ 25.4 million)

Expat Asset Management EAD (Expat Asset Management) invests in emerging-market and developed-market growth stocks of all sizes in all sectors, along with Bulgarian ETFs and REITs.

Fidelity International Limited – FIL Investment Services (UK), Ltd: US\$ 1.8 billion

[US\$ 1.3 billion]

(Growth – United Kingdom – EAUM: US\$ 96.5 billion)

Fidelity International Limited – FIL Investment Services (UK), Ltd (Fidelity International Limited (UK)) invests in global growth and value stocks of all sizes in all sectors. The firm uses long/short, long-only and market-neutral strategies to select stocks. It conducts top-down analysis to identify: (a) political, (b) environmental and (c) social issues in individual countries, then takes a bottom-up approach to find stocks that are moderately valued. It prefers individual stock selection to sector allocation. Fidelity International Limited (UK) also uses fundamental and technical analysis when considering whether to invest in a stock.

Fidelity Management & Research (Hong Kong), Ltd: US\$ 1.1 billion

[US\$ 1.3 billion]

(Growth – Hong Kong – EAUM: US\$ 8.7 billion)

Fidelity Management & Research (Hong Kong), Ltd (Fidelity Management & Research (Hong Kong)) invests in global growth stocks of all sizes in all sectors. The firm uses fundamental analysis in its stock selection.

Fidelity Management & Research Company: US\$ 961.6 million

[US\$ 2.3 billion]

(Growth – United States of America – EAUM: US\$ 945.5 billion)

Fidelity Management & Research Company invests in equity securities of every asset class, market cap and style, including common stocks, REITs and convertibles. It has separate fixed-income, balanced, US equity, non-US equity (international), US/non-US (global), small-cap, mid-cap, large-cap, growth, value, income, quantitative, indexed, and sector-specific portfolios, as well as some that combine two or more of those strategies. The firm primarily relies on in-house, bottom-up research and uses a variety of investment styles. For some strategies, it also uses quantitative and technical research. Fidelity Management & Research Company's portfolios are typically managed individually, rather than by committee.

Fiera Capital (UK), Ltd: US\$ 430.4 million

[US\$ 487.1 million]

(Growth – United Kingdom – EAUM: US\$ 1.6 billion)

Fiera Capital (UK), Ltd (Fiera Capital (UK)) invests in global growth and GARP stocks of all sizes in all sectors. The firm also invests in emerging-market value stocks and has long/short and SRI strategies. It uses fundamental and quantitative analysis to select stocks. Fiera Capital (UK) benchmarks its funds against the MSCI Emerging Markets Index, the S&P Pan Arab Composite Index, the MSCI EM Europe 10/40 Index, the MSCI Frontier Markets Index and the MSCI EFM Africa Index (South Africa 50 per cent).

FIL Investment Management (Hong Kong), Ltd: US\$ 0.5 million

[US\$ 0.09 million]

(Growth – Hong – EAUM: US\$ 21.4 billion)

FIL Investment Management (Hong Kong), Ltd (FIL Investment Management (Hong Kong)) invests in growth stocks in all sectors in Asia and the Pacific. The firm uses quantitative research and top-down analysis to identify political, environmental and social issues in individual countries, then bottom-up analysis to find GARP stocks with moderate valuations. The firm concentrates on individual stock selection rather than sector allocation. Portfolio managers are given full responsibility for stock-picking and investment style. FIL Investment Management (Hong Kong)'s fundamental research is obtained from its global network of researchers and strongly emphasises management visits and detailed company analysis.

Finaccess México, SA de C.V.: US\$ 120.2 million

[US\$ 1.3 billion]

(Growth – Mexico – EAUM: US\$ 775.0 million)

Finaccess México, SA de C.V. (Finaccess México) manages fixed-income mutual funds. The firm is a subsidiary of Finaccess International, headquartered in New York.

Firebird Management, LLC: US\$ 78.9 million

[US\$ 81.2 million]

(Alternative – United States of America – EAUM: US\$ 78.9 million)

Firebird Management, LLC (Firebird Management) manages private funds primarily focused on equity investment in countries of the former Soviet Union and emerging eastern Europe. The firm conducts long/short top-down analysis, seeking to capitalise on full-scale recoveries in countries that have recently suffered a major setback or crisis that has caused a devaluation or depression. The Firebird Fund, Republics Fund and New Russia Fund invest solely in stocks in Russia and former Soviet states, while the Firebird Global Fund invests globally. The firm seeks undervalued stocks with: (a) strong earnings per share growth, (b) improving cash flows, (c) significant barriers to entry, (d) quality management, (e) market visibility and (f) liquidity. Firebird Management does not use any hedging techniques.

INVESTOR PROFILES

First Sentier Investors (Australia) IM, Ltd: US\$ 17.8 million

[US\$ 9.4 million]

(Growth – Australia – EAUM: US\$ 31.5 billion)

First Sentier Investors (Australia) IM, Ltd (First Sentier Investors (Australia)) manages equity and fixed-income mutual funds, a hedge fund and separate portfolios for individuals and institutions. The firm is also exposed to derivatives. Colonial First State Global Asset Management was founded in 1988 and was acquired by Mitsubishi UFJ Trust & Banking Corporation on 2 August 2019. It changed its name to First Sentier Investors (Australia) on 16 September 2019.

Franklin Templeton Investment Management UK - Sucursala Bucuresti: US\$ 745.5 million

[US\$ 675.6 million]

(Growth – Romania – EAUM: US\$ 745.5 million)

Franklin Templeton Investment Management UK – Sucursala Bucuresti (Franklin Templeton Investments Bucharest) is the Bucharest Branch of Franklin Templeton. It invests in European growth stocks of all sizes, with a bias towards Romanian power, gas and oil stocks, and uses proprietary bottom-up fundamental research. It generally has 35-40 positions in its portfolio, typically minority stakes in strategic sectors for the Romanian economy, such as energy. The firm will sell a position when its target price is met or there is no potential for future appreciation. Since 2010, it has managed the funds of the Romanian state-owned property fund, Fondul Proprietatea.

Franklin Templeton Investments (ME), Ltd: US\$ 9.0 million

[US\$ 11.1 million]

(Value – United Arab Emirates – EAUM: US\$ 84.3 million)

Franklin Templeton Investments (ME), Ltd (Franklin Templeton Investments (ME)) invests in MENA value stocks across all sectors and market capitalisations. Franklin Templeton Investments (ME) uses top down analysis which looks at: (a) infrastructure; (b) sectors; (c) oil prices; and (d) government spending. The firm meets with company management.

Frontaura Capital, LLC: US\$ 3.2 million

(Alternative – United States of America – EAUM: US\$ 11.6 million)

Frontaura Capital, LLC (Frontaura Capital) invests in frontier-market stocks of all sizes in all sectors and takes a long-only approach to stock selection.

Generali Investments, družba za upravljanje, d. o. o.: US\$ 46.2 million

[US\$ 58.7 million]

(Growth – Slovenia – EAUM: US\$ 306.0 million)

Generali Investments, družba za upravljanje, d.o.o. (Generali Investments) manages mutual funds and invests in global growth stocks of all sizes in all sectors. The firm was founded on 24 February 1994 as Kmečka družba d. d. It is now a wholly owned subsidiary of KD Group d.d. and was renamed Generali Investments, družba za upravljanje, d.o.o. as of 2 September 2019.

Generali PTE SA: US\$ 1.6 billion

[US\$ 1.8 billion]

(Growth – Poland – EAUM: US\$ 1.8 billion)

Generali PTE SA (Generali PTE) is a pension company that invests in European and US growth and value stocks of all sizes in all sectors. The firm uses fundamental research to find Polish stocks in growth industries with sound management. Generali PTE considers selling a stock when the company posts disappointing returns or has a high valuation relative to recommendations.

Genesis Investment Management, LLP: US\$ 1.8 billion

[US\$ 3.4 billion]

(Growth – United Kingdom – EAUM: US\$ 16.4 billion)

Genesis Investment Management, LLP (Genesis Investment Management or GIM) seeks global developed- and emerging-market value and growth stocks. It uses in-house research and performs top-down and bottom-up analysis to identify developing countries undergoing structural change and radical reform. GIM narrows down an initial pool of 100 stocks to 50 based on: (a) tax rates, (b) trade balances and (c) government policy, limiting investment in any one country to 15 per cent of the total portfolio. It seeks under-priced stocks with: (a) a low price-to-book value, (b) high return on equity, (c) above-average earnings and revenue growth, (d) quality management, (e) a market niche and (f) a sound business plan. The firm relies heavily on meetings with the management teams of companies being considered. It uses a bottom-up investment approach, using a combination of proprietary and broker research in its analysis.

Geode Capital Management, LLC: US\$ 698.6 million

[US\$ 363.4 million]

(Index – United States of America – EAUM: US\$ 473.0 billion)

Geode Capital Management, LLC (Geode Capital Management) invests in global stocks. It tracks the S&P 500 Index and S&P 100 Index for its US large-cap core strategies; the Dow Jones US Total Stock Market Index, NASDAQ Composite Index and Russell 3000 Index for its US all-cap strategies; the Dow Jones US Completion Total Market Index, Russell 2000 Index and Russell Midcap Index for its US small- and mid-cap core strategies; the MSCI EAFE Index, MSCI All Country World, ex-US Index and FTSE Emerging Index for its international strategy; and the FTSE NAREIT Index, Dow Jones US Select Real Estate Securities Index, S&P Global Clean Energy Index, S&P Global Water Index and DAX Global Agribusiness Index for its thematic strategies.

INVESTOR PROFILES

GIC Asset Management Pte., Ltd: US\$ 173.9 million

[US\$ 173.9 million]

(Value – Singapore – EAUM: US\$ 70.5 billion)

GIC Asset Management Pte., Ltd (GIC Asset Management or GIC), formerly known as the Government of Singapore Investment Corporation/Sovereign Wealth Fund, is a value investor in global stocks of all sizes in all sectors. GIC's equity portfolios invest in global equities and are benchmarked to the MSCI World Index. The firm begins with top-down asset allocation by its economics and strategy department, followed by an analysis of global industry sectors rather than specific countries. Portfolio managers and analysts conduct and share research in-house on: (a) financials, (b) resources and industrials, (c) technology, (d) telecommunication services, (e) consumer cyclicals and (f) consumer non-cyclicals. It also uses research from brokerage houses in its deliberations. GIC's portfolios typically take 50 positions in 20-30 different countries and include preferred stocks, warrants, options, convertibles and stock index futures. The firm is one of the three reserve management entities in Singapore, alongside the Monetary Authority of Singapore and Temasek, that manage Singapore's state financial assets and invest for the long term.

Global X Management Company, LLC: US\$ 447.8 million

[US\$ 435.0 million]

(Index – United States of America – EAUM: US\$ 10.4 billion)

Global X Management Company, LLC (Global X Management Company) is a sponsor of global ETFs, known for its Thematic Growth, Income and International Access ETFs.

Goldman Sachs Asset Management (India) Pvt., Ltd: US\$ 108.3 million

[US\$ 53.6 million]

(Growth – India – EAUM: US\$ 1.8 billion)

Goldman Sachs Asset Management (India) Pvt., Ltd (Goldman Sachs Asset Management (India)) invests in global growth stocks of all sizes in all sectors.

Grantham Mayo Van Otterloo & Co., LLC: US\$ 2.0 billion

[US\$ 1.1 billion]

(Value – United States of America – EAUM: US\$ 30.5 billion)

Grantham Mayo Van Otterloo & Co., LLC (Grantham Mayo Van Otterloo & Co.) invests in global value stocks of all sizes in all sectors. The firm uses a combination of fundamental top-down and quantitative analysis.

Groupama SA: US\$ 611.2 million

[US\$ 800.2 million]

(Externally managed – France – EAUM: US\$ 611.2 million)

French insurance group Groupama SA's (Groupama) reported equity assets are managed by Groupama Asset Management.

Groupe des Assurances du Crédit Mutuel SA: US\$ 22.0 million

[US\$ 22.5 million]

(Value – France – EAUM: US\$ 834.4 million)

Groupe des Assurances du Crédit Mutuel SA (Groupe des Assurances du Crédit Mutuel), an insurance group, invests in Eurozone growth and value stocks of all sizes. The firm uses fundamental research focused on top-down analysis and benchmarks against the CAC 40, DJSI Eurostoxx 40 and Euronext Mid-Cap 100 indexes.

Harding Loevner, L.P.: US\$ 1.5 billion

[US\$ 1.2 billion]

(GARP – United States of America – EAUM: US\$ 44.1 billion)

Harding Loevner, L.P. (Harding Loevner or HL) invests in global GARP stocks. The firm undertakes in-depth fundamental research to identify growing companies. HL analyses business models and its competitive position before making decisions. The firm's research is organised primarily by global sector, with analysts studying companies around the globe that operate within their industry specialties. Regional analysts are responsible for covering companies in emerging markets, frontier markets and Japan. HL looks for growing stocks with good management and strong financials that are undervalued relative to their intrinsic value. It aims to identify stocks with: (a) proven business models, (b) competitive advantages, (c) strong management and (d) dominant market positions. The firm also considers the political, legal and economic climates of the countries in which it invests. HL benchmarks against the MSCI All Country World Free ex-US Index, MSCI All Country World Free Index, the Salomon World Government Bond Index and the MSCI Emerging Markets Free Index.

Hellenic Financial Stability Fund: US\$ 2.0 billion

[US\$ 2.5 billion]

(Externally managed – Greece – EAUM: US\$ 2.0 billion)

The Hellenic Financial Stability Fund (HFSF) outsources management of its assets to Piraeus Asset Management Mutual Funds Management Company, NBG Asset Management, Eurobank Asset Management MFMC and Alpha Bank. The HFSF was founded in July 2010 to maintain the stability of the Greek banking system.

Hermes Investment Management, Ltd: US\$ 419.3 million

[US\$ 194.5 million]

(GARP – United Kingdom – EAUM: US\$ 18.0 billion)

Hermes Investment Management, Ltd (Hermes Investment Management) invests in global growth stocks of all sizes and in emerging-market shares. The firm uses qualitative and quantitative analysis and seeks to identify high-quality stocks with: (a) sustainable growth, (b) attractive valuations, (c) high intrinsic value and (d) favourable market positioning. Hermes Investment Management considers regular management meetings a key component of its investment decision-making process.

INVESTOR PROFILES

HMG Finance SA: US\$ 13.1 million

[US\$ 4.8 million]

(Yield – France – EAUM: US\$ 358.9 million)

HMG Finance SA (HMG Finance or HMG) invests in global value and growth stocks of all sizes in all sectors. It primarily looks for French and European stocks with: (a) positive growth rates, (b) low valuations relative to the market, (c) low debt levels, (d) high liquidity and (e) management capabilities, but can also invest globally. HMG requires meetings with the management teams of companies under consideration and pursues active engagement with company management. It promotes shareholder activism and meets with the clients and competitors of potential investees. The firm typically relies on proprietary analysis, but occasionally looks to outside sources for comparison and data. In particular, it works with French brokers BNP Paribas and Chevreux, as well as HSBC. HMG benchmarks against the MIDCAC and Second MarchT indexes. The firm will sell a stock if: (a) it becomes overvalued relative to the market, (b) fundamentals deteriorate significantly and/or (c) changes in management negatively affect growth potential. The HMG DTcouvertes Fund invests in small- and mid-cap French stocks and typically contains 50-70 positions, with any one position accounting for no more than 5 per cent of the fund's total assets. The HMG Rendement Fund invests in high-yield stocks, fixed income and convertibles, while the HMG Globetrotter Fund invests in small-, mid- and large-cap global stocks.

HPB-Invest d.o.o.: US\$ 183.9 million

[US\$ 119.1 million]

(Growth – Croatia – EAUM: US\$ 183.9 million)

HPB-Invest d.o.o. (HPB-Invest) invests in global growth stocks of all sizes in all sectors, with a bias towards SEE stocks. The firm considers selling a stock when it reaches its target price or when macroeconomic conditions deteriorate.

Hrvatsko Mirovinsko Investicijsko Društvo d.o.o.: US\$ 411.8 million

[US\$ 405.0 million]

(Yield – Croatia – EAUM: US\$ 411.8 million)

Hrvatsko Mirovinsko Investicijsko Društvo d.o.o. (Hrvatsko Mirovinsko Investicijsko Društvo), a pension investment company, invests in European income stocks of all sizes in all sectors.

Hypo Vorarlberg Bank AG (Asset Management): US\$ 2.6 million

[US\$ 2.7 million]

(GARP – Austria – EAUM: US\$ 199.4 million)

Hypo Vorarlberg Bank AG (Asset Management) (Hypo Vorarlberg Asset Management) invests in European, Japanese and North American small-, mid- and large-cap growth and value stocks. The firm conducts its macroeconomic research internally and typically benchmarks against the DJ EURO STOXX 50, the S&P 500, the Nikkei 225 and the ATX Indexes.

IFC Asset Management Company, LLC: US\$ 542.7 million

[US\$ 215.6 million]

(Specialty – United States of America – EAUM: US\$ 1.7 billion)

Formed in 2009, IFC Asset Management Company, LLC (IFC Asset Management Company) invests in emerging-market specialty stocks of all sizes in the financial sector. IFC Asset Management Company invests alongside the International Finance Corporation, its owner and part of the World Bank Group, in high-potential companies and infrastructure projects around the world.

InterCapital Asset Management d.o.o.: US\$ 113.4 million

[US\$ 52.2 million]

(Growth – Croatia – EAUM: US\$ 113.4 million)

InterCapital Asset Management d.o.o. (InterCapital Asset Management) is an asset management company, founded in 2004. The firm invests in global growth stocks of all sizes in all sectors, with a focus on small- and mid-cap Croatian growth stocks.

Invesco Advisers, Inc.: US\$ 4.6 billion

[US\$ 4.3 billion]

(Growth – United States of America – EAUM: US\$ 305.6 billion)

Invesco Advisers, Inc. (Invesco Advisers) invests in global growth and value stocks of all sizes in all sectors, as well as US ETFs. It uses fundamental, technical and cyclical analysis during its investment process. The firm also undertakes quantitative analysis, designed to locate impartial investment options using its proprietary Stock Selection Model, which selects stocks based on four factors: (a) earnings momentum, (b) price trend, (c) management action and (d) relative value. When constructing a portfolio, Invesco Advisers uses pre-specified risk targets for each strategy, as well as an optimisation process that simultaneously seeks to maximise return, minimise risk and transaction costs, adhere to strategy parameters and take into consideration certain client-specific restrictions.

Investbank (Jordan): US\$ 43.6 million

[US\$ 28.8 million]

(Growth – Jordan – EAUM: US\$ 43.6 million)

Investbank (Jordan) invests in global growth stocks of all sizes in all sectors, using fundamental analysis to select its stocks.

INVL Asset Management, UAB: US\$ 34.8 million

[US\$ 44.0 million]

(Deep value – Lithuania – EAUM: US\$ 34.8 million)

INVL Asset Management, UAB (INVL Asset Management or INVL) invests in small- to large-cap eastern and central European GARP stocks, with a heavy bias towards the Baltic region. INVL seeks undervalued stocks with: (a) sound fundamentals, (b) efficient management and (c) strong growth potential. It combines proprietary fundamental analysis with research from its affiliates. The firm meets with company management; it considers it a significant part of the investment process and a prerequisite to taking a position in a company.

INVESTOR PROFILES

Iran Foreign Investment Company: US\$ 149.6 million

[US\$ 172.2 million]

(Growth – Iran – EAUM: US\$ 157.5 million)

Iran Foreign Investment Company (IFIC) invests in global growth stocks of all sizes, with a focus on the oil sector.

J&T Finance Group, a.s.: US\$ 128.6 million

[US\$ 119.5 million]

(Externally managed – Slovak Republic – EAUM: US\$ 55.8 million)

J&T Finance Group, a.s. (J&T Finance Group) does not manage assets. The equity assets it reports are managed by J&T Investiční Společnost.

J&T Investiční Společnost, a.s.: US\$ 6.3 million

[US\$ 7.9 million]

(Growth – Czech Republic – EAUM: US\$ 11.7 million)

J&T Investiční Společnost, a.s. (J&T Investiční Společnost) invests in European growth stocks of all sizes. It takes a blended top-down and bottom-up approach to stock selection. The firm does not meet with company management prior to making investment decisions. J&T Investiční Společnost relies on proprietary research from J&T Bank.

J.P. Morgan Asset Management (UK), Ltd: US\$ 3.7 billion

[US\$ 3.3 billion]

(Growth – United Kingdom – EAUM: US\$ 105.1 billion)

J.P. Morgan Asset Management (UK), Ltd (J.P. Morgan Asset Management (UK)) invests in global growth and value equities of all sizes in all sectors. The research process begins with top-down country- and sector-allocation models. Stocks are selected using fundamental research that examines: (a) price catalysts, (b) temporary mispricing and (c) strength of the stock relative to its peers. Generally, the firm seeks stocks with sustainable long-term growth, earnings forecasts and cash flows and attractive prices. J.P. Morgan Asset Management (UK) relies heavily on in-house research provided by the firm's global analysts and likes to meet with the management of companies being considered prior to making an investment decision. The firm uses long/short and quantitative strategy when selecting stocks.

Jordan Social Security Investment Fund: US\$ 2.4 billion

[US\$ 2.6 billion]

(GARP – Jordan – EAUM: US\$ 2.4 billion)

The Jordan Social Security Investment Fund invests in Jordanian growth stocks of all sizes in all sectors.

Kairos Investment Management, Ltd: US\$ 365.5 million

[US\$ 139.9 million]

(Alternative – United Kingdom – EAUM: US\$ 1.1 billion)

Kairos Investment Management, Ltd (Kairos Investment Management) invests in global stocks. The firm uses a long/short strategy and conducts fundamental analysis to identify stocks with strong earnings potential and strong management. Kairos Investment Management prefers direct contact with the management of companies under consideration. The firm may also use leverage, short sales, futures and options. Fund managers conduct their own trades.

Kairos Partners SGR S.p.A.: US\$ 130.8 million

[US\$ 10.7 million]

(GARP – Italy – EAUM: US\$ 1.1 billion)

Kairos Partners SGR S.p.A. (Kairos Partners) invests in global GARP stocks of all sizes in all sectors as well as global environmental growth stocks across all market capitalisations. The firm uses a long/short strategy and a macroeconomic overlay to determine country and sector allocation followed by fundamental analysis that varies according to the specific criteria of each fund. Kairos Partners benchmarks against the Nasdaq 100 Index, the DJ EURO STOXX Technology Index (Euroland), and against the DJ EURO STOXX Index. An investment committee meets regularly to discuss asset allocation, and portfolio managers conduct their own trading.

KJK Capital Oy: US\$ 48.0 million

[US\$ 32.9 million]

(Growth – Finland – EAUM: US\$ 48.4 million)

KJK Capital Oy (KJK Capital) invests in Baltic growth stocks across all market capitalisations.

Kondor Administradora e Gestora de Recursos Financieros, Ltda: US\$ 3.3 million

(Alternative – Brazil – EAUM: US\$ 11.0 million)

Kondor Administradora e Gestora de Recursos Financeiros, Ltda (Kondor Administradora e Gestora de Recursos Financeiros or Kondor) invests in global stocks of all market capitalisations. The firm combines long-only and long/short strategies. Kondor benchmarks against the IBovespa index.

Kopernik Global Investors, LLC: US\$ 440.1 million

[US\$ 316.7 million]

(Value – United States of America – EAUM: US\$ 2.0 billion)

Kopernik Global Investors, LLC (Kopernik Global Investors) invests in global value stocks of all sizes in all sectors. The firm uses fundamental bottom-up analysis to identify securities that are undervalued. It looks at: (a) price-to-earnings ratio, (b) sustainable dividend payout, (c) franchise quality, (d) management strength, (e) corporate strategy, (f) barriers to entry, (g) shareholder value orientation, (h) industry supply and demand dynamics and (i) the company's competitive advantage over its industry peers. It benchmarks its portfolios against MSCI All Country World Index and MSCI All Country World ex-US Index.

INVESTOR PROFILES

Kuwait Investment Authority: US\$ 685.8 million

[US\$ 809.9 million]

(Growth – Kuwait – EAUM: US\$ 20.0 billion)

The Kuwait Investment Authority, Kuwait's sovereign wealth fund, invests in global growth stocks and Asian value stocks of all sizes in all sectors. The firm uses fundamental and quantitative analysis for stock-picking and relies primarily on proprietary research.

Lazard Asset Management, LLC (US): US\$ 2.7 billion

[US\$ 3.7 billion]

(Value – United States of America – EAUM: US\$ 96.4 billion)

Lazard Asset Management, LLC (US) (Lazard Asset Management) invests in small- to mega-cap global value stocks in all sectors. The firm takes a bottom-up research approach and seeks stocks with: (a) a low price-to-book value relative to the industry and market; (b) a sustainable attractive return on equity and return on assets, (c) a low price-to-cash flow ratio relative to the industry and market; (d) catalysts to draw out underlying value (either financial or structural), (e) a sound balance sheet, (f) a competitive market share and (g) quality management. Lazard Asset Management uses a global database screen and accounting validation model to enhance its global fundamental research efforts. It uses the Russell 2000 Index as its small-cap US equity universe, the Russell Mid-Cap Index as its mid-cap US equity universe and the S&P 500 Index as its large-cap US equity universe. Funds and portfolios generally consist of 50-80 positions and are all team managed.

Legal & General Investment Management, Ltd: US\$ 495.8 million

[US\$ 374.2 million]

(Index – United Kingdom – EAUM: US\$ 295.2 billion)

Legal & General Investment Management, Ltd (Legal & General Investment Management or L&G) invests in global value and growth stocks of all sizes. The firm uses a long/short strategy and selects stocks for its active equity investments based on the market situation. Asset allocation is reviewed weekly by a team of fund managers that looks at: (a) the direction of interest rates and yield curves, (b) inflation rates, (c) employment rates and (d) liquidity flows. L&G examines: (a) company strategy, (b) management, (c) earnings growth, (d) cash flows and (e) return on capital employed. The firm tends to use in-house research for most of its small-cap research and secondary research for most of its large-cap research. It typically has low portfolio turnover and will liquidate a holding when a stock has met its target price.

LGM Investments, Ltd: US\$ 263.2 million

[US\$ 271.1 million]

(Growth – United Kingdom – EAUM: US\$ 2.0 billion)

LGM Investments, Ltd (LGM Investments or LGM) is a small- to large-cap global emerging-market growth investor. The firm typically allocates its assets by region: (a) 80 per cent in Asia Pacific, (b) 15 per cent in Europe and (c) 5 per cent in other regions. LGM uses a top-down macroeconomic overlay in its research process to identify global stock-market trends. It then uses in-house fundamental analysis to seek stocks with: (a) a high return on equity, (b) a strong short-term earnings growth trend (typically six months), (c) a strong balance sheet, (d) conservative accounting practices and (e) low debt levels. LGM likes to meet with the management of the companies it is considering. The firm typically holds 30-35 positions and may leverage up to 100 per cent. The fund uses the MSCI Europe Index as its benchmark.

LHV Varahaldus A.S.: US\$ 40.8 million

[US\$ 23.5 million]

(Growth – Estonia – EAUM: US\$ 69.4 million)

LHV Varahaldus A.S. (LHV Varahaldus) invests in global growth stocks of all sizes. The firm uses both proprietary fundamental analysis and research from brokers.

M&G Investment Management, Ltd: US\$ 800.6 million

[US\$ 491.3 million]

(Growth – United Kingdom – EAUM: US\$ 57.3 billion)

M&G Investment Management, Ltd (M&G Investment Management or M&G) invests in stocks of all sizes in all global developed markets. The firm conducts both top-down and bottom-up analysis, screening stocks for: (a) strong management, (b) histories of positive yields, (c) positive cash flows, (d) high barriers to entry, (e) positive valuation multiples relative to industry peers, (f) turnaround potential and (g) future growth prospects. M&G uses country weightings for its non-UK portfolios and sets limits on market caps and specific stocks. Portfolio managers are grouped according to the geographic region they cover. A dedicated team of pan-European analysts conduct in-house research and focus on mid- to large-cap banks, consumer groups, pharmaceuticals and healthcare, resources and telecommunications and technology. Small-cap research is undertaken by the small-cap UK and global equities teams. The firm also likes to meet and maintain contact with the management of companies under consideration.

Mackenzie Investments Asia, Ltd: US\$ 2.4 million

(Growth – Hong Kong – EAUM: US\$ 1.8 billion)

Mackenzie Investments Asia, Ltd (Mackenzie Investments Asia) invests in global small- through large-cap stocks across: (a) financials; (b) technology; and, (c) real estate sectors. The firm uses top down analysis, screening for: (a) economic factors; (b) interest rates; and, (c) currency exchange rates. Mackenzie Investments Asia conducts fundamental analysis, seeking stocks with: (a) annual earnings growth; (b) sound business plans; (c) strong management; and, (d) reasonable valuation measures compared to the market and industry peers. The firm prefers to meet with the management of stocks under consideration prior to making an investment decision.

INVESTOR PROFILES

Maecenas Universitatis Corvini Foundation: US\$ 1.2 billion

(Undefined – Hungary – EAUM: US\$ 1.2 billion)

The Maecenas Universitatis Corvini Foundation is the foundation behind the Corvinus University of Budapest.

Marguerite Adviser SA: US\$ 153.7 million

[US\$ 121.7 million]

(Venture capital – Luxembourg – EAUM: US\$ 153.7 million)

Marguerite Adviser SA (Marguerite Adviser) is an independent fund investing in European infrastructure.

Mayhoola for Investments, LLC: US\$ 256.5 million

[US\$ 280.5 million]

(Private equity – Qatar – EAUM: US\$ 256.5 million)

Mayhoola for Investments, LLC (Mayhoola for Investments) invests in global retail stocks of all sizes.

Mellon Investments Corporation: US\$ 710.5 million

[US\$ 630.7 million]

(Yield – United States of America – EAUM: US\$ 181.2 billion)

Mellon Investments Corporation invests in global indexed stocks. The firm's asset allocation strategy first estimates expected returns, risks, and correlations between the equity, fixed-income and cash assets classes. It uses the S&P 500 Index to evaluate earnings and dividend forecasts based on estimates provided by the Institutional Brokers Estimate System. Future dividends are predicted through analyst estimates in the short and long term and take into account the long-term growth rate of the economy as a whole. The active portion of Mellon Investments Corporation's strategy is limited to asset allocation between stocks, fixed income and cash. Its Active Index Plus strategy uses quantitative models to exploit equity mispricing and minimise transaction costs. Portfolios tend to be diversified across 15 sectors and hold 200-300 stocks. Its market-neutral long/short alpha strategy uses fundamental valuations that consider: (a) earnings quality, (b) analysts' earnings revisions and (c) earnings predictability. The firm's indexing strategies attempt to replicate broad market indexes, such as the S&P 500 and Wilshire 5000. Each stock in the portfolio tends to be held in proportion to its index weight. Mellon Investments Corporation also manages non-US index funds. For quantitative portfolios, it uses quantitative analysis that screens approximately 4,000 US stocks for over 40 characteristics. The model ranks stocks based on relative value, long-term value and momentum factors, including: (a) price-to-earnings ratio relative to peers and historical measures, (b) earnings growth forecast, (c) changes in sell-side analyst earnings estimates and (d) insider trading. Each stock is ranked between 1 (most attractive) and 10 (least attractive) and those ranked 1 or 2 are considered buy candidates. Mellon Investments Corporation holds stocks ranked between 3 and 5 and typically sells those ranked between 6 and 10. It will buy external research products to supplement the firm's proprietary quantitative model.

MetLife PTE SA: US\$ 2.6 billion

[US\$ 2.9 billion]

(Value – Poland – EAUM: US\$ 2.8 billion)

MetLife PTE SA (MetLife PTE) is a pension company that invests in European value and growth stocks of all sizes in all sectors. The firm employs a combined top-down and fundamental approach to select stocks with steady long-term growth. MetLife PTE combines internal research and external research from brokers and banks.

Millville Opportunities Management, LLC: US\$ 68.9 million

[US\$ 51.6 million]

(Alternative – United States of America – EAUM: US\$ 68.9 million)

Millville Opportunities Management, LLC (Millville Opportunities Management) is a hedge fund that invests in US stocks of all sizes. The firm uses a long/short approach to stock selection.

Misr Insurance Company SAE (Egypt): US\$ 353.9 million

[US\$ 290.4 million]

(Growth – Egypt – EAUM: US\$ 353.9 million)

Misr Insurance Company SAE (Egypt) (Misr Insurance Company) invests in Egyptian growth and value stocks of all sizes in all sectors. The firm is both a conventional and Sharia-compliant investor. It uses a basic fundamental approach when selecting stocks.

Modra zavarovalnica d.d.: US\$ 57.5 million

[US\$ 54.4 million]

(Growth – Slovenia – EAUM: US\$ 59.4 million)

Modra zavarovalnica d.d. (Modra zavarovalnica) invests in micro- to small-cap European growth stocks in all sectors.

National Bank of Kazakhstan: US\$ 210.2 million

(Growth – Kazakhstan – EAUM: US\$ 210.2 million)

The National Bank of Kazakhstan invests in global growth stocks of all sizes in all sectors. The bank manages the Unified Accumulative Pension Fund of Kazakhstan, as well as the National Oil Fund's assets.

Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne SA: US\$ 8.5 billion

[US\$ 8.6 billion]

(Growth – Poland – EAUM: US\$ 9.3 billion)

Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne SA (Nationale-Nederlanden PTE) is a Polish national pension fund. It invests in European and US growth stocks of all sizes in all sectors. The fund uses a blended macroeconomic and fundamental approach to select stocks with steady long-term growth.

INVESTOR PROFILES

NLB Skladi d.o.o.: US\$ 71.3 million

[47.7 million]

(Deep value – Slovenia – EAUM: US\$ 692.2 million)

NLB Skladi d.o.o. (NLB Skladi) invests in global growth and value stocks of all sizes in all sectors.

NN Investment Partners C.R., a.s.: US\$ 403.8 million

[US\$ 343.9 million]

(Growth – Czech Republic – EAUM: US\$ 588.7 million)

NN Investment Partners C.R., a.s. (NN Investment Partners) invests in central and eastern European stocks of all sizes in all sectors.

NNIP Advisors B.V.: US\$ 169.3 million

[US\$ 162.9 million]

(Value – Netherlands – EAUM: US\$ 31.0 billion)

NNIP Advisors B.V. (NNIP Advisors) invests in global growth stocks of all sizes in all sectors. Though its investment approach differs from fund to fund, in general, the firm's research involves a combination of quantitative screens, valuation models, macroeconomic analysis and fundamental stock research. Initially, NNIP Advisors screens a universe of approximately 750 stocks from major world indexes, such as the AEX, FTSE 100, S&P 500 and Nikkei 225. The stocks are screened by trading volume, as well as the relative size of their free float. The firm follows this up with a bottom-up analysis that screens stocks for: (a) strong growth histories and potential, (b) relatively low price-to-earnings ratios and (c) innovative sectors. The European Fund is weighted towards UK and Dutch stocks. The Technology Funds are weighted towards the US and look for established and emerging mid- and large-cap stocks in internet-related sectors, including telecommunications, networking and integration services and e-commerce.

Norges Bank Investment Management (Norway): US\$ 7.3 billion

[US\$ 5.6 billion]

(Value – Norway – EAUM: US\$ 680.8 billion)

Norges Bank Investment Management (Norway) (NBIM) is the asset management arm of the Norwegian central bank. It manages the Norwegian Government Pension Fund Global, which invests in global growth stocks of all sizes in all sectors. The firm combines several investment strategies. To capture broad gains, NBIM allocates capital across markets and risk factors. It also conducts fundamental analysis to identify investment opportunities. NBIM has an upper limit of 10 per cent ownership in any given stock. Its average European ownership level is 2.4 per cent and its average ownership level globally is 1.3 per cent. The firm aims to vote at all general meetings and actively engages with companies. NBIM focuses its ownership efforts on companies where it has the largest investments and on companies it deems to operate in "high-risk" sectors. The firm considers responsible investment an integral part of its mandate and seeks to improve industry standards, exercising its ownership rights and monitoring and managing risks. NBIM's executive board decides whether to observe or exclude individual companies. The Council on Ethics, appointed by the Norwegian Ministry of Finance, also makes recommendations in this regard.

Northern Trust Investments, Inc.: US\$ 488.5 million

[US\$ 361.5 million]

(Index – United States of America – EAUM: US\$ 400.7 billion)

Northern Trust Investments, Inc. (Northern Trust Investments) invests in global growth, value and indexed stocks of all sizes in all sectors, as well as global convertibles and REITs. Many of its assets are held in its indexed or enhanced indexed portfolios. For actively managed investments, the firm screens stocks with a market cap of more than US\$ 5 billion for: (a) low debt-to-cash flow ratios, (b) consistent above-average earnings growth rates, (c) earnings and revenue momentum and (d) above-average returns on equity. NTI uses the S&P 500 Index as its benchmark for sector weightings, but portfolio managers conduct bottom-up analysis to determine individual investment ideas. The firm invests in non-US equities through ordinary shares and ADRs. It also sub-advises numerous equity index portfolios. The firm's Florida-based value-investor division buys large-cap US stocks. The group generally considers stocks with yields greater than the S&P 500 average and prefers stocks where there is a catalyst, such as corporate restructuring, new management, spinoffs or a share buyback programme. It tends to focus on macroeconomic themes, such as the growth potential of emerging markets, and invests in stocks that will benefit from that theme, such as multinational financial institutions, capital equipment manufacturers, automotive and energy producers.

Oaktree Capital Management, L.P.: US\$ 392.0 million

[US\$ 342.9 million]

(Value – United States of America – EAUM: US\$ 6.1 billion)

Oaktree Capital Management, L.P. (Oaktree Capital Management) invests in global value stocks of all sizes in all sectors, as well as global convertible securities. It uses a special-situation and convertible-arbitrage strategy to select stocks. For equity investments, the firm takes a bottom-up and value-driven approach and uses a top-down risk management overlay to prevent over-concentration by country or industry. It favours core long-term positions, complemented by the opportunistic trading of both long and short positions to reduce its exposure to macroeconomic factors and vulnerability to unpredictable events.

Oman State General Reserve Fund: US\$ 90.3 million

[US\$ 110.7 million]

(Growth – Oman – EAUM: US\$ 464.1 million)

The Oman State General Reserve Fund is a sovereign wealth fund of the Sultanate of Oman. It invests in global large-cap growth stocks in all sectors.

Onexim Group: US\$ 1.1 billion

[US\$ 1.8 billion]

(Specialty – Russia – EAUM: US\$ 1.1 billion)

Onexim Group is a private strategic investor that focuses on Russian stocks of all sizes in all sectors.

INVESTOR PROFILES

Operadora Inbursa de Sociedades de Inversión, SA de C.V.: US\$ 24.0 million **[US\$ 13.4 million]**
(Growth – Mexico – EAUM: US\$ 2.7 billion)

Operadora Inbursa de Sociedades de Inversión, SA de C.V. (Operadora Inbursa de Sociedades de Inversión or OISI) invests in Mexican value stocks of all sizes. The firm uses the IPC Index as its initial stock universe and benchmark. OISI forms committees to determine sector allocation and to select stocks based on a combination of in-house and external macroeconomic research and fundamental analysis. The macroeconomic research monitors: (a) US economic trends, (b) sector growth and (c) inflation rates. The firm's bottom-up research focuses on stocks with: (a) strong earnings growth, (b) effective business models and (c) low valuations.

Ordu Yardimlasma Kurumu: US\$ 3.0 billion **[US\$ 4.8 billion]**
(Externally managed – Turkey – EAUM: US\$ 3.0 billion)
Ordu Yardimlasma Kurumu is a Turkish pension fund.

Orion Asset Management, UAB: US\$ 11.5 million **[US\$ 19.1 million]**
(Index – Lithuania – EAUM: US\$ 15.0 million)
Orion Asset Management, UAB (Orion Asset Management) invests in Baltic and US stocks using an index approach, as well as global macro stocks. The firm focuses on the 30 largest free-float stocks listed on the Vilnius Stock Exchange. Orion Asset Management benchmarks against the OMX Vilnius Index.

OTKRITIE Management Company OOO: US\$ 221.6 million **[US\$ 3.4 billion]**
(Growth – Russia – EAUM: US\$ 221.6 million)
OTKRITIE Management Company OOO (Otkritie Management Company) invests in small- to mega-cap global growth stocks in all sectors. The firm combines proprietary analysis with research from Russian brokers, such as Renaissance and Troika Dialog.

Packer & Company Investment Management: US\$ 138.0 million **[US\$ 31.3 million]**
(GARP – Australia – EAUM: US\$ 1.2 billion)
Packer & Company Investment Management invests in global stocks of all sizes in all sectors. The firm is a GARP investor.

Palestine Investment Fund: US\$ 174.1 million **[US\$ 155.8 million]**
(Externally managed – West Bank and Gaza – EAUM: US\$ 174.1 million)
The Palestine Investment Fund is the West Bank and Gaza's sovereign development fund. Khazanah Asset Management Company serves as the firm's investment arm for global and regional capital markets.

Parametric Portfolio Associates, LLC: US\$ 898.8 million **[US\$ 1.4 billion]**
(GARP – United States of America – EAUM: US\$ 126.7 billion)
Parametric Portfolio Associates, LLC (Parametric Portfolio Associates or PPA) invests in US and emerging-market growth and value stocks in all sectors – mainly large-cap stocks, but also small-cap emerging-market stocks. PPA uses fundamental research, coupled with quantitative screens that look at: (a) valuations relative to industry peers, (b) sustainable earnings growth and (c) positive Wall Street sentiment. Its analysis focuses on indicators such as price-to-earnings ratios and price-to-book values, followed by statistical back-testing. The firm's enhanced index portfolios, benchmarked to the S&P 500, S&P Barra Growth and Russell 1000 Value Indexes, use quantitative techniques. PPA's specialty passive portfolios track a benchmark and customise it or the management style to client requests. The firm's emerging-market portfolios are typically invested in more than 30 countries and hold more than 300 stocks, largely in under-represented sectors. Country allocation is decided and maintained at equal weights in three tiers depending on: (a) the size of the equity market and economy, (b) liquidity, (c) economic diversification and (d) limitations on/freedom of investment flows. PPA also invests in frontier emerging markets and maintains long-term exposure to a broad range of countries. It overweights smaller-cap countries with a per capita gross income of less than US\$ 9,000. Its emerging-market portfolio primarily invests in consumer goods, financials, industrials and utilities. PPA benchmarks against the MSCI Emerging Markets Index.

Paulson & Company, Inc.: US\$ 407.4 million **[US\$ 266.8 million]**
(Alternative – United States of America – EAUM: US\$ 6.2 billion)
Paulson & Company, Inc. (Paulson & Company) primarily invests in US and Canadian stocks of all sizes in all industries, as well as European stocks and, to a lesser extent, stocks in Africa, the Middle East, Central America and the Caribbean, Asia and the Pacific region. Paulson & Company primarily invests in common stock, but also in equity ETFs, depository receipts, convertibles/preferred convertibles and derivatives, gold and gold-related securities, and direct real estate and real estate-related securities. It targets the securities of companies that are subject to proposed changes in corporate structure or control, such as: (a) tender offers, (b) mergers, (c) spinoffs, (d) proxy contests, (e) liquidations, (f) recapitalisations, (g) restructurings and (h) bankruptcy reorganisations. The firm also targets securities that are the subject of special situations, such as: (a) spin-off, (b) litigation, (c) restructuring, (d) proxy contest or (e) post-bankruptcy. Paulson & Company performs fundamental and legal analysis and uses external data from Reuters, Bloomberg and other externally providers. It participates in company and analyst conference calls and monitors the circumstances of each deal. The firm purchases those securities that are at a discount to what it believes will be the value after the event in question. Paulson & Company will also use leverage.

INVESTOR PROFILES

PBZ Croatia Osiguranje d.d. : US\$ 314.3 million

[US\$ 232.7 million]

(Growth – Croatia – EAUM: US\$ 314.3 million)

PBZ Croatia Osiguranje d.d. (PBZ Croatia Osiguranje) invests in Croatian, OECD large- and mega-cap stocks, as well as ETFs.

Penta Investments, s. r. o.: US\$ 47.5 million

(Venture Capital – Slovak Republic – EAUM: US\$ 47.5 million)

Penta Investments, s. r. o. (Penta Investments) invests in real estate, private equity and venture capital. The firm is headquartered in Bratislava, Slovak Republic, with offices in Prague, Warsaw, Amsterdam and Limassol, Cyprus. Penta Investments was founded in 1994.

PFA Asset Management A/S: US\$ 14.0 million

[US\$ 14.6 million]

(Yield – Denmark – EAUM: US\$ 887.6 billion)

PFA Asset Management A/S (PFA Asset Management or PFA) invests in all-cap global growth stocks. The firm seeks stocks with: (a) strong management, (b) stable earnings, (c) a market niche and (d) sector profitability. PFA tends to overweight the technology, financial-services and energy stocks of developed markets and benchmarks against the MSCI World and Total Share Indexes. The firm couples its own in-house research with that of Bank of America and Scandinavian brokerage firms and holds 100 positions in a typical portfolio. PFA also uses a quantitative approach to select stocks.

PFR Towarzystwo Funduszy Inwestycyjnych SA: US\$ 1.0 billion

[US\$ 1.1 billion]

(Yield – Poland – EAUM: US\$ 1.0 billion)

PFR Towarzystwo Funduszy Inwestycyjnych SA (PFR TFI) is an investment advisor.

PIC Doverie AD: US\$ 12.3 million

(undefined – Bulgaria – EAUM: US\$ 12.3 million)

PIC Doverie AD (PIC Doverie) is a pension fund.

Pictet Asset Management SA: US\$ 472.0 million

[US\$ 347.8 million]

(GARP – Switzerland – EAUM: US\$ 79.8 billion)

Pictet Asset Management SA (Pictet Asset Management (Switzerland)) invests in global GARP, index and Sharia-compliant stocks of all sizes. The firm takes a proprietary fundamental bottom-up research approach to stock selection. Pictet Asset Management (Switzerland) also seeks long/short positions and securities with strong business franchises and good cash-flow returns. The firm typically holds 50 positions in a portfolio.

Pictet Asset Management, Ltd: US\$ 1.1 billion

[US\$ 939.6 million]

(Growth – United Kingdom – EAUM: US\$ 7.7 billion)

Pictet Asset Management, Ltd (Pictet Asset Management (UK)) invests in small- to mega-cap global value and growth stocks. It takes a top-down approach to researching mid-, large- and mega-cap stocks, while its research for small-cap stocks is entirely bottom-up, focusing on: (a) price-to-earnings ratios, (b) price-to-book ratios, (c) business plans, (d) balance sheets and (e) management. Pictet Asset Management (UK) relies heavily on proprietary quantitative research for its private client portfolios and uses both its own and external research for the remainder of its funds.

PKO BP Bankowy PTE SA: US\$ 1.5 billion

[US\$ 164.1 million]

(Deep value – Poland – EAUM: US\$ 1.7 billion)

PKO BP Bankowy PTE SA (PKO BP Bankowy PTE) is a pension company that invests in global growth and value stocks of all sizes. The firm uses a combination of macroeconomic and fundamental analysis to select stocks with: (a) long-term growth potential, (b) an attractive position in a consolidating sector and (c) strong managerial consistency and effectiveness. It combines proprietary analysis with external broker research.

Platinum Asset Management: US\$ 62.2 million

[US\$ 65.9 million]

(GARP – Australia – EAUM: US\$ 8.1 billion)

Platinum Asset Management invests in global GARP and value stocks of all sizes in all sectors. The firm uses a long/short strategy and bottom-up analysis. Platinum Asset Management's research begins with computer-based models that screen thousands of global stocks to identify a short list for further research. When a potential investment is identified, the management team creates a detailed report using: (a) material from the company, (b) competitors, (c) reports from research analysts and (d) other industry material.

Powszechne Towarzystwo Emerytalne PZU SA: US\$ 4.7 billion

[US\$ 6.1 billion]

(Growth – Poland – EAUM: US\$ 5.5 billion)

Powszechne Towarzystwo Emerytalne PZU, SA (PTE PZU) invests in global small- to mega-cap growth and value stocks. The firm employs a fundamental approach to select stocks with steady long-term growth. Established in 1998, it is an open pension fund, as well as the manager of a voluntary fund that runs individual retirement accounts.

INVESTOR PROFILES

Prosperity Capital Management (RF), Ltd: US\$ 649.0 million

[US\$ 650.9 million]

(Alternative – Russia – EAUM: US\$ 778.5 million)

Prosperity Capital Management (RF), Ltd (Prosperity Capital Management) invests in Russian and CIS stocks of all sizes in all sectors, but is heavily biased towards energy, utility and telecommunications stocks. The firm takes a fundamental bottom-up investment approach. It relies on proprietary research to seek stocks with: (a) strong management, (b) solid balance sheets and (c) a market niche. It holds around 10-12 positions in a typical portfolio and benchmarks against the RTS Index.

Prudence Capital Management Ltd: US\$ 0.2 million

[US\$ 0.1 million]

(Venture Capital – Taiwan – EAUM: US\$ 0.2 million)

Prudence Capital Management Ltd (Prudence Capital Management) is a venture capital firm that manages a very concentrated portfolio. As of Q2 2019 filings, the firm only invested in one company.

PTE Allianz Polska SA: US\$ 1.5 billion

[US\$ 1.5 billion]

(Deep value – Poland – EAUM: US\$ 1.6 billion)

PTE Allianz Polska SA (PTE Allianz Polska) is a pension company that invests in Polish growth and value stocks of all sizes in all sectors.

Public Investment Corporation, Ltd: US\$ 88.2 million

(Index – South Africa – EAUM: US\$ 65.1 billion)

Public Investment Corporation, Ltd (Public Investment Corporation) invests in global stocks across all market capitalisations and sectors. The firm uses fundamental and quantitative analysis while selecting stocks. Public Investment Corporation considers the following factors: (a) sector diversification; (b) geographical conditions; (c) strong management; and, (d) performance tracking. The firm prefers stocks with responsible governance and sound management. Public Investment Corporation applies a primarily passive investment approach.

Qatar Investment Authority: US\$ 13.2 billion

(Growth – Qatar – EAUM: US\$ 71.5 billion)

The Qatar Investment Authority (QIA) invests in global stocks of all sizes. The firm, founded by Qatar in 2005, is a growth investor, using various investment strategies and methods of analysis to identify stocks with growth potential.

Raiffeisen Invest d.o.o.: US\$ 104.2 million

[US\$ 56.4 million]

(Growth – Croatia – EAUM: US\$ 104.2 million)

Raiffeisen Invest d.o.o. (Raiffeisen Invest) invests in Croatian growth and value stocks of all sizes in all sectors, as well as US large- and mega-cap growth stocks in all sectors. Raiffeisen Invest combines top-down and bottom-up approaches with technical analysis and obtains research from affiliated companies and external brokers.

Raiffeisen Kapitalanlagegesellschaft mbH: US\$ 585.1 million

[US\$ 566.3 million]

(GARP – Austria – EAUM: US\$ 4.5 billion)

Raiffeisen Kapitalanlagegesellschaft mbH (Raiffeisen KAG) invests in global growth, value, yield and GARP stocks of all sizes in all sectors.

Raiffeisen Mirovinsko Društvo: US\$ 279.9 million

[US\$ 252.0 million]

(Growth – Croatia – EAUM: US\$ 279.9 million)

Raiffeisen Mirovinsko Društvo invests in Croatian growth stocks and global growth stocks of all sizes in all sectors. The firm relies on proprietary analysis and research from its affiliates.

RARE Infrastructure, Ltd: US\$ 144.4 million

[US\$ 144.3 million]

(Value – Australia – EAUM: US\$ 3.2 billion)

RARE Infrastructure, Ltd (RARE Infrastructure) invests in value and income infrastructure stocks of all sizes globally. The firm also invests in global ETFs. It uses a combination bottom-up and qualitative approach and has an SRI and a quantitative investment strategy. RARE Infrastructure looks for stocks that: (a) provide key economic services, (b) improve competitiveness, (c) generate high productivity and (d) support strong economic growth in the community. The firm selects stocks based on: (a) sector screening, (b) market capitalisation, (c) liquidity and (d) peer-group assessment. It uses proprietary analytical and valuation techniques based on a selected universe of stocks, with macroeconomic data as inputs to analyse a particular industry and/or company for financial health and risk. The firm also considers: (a) long-dated assets, (b) resilient and predictable cash flows, (c) attractive yields, (d) inflation hedges, (e) low-maintenance capital expenditure, (f) largely fixed operating cost bases, (g) monopoly power, (h) high leverage and (i) low volatility and correlation to other asset sectors.

Rasmala Investment Bank, Ltd (UAE): US\$ 50.7 million

[US\$ 30.4 million]

(Growth – United Arab Emirates – EAUM: US\$ 50.9 million)

Rasmala Investment Bank, Ltd (UAE) (Rasmala Investment Bank) invests in MENA growth stocks of all sizes in all sectors. It uses a combination of fundamental and quantitative analysis.

INVESTOR PROFILES

Renaissance Technologies, LLC: US\$ 343.1 million

[US\$ 157.9 million]

(Alternative – United States of America – EAUM: US\$ 113.0 billion)

Renaissance Technologies, LLC (Renaissance Technologies) invests in global quantitative stocks of all sizes in all sectors. The firm's equity portfolios use quantitative analysis to select its securities, along with mathematical and computer modelling. The firm has no fixed market-cap requirements, though its equity universes tend to focus on liquid mid- to large-cap US stocks. The Nova and portfolio invests only in equities, while the Medallion portfolio invests in US equities and futures.

Research Affiliates, LLC: US\$ 484.9 million

[US\$ 326.4 million]

(Index – United States of America – EAUM: US\$ 4.8 billion)

Research Affiliates, LLC (Research Affiliates) invests in global index, growth and value stocks of all sizes. Unlike traditional market cap-weighted indexes, the firm's quantitative models analyse a stock's: (a) sales, (b) cash flow, (c) book value and (d) dividend to establish its weighting for inclusion in its indexes. Its hedge fund uses the same quantitative models. The firm then compares its weighting with that of popular market cap-weighted indexes. The top 125 stocks that are overweighted in its indexes compared to other indexes become long positions and the bottom 125 stocks that are underweighted become short positions.

Robeco Institutional Asset Management BV: US\$ 1.5 billion

[US\$ 1.4 billion]

(Value – Netherlands – EAUM: US\$ 54.3 billion)

Robeco Institutional Asset Management BV (Robeco Institutional Asset Management) invests in global value across all market capitalisations and sectors. The firm uses fundamental bottom-up and top-down analysis that seeks stocks with: (a) above-average earnings per share growth, (b) competitive market share and (c) sound fundamentals. Robeco Institutional Asset Management research effort is divided into regional teams that forward their ideas to an investment committee responsible for making final investment decisions. A smaller portfolio may hold as few as 20 positions, while the larger portfolios may hold up to 200 positions. The firm benchmarks against the AEX and MSCI World indexes.

Robert Bosch Stiftung GmbH: US\$ 57.6 million

[US\$ 85.6 million]

(Specialty – Germany – EAUM: US\$ 5.3 billion)

Robert Bosch Stiftung GmbH (Robert Bosch Stiftung) invests in Asian and European micro- to large-cap automotive, semiconductor, consumer durables and industrial equipment stocks. The firm is a private strategic investor.

Royce & Associates, LP: US\$ 12.4 million

[US\$ 24.0 million]

(Value – United States of America – EAUM: US\$ 12.6 billion)

Royce & Associates, LP (Royce & Associates) invests in global value and growth stocks of all sizes in all sectors. The firm seeks stocks with: (a) strong balance sheets, (b) excess free cash flows, (c) undervalued assets, (d) high internal rates of return, (e) low debt-to-capitalisation ratios and (f) the ability to produce consistent growth in adverse market conditions. Its research combines quantitative and bottom-up analysis and emphasises buying stocks at a discount to intrinsic value. Royce & Associates also seeks ongoing contact with corporate management.

RWC Asset Advisors (US), LLC: US\$ 137.3 million

[US\$ 47.6 million]

(Alternative – United States of America – EAUM: US\$ 2.1 billion)

RWC Asset Advisors, LLC (RWC Asset Advisors) invests in emerging-market growth stocks of all sizes in all sectors. The firm seeks securities based on opportunistic global macro and long/short strategies. It examines global and local market trends to identify natural growth opportunities in emerging markets and uses: (a) technical, (b) quantitative and (c) qualitative analysis.

SAI Muntenia Invest SA: US\$ 151.9 million

[US\$ 153.9 million]

(Value – Romania – EAUM: US\$ 151.9 million)

SAI Muntenia Invest SA (SAI Muntenia Invest) invests in Romanian value stocks of all sizes in all sectors.

SAI SIRA SA: US\$ 9.8 million

(Value – Romania – EAUM: US\$ 9.8 million)

SAI SIRA SA (SAI SIRA) invests in Romanian value stocks of all sizes in all sectors.

Santander TFI SA: US\$ 549.7 million

[US\$ 724.2 million]

(GARP – Poland – EAUM: US\$ 649.6 million)

Santander TFI SA (Santander TFI) invests in global value and growth stocks of all sizes.

Schroder Investment Management (Australia), Ltd: US\$ 8.2 million

[US\$ 8.6 million]

(GARP – Australia – EAUM: US\$ 3.5 billion)

Schroder Investment Management (Australia), Ltd (Schroder Investment Management (Australia)) invests in global GARP and value stocks of all sizes in all sectors, as well as Australian ETFs. It uses fundamental and bottom-up analysis to select stocks. The firm defines growth stocks as those with a high return on capital in excess of its cost of capital, with the ability to reinvest capital at high rates of return on a continual basis. Schroder Investment Management (Australia) benchmarks against the MSCI World ex-Australia Index.

INVESTOR PROFILES

Schroder Investment Management (Dubai), Ltd: US\$ 349.8 million

[US\$ 481.9 million]

(Growth – United Arab Emirates – EAUM: US\$ 1.0 billion)

Schroder Investment Management (Dubai), Ltd (Schroder Investment Management (Dubai)) invests in frontier markets, MENA and Turkish growth stocks of all sizes in all sectors. The firm generally looks for stocks with: (a) good long-term growth prospects, (b) reasonable price-to-earnings ratios and (c) strong management. It looks at quantitative and qualitative characteristics when selecting its stocks. Fund managers are organised into teams by region and work closely with sector-specific analysts before making investment decisions in line with house policy. The firm meets with company management to learn about their marketplace and business strategy.

Schroder Investment Management, Ltd: US\$ 3.8 billion

[US\$ 2.8 billion]

(GARP – United Kingdom – EAUM: US\$ 111.1 billion)

Schroder Investment Management, Ltd (Schroder Investment Management) invests in global GARP, value and growth stocks. The firm uses socially responsible, quantitative and long/short investment strategies. Although investment styles differ from fund to fund, SIM generally looks for stocks with: (a) good long-term growth prospects, (b) reasonable price-to-earnings ratios and (c) strong management. The investment policy committee of economists, strategists and senior fund managers meets regularly to determine country/sector allocation based on macroeconomic market cycles. Fund managers are organised into teams by region and work closely with sector-specific analysts before making investment decisions in line with house policy. The firm likes to meet with the management of companies under consideration.

Seafarer Capital Partners, LLC: US\$ 49.3 million

[US\$ 181.7 million]

(Yield – United States of America – EAUM: US\$ 1.5 billion)

Seafarer Capital Partners, LLC (Seafarer Capital Partners) invests in global small- to mega-cap yield stocks in all sectors, convertible bonds, ADRs and ETFs. It focuses on the emerging markets, but also considers: (a) Australian, (b) Hong Kong, (c) Irish, (d) Israeli, (e) Japanese, (f) New Zealand, (g) UK and (h) Singaporean securities. The firm uses fundamental analysis with a bottom-up approach.

SEB Varahaldus AS: US\$ 646.2 million

[US\$ 621.5 million]

(Growth – Estonia – EAUM: US\$ 1.0 billion)

SEB Varahaldus AS (SEB Varahaldus) invests in central and eastern European growth and value stocks of all sizes in all sectors. The firm also invests in central and eastern European preferred stocks, ADRs and GDRs. SEB performs bottom-up analysis to identify stocks with: (a) strong fundamentals, (b) strong earnings growth, (c) a market niche and (d) sector profitability. The firm combines its proprietary research with that of outside brokerage firms.

Security KAG: US\$ 22.4 million

[US\$ 24.2 million]

(Growth – Austria – EAUM: US\$ 1.1 billion)

Security KAG invests in developed European growth stocks of all sizes in all sectors. The European and global funds tend to favour blue-chip stocks. The emerging-market funds are divided into global emerging market and eastern European funds. The eastern European funds tend to favour telecommunication, banking and energy stocks. The sector-specific funds include separate services, energy, finance and natural-resource allocations. Security KAG allows its institutional clients to participate in the buy/sell decisions, as long as they do not deviate more than 50 per cent from the relevant benchmark. The firm holds approximately 10-25 positions in a typical portfolio and benchmarks against the MSCI World, MSCI Pan Euro and Emerging Market indexes.

Sequoia Capital China Advisors (Hong Kong), Ltd: US\$ 14.3 million

[US\$ 75.6 million]

(Private equity – Hong Kong – EAUM: US\$ 5.5 billion)

Sequoia Capital China Advisors (Hong Kong), Ltd (Sequoia Capital China Advisors (Hong Kong)) is a private equity and venture-capital investor.

Social Insurance Fund For Government Employees (Egypt): US\$ 195.6 million

[US\$ 184.5 million]

(Externally managed – Egypt – EAUM: US\$ 213.6 million)

The Social Insurance Fund For Government Employees (Egypt) outsources the management of its assets. The firm manages insurance reserves on behalf of Egyptian government employees.

Societatea de Investitii Financiare Banat-Crisana SA: US\$ 270.8 million

[US\$ 237.9 million]

(Yield – Romania – EAUM: US\$ 270.8 million)

Societatea de Investitii Financiare Banat-Crisana SA (SIF Banat-Crisana) uses micro- and macroeconomic research to examine risk and fundamental analysis to identify stocks that: (a) operate in growing sectors, (b) have high liquidity and (c) a set dividend policy. The firm may meet with management as part of the investment process. It has equity mutual funds, fixed-income mutual funds and mutual funds that invest both in equity and fixed income.

Societatea de Investitii Financiare Oltenia SA: US\$ 235.3 million

[US\$ 286.4 million]

(Growth – Romania – EAUM: US\$ 267.0 million)

Societatea de Investitii Financiare Oltenia SA (SIF Oltenia) invests in micro- to large-cap European growth stocks.

INVESTOR PROFILES

Societatea de Investitii Financiare Transilvania SA: US\$ 213.5 million **[US\$ 188.5 million]**

(Growth – Romania – EAUM: US\$ 194.0 million)

Societatea de Investitii Financiare Transilvania SA (SIF Transilvania) invests in Romanian equities with a strong bias towards highly liquid growth stocks.

Spring Wood Ventures, Ltd: US\$ 3.7 million **[US\$ 184.0 million]**

(Venture capital – Seychelles – EAUM: US\$ 3.7 million)

Spring Wood Ventures, Ltd (Spring Wood Ventures) is a venture-capital investor.

SQM Frontier Management, L.P.: US\$ 21.1 million **[US\$ 25.7 million]**

(Alternative – United States of America – EAUM: US\$ 35.7 million)

SQM Frontier Management, L.P. (SQM Frontier Management) invests in Middle Eastern and African stocks of all sizes in all sectors. The firm employs a long/short strategy and uses fundamental analysis to select stocks based on: (a) geopolitical risk, (b) liquidity risk, (c) debt-to-equity ratio, (d) long-term future growth potential, (e) price-to-earnings ratio, (f) price-to-book ratio, (g) price-to-sales ratio, (h) price-to-operating cash flow ratio, (i) price-to-earnings growth (PEG) ratio, (j) enterprise value to earnings before interest, tax, depreciation and amortisation (EV/EBITDA) and (k) working capital.

State Oil Fund of the Republic of Azerbaijan: US\$ 186.5 million **[US\$ 317.0 million]**

(Growth – Azerbaijan – EAUM: US\$ 186.5 million)

The State Oil Fund of the Republic of Azerbaijan is Azerbaijan's sovereign wealth fund, which invests in global growth stocks of all sizes in all sectors.

State Street Global Advisors: US\$ 835.4 million **[US\$ 578.4 million]**

(Index – United States of America – EAUM: US\$ 1.4 trillion)

State Street Global Advisors invests in global indexed stocks and ETFs of all sizes in all sectors. The firm uses a combination of quantitative and fundamental analysis to pick stocks and ETFs for its portfolios. It seeks stocks with: (a) above-average earnings, (b) growth and profitability and (c) existing sustainable competitive advantages. Its fundamental analysis is based on proprietary research and sectoral peer-group comparisons. Research is based on analysis of financial data, overall assessment of a company's long-term prospects and continuous contact with management.

Steyn Capital Management Pty, Ltd: US\$ 0.4 million

(Alternative – South Africa – EAUM: US\$ 151.3 million)

Steyn Capital Management Pty, Ltd (Steyn Capital Management) invests in African stocks across all market capitalisations. The firm uses a long/short approach to select stocks. Steyn Capital Management relies on fundamental bottom-up research to identify stocks that trade at a discount to its intrinsic value.

Sumitomo Mitsui Trust Asset Management Company, Ltd: US\$ 53.3 million **[US\$ 27.5 million]**

(Yield – Japan – EAUM: US\$ 209.0 billion)

Sumitomo Mitsui Trust Asset Management Company, Ltd (Sumitomo Mitsui Trust Asset Management Company) invests in Japanese REITs, global growth and indexed stocks of all sizes in all sectors.

Swedbank Investeerimisfondid: US\$ 64.5 million **[US\$ 84.6 million]**

(Growth – Estonia – EAUM: US\$ 263.8 million)

Swedbank Investeerimisfondid invests in all-cap eastern and central European growth stocks in the real estate sector, as well as all-cap eastern European, Central Asian and Russian growth stocks. The firm's stock selection is based on: (a) risk measures, (b) liquidity and (c) growth prospects. Its asset allocation is generally 50-70 per cent equity and 30-50 per cent bonds, certificates of deposits and cash deposits. The Eastern Europe Equity Fund is a long-term growth fund investing primarily in eastern and central Europe; it benchmarks against the HBM New Europe Index. The Central Asia Equity Fund focuses on Kazakhstan, Turkmenistan, Uzbekistan, Azerbaijan, Armenia, Georgia, the Kyrgyz Republic and Tajikistan. It uses bottom-up analysis based on: (a) local stock-market trends, (b) company fundamentals and (c) growth prospects. The Eastern Europe Real Estate Equity Fund invests companies benefiting from the developing real-estate sector in central and eastern Europe. The Russian Equity Fund invests in securities traded on the Russian stock exchange and money markets and in stocks outside of Russia that benefit directly from growth in the Russian economy. It tends to overweight oil and energy stocks and invests in futures and derivatives as part of its hedging strategy. The Russian Equity Fund benchmarks against the RTS Russian Share Index. Swedbank Investeerimisfondid uses five model portfolios to determine asset allocation for private-client portfolio management: (a) capital preservation, (b) additional value, (c) balanced, (d) growth and (e) aggressive growth. Within each model portfolio, clients can select from short-, medium-, and long-term investments that hold positions for less than two years, two to five years and more than five years, respectively. The firm relies on in-house research and gathers analysis from other Swedbank offices.

Swedbank Investment Management Company: US\$ 15.0 million **[US\$ 14.3 million]**

(Growth – Latvia – EAUM: US\$ 472.1 million)

Swedbank Investment Management Company invests in global ETFs and Baltic growth stocks.

INVESTOR PROFILES

Swedbank Robur Fonder AB: US\$ 1.5 billion

[US\$ 1.2 billion]

(Growth – Sweden – EAUM: US\$ 81.1 billion)

Swedbank Robur Fonder AB (Swedbank Robur Fonder) invests in global growth and value stocks of all sizes. It also invests in European, Asian and US indexed stocks, as well as ETFs. Swedbank Robur Fonder is a socially responsible investor. The firm employs multiple strategies using proprietary research, including momentum, quantitative, sector-specific and macro approaches. It uses bottom-up analysis to seek stocks with strong management and an international presence. The firm holds approximately 25-30 positions in a typical portfolio and benchmarks against the MSCI World, MSCI Europe, MSCI Japan and OMEX indexes.

Swedfund International AB: US\$ 15.0 million

[US\$ 11.4 million]

(Private Equity – Sweden – EAUM: US\$ 15.0 million)

Swedfund International AB (Swedfund International) is a private equity investor and is the development finance institution of the Swedish state.

Swicorp Private Equity: US\$ 16.7 million

[US\$ 16.0 million]

(Venture capital – Saudi Arabia – EAUM: US\$ 16.7 million)

Swicorp Private Equity is a private financial-services group in the areas of investment banking, private equity and asset management in MENA. Swicorp Private Equity initiated its private-equity activities in 2004 to leverage its long-standing network of relationships in the MENA region and to capitalise on its opportunities.

T. Rowe Price Associates, Inc.: US\$ 420.2 million

[US\$ 168.5 million]

(Growth – United States of America – EAUM: US\$ 771.1 billion)

T. Rowe Price Associates, Inc. (T. Rowe Price Associates) invests in global growth stocks of all sizes in all sectors. Investment decisions tend to be made after: (a) thorough research into the profitability of a stock's products, (b) an in-depth look at historical fundamentals and (c) extensive meetings with company management. The firm looks for stocks that are market leaders. Investment ideas are generated at the analyst level and often applied across more than one portfolio.

T. Rowe Price International, Ltd: US\$ 1.3 billion

[US\$ 937.1 million]

(Growth – United Kingdom – EAUM: US\$ 35.6 billion)

T. Rowe Price International, Ltd (T. Rowe Price International) invests in emerging-market growth stocks of all sizes in all sectors. The firm use in-house research that emphasises fundamental analysis and looks for stocks with reasonable valuations. It seeks out stocks with: (a) a leading market position, (b) business turnover, (c) technological leadership, (d) experienced management, (e) earnings growth, (f) cash flow sufficient to support growing dividends and (f) a healthy balance sheet with relatively low debt. The firm uses the MSCI EAFE as its primary benchmark.

Templeton Asset Management, Ltd: US\$ 216.8 million

[US\$ 496.3 million]

(Growth – Hong Kong – EAUM: US\$ 6.4 billion)

Templeton Asset Management, Ltd (Templeton Asset Management (Hong Kong)) invests in Asia-Pacific growth and value stocks of all sizes in all sectors, as well as ETFs. It uses a bottom-up approach to select individual stocks, evaluating potential earnings and asset growth. The firm also evaluates stocks by sector and country, paying attention to consumption trends and levels of political stability. It takes a team approach to asset management.

Templeton Asset Management, Ltd (Singapore): US\$ 356.6 million

[US\$ 369.5 million]

(GARP – Singapore – EAUM: US\$ 9.4 billion)

Templeton Asset Management, Ltd (Singapore) (Templeton Asset Management (Singapore)) invests in global GARP stocks of all sizes in all sectors. The firm uses bottom-up analysis and focuses on individual securities that offer the most value relative to five-year earnings potential or book value.

Templeton Global Advisors, Ltd: US\$ 10.1 million

[US\$ 264.3 million]

(Value – Bahamas – EAUM: US\$ 32.7 billion)

Templeton Global Advisors, Ltd (Templeton Global Advisors) invests in global value stocks of all sizes in all sectors. The firm uses a bottom-up approach to select individual stocks, evaluating potential earnings and asset growth over a five-year period. Templeton Global Advisors begins with a pool of 20,000 to 30,000 stocks that are evaluated on several hundred datapoints, many proprietary, such as sector and country, consumption trends and level of political stability. After the initial screening, the pool is reduced to 1,200-1,500 stocks, which are then evaluated by the firm's analysts. The outcome is evaluated by the entire investment group. The director of research has final approval of the stocks that will eventually make it onto the firm's bargain list. Templeton Global Advisors considers selling a stock when: (a) it reaches the target price established at the time of purchase or reaches a revised target set after fundamentals have changed, (b) another stock can be bought at half the value of the stock being sold, or (c) fundamentals deteriorate.

INVESTOR PROFILES

The Baupost Group, LLC: US\$ 354.3 million [US\$ 359.5 million]
(Alternative – United States of America – EAUM: US\$ 11.5 billion)

The Baupost Group, LLC (The Baupost Group) invests in global stocks of all sizes in all sectors and global ADRs. Its research takes a bottom-up approach, seeking stocks with a catalyst that will help it to realise underlying values, such as new management, acquisitions or restructuring. The firm uses a distressed strategy to select stocks.

The Rohatyn Group: US\$ 168.1 million [US\$ 150.3 million]
(Alternative – United States of America – EAUM: US\$ 215.6 million)

The Rohatyn Group invests in emerging-market value stocks of all sizes in all sectors. The firm uses a combination of fundamental top-down and bottom-up analysis and employs a long/short strategy.

The Vanguard Group, Inc.: US\$ 13.6 billion [US\$ 11.7 billion]
(Index – United States of America – EAUM: US\$ 3.3 trillion)

The Vanguard Group, Inc. (The Vanguard Group) invests in global index stocks of all sizes in all sectors, as well as ETFs. The Vanguard Group uses a quantitative-based stock-selection process with tight risk controls that tie each fund to an index. The firm seeks investments with long-term earnings potential. The Vanguard Group believes broad diversification across all regions, sectors and market caps is essential to long-term gains and that the correct asset allocation is far more important than individual stocks. The firm does not attempt to time the market, so its funds remain fully invested.

TOBAM: US\$ 197.5 million [US\$ 174.0 million]
(Specialty – France – EAUM: US\$ 5.6 billion)

TOBAM invests in global growth stocks of all sizes in all sectors. The firm uses quantitative analysis to select stocks.

Trigon Capital: US\$ 216.5 million [US\$ 112.5 million]
(Growth – Estonia – EAUM: US\$ 273.8 million)

Trigon Capital invests primarily in European emerging-market stocks of all sizes in all sectors. The firm is both a growth and value investor. Trigon Capital combines a bottom-up approach for individual companies, with a strong emphasis on small- and mid-cap firms that are less covered by analysts. This is followed up with top-down macro and sector research, seeking investment opportunities on the basis of macro cycles and trends, and to determine appropriate sector allocation. The firm conducts most of its research in-house and focuses on sectors that are underdeveloped compared with Nordic and other western equivalents. It also looks for service and production companies that require proximity to clients.

Tuninvest Finance Group SA: US\$ 47.9 million [US\$ 37.4 million]
(Venture capital – Tunisia – EAUM: US\$ 98.9 million)

Tuninvest Finance Group SA (Tuninvest Finance Group) is a venture-capital and private-equity investor. The firm was founded in 1994 by Ahmed Abdelkefi, Aziz Mebarek, Karim Trad and Ziad Oueslati.

Türkiye İş Bankası AS Mensupları Munzam Sosyal Guv ve Yardimlasma: US\$ 1.9 billion [US\$ 3.9 billion]
(Externally managed – Turkey – EAUM: US\$ 3.9 billion)

Türkiye İş Bankası AS Mensupları Munzam Sosyal Guv ve Yardimlasma (Türkiye İş Bankası) manages pension and retirement assets.

Union Investment Austria GmbH: US\$ 20.9 million [US\$ 19.3 million]
(Value – Austria – EAUM: US\$ 82.8 million)

Union Investment Austria GmbH (Union Investment Austria) invests in global value and growth stocks of all sizes in all sectors, as well as convertibles. The firm generally seeks stocks with: (a) low price-to-earnings ratios, (b) long-term above-average growth rates and (c) high rates of return. The firm holds 100-120 positions in a typical fund portfolio.

Value Partners, Ltd: US\$ 2.1 million [US\$ 3.9 million]
(Value – Hong Kong – EAUM: US\$ 7.8 billion)

Value Partners, Ltd (Value Partners) invests in global value and GARP stocks of all sizes in all sectors, along with ETFs. It is a long/short investor. The firm uses a bottom-up approach to gain in-depth knowledge of the companies in which it invests, in addition to site visits, face-to-face meetings with management, customers, suppliers and other stakeholders, and proprietary and quantitative research.

Van Eck Associates Corporation: US\$ 1.5 billion [US\$ 2.1 billion]
(Value – United States of America – EAUM: US\$ 31.7 billion)

Van Eck Associates Corporation invests in global value, growth and index stocks of all sizes in all sectors, as well as US ETFs. The firm uses a top-down approach to determine potential markets and sectors and then conducts bottom-up analysis on individual stocks. Van Eck Associates Corporation builds its portfolios based on global diversification and low correlation to the US markets. The hedge funds use the same investment style and use a long/short hedging strategy. Portfolios typically consist of 25-100 positions and are benchmarked to a number of different indexes based on the portfolio's investment types, the countries included and customer preferences.

INVESTOR PROFILES

Vanguard Investments Australia, Ltd: US\$ 59.5 million

[US\$ 58.3 million]

(Index – Australia – EAUM: US\$ 55.2 billion)

Vanguard Investments Australia, Ltd (Vanguard Investments Australia) invests in Australian value and growth stocks of all sizes in all sectors. The firm also invests in global ETFs. It uses quantitative and SRI strategies. The firm benchmarks its funds against the: (a) S&P/ASX 300 Index, (b) S&P/ASX 200 ex A-REIT Index, (c) MSCI World ex Australia Index in AUD, (d) MSCI World ex Australia Index hedged to AUD, (e) FTSE ASFA Australia High Dividend Yield Index, (f) MSCI Australian Shares Large Cap Index and (g) S&P/ASX 300 A-REIT Index. Vanguard Investments Australia also invests passively in global stocks.

Vehbi Koc Foundation: US\$ 534.1 million

[US\$ 899.8 million]

(Externally managed – Turkey – EAUM: US\$ 534.1 million)

The Vehbi Koc Foundation is one of the biggest non-governmental charitable foundations in Turkey. It is involved in philanthropic work supporting education, healthcare and culture.

VTB Capital Investment Management Holding AG: US\$ 10.4 million

[US\$ 11.8 million]

(GARP – Switzerland – EAUM: US\$ 10.4 million)

VTB Capital Investment Management Holding AG (VTB Capital Investment Management Holding) invests in primarily Russian GARP stocks across all market capitalisations.

Wellington Management Company, LLP: US\$ 440.9 million

[US\$ 436.7 million]

(Value – United States of America – EAUM: US\$ 515.1 billion)

Wellington Management Company, LLC (Wellington Management Company) invests globally in growth and value stocks of all sizes in all sectors. Its research combines bottom-up, top-down and quantitative analysis. Global macroeconomic analysts focus on regional political and economic themes, interest rates and currencies to determine country allocation. Quantitative and technical research teams provide risk-measurement analysis and asset allocation recommendations. Analysts are divided into two broad categories, global and international, where global analysts primarily focus on US/non-US developed-market stocks, and international analysts focus on regional non-US stocks. International analysts are divided into teams: Europe/UK, Japan, Asia-Pacific ex Japan and emerging markets (Latin America, emerging Europe, Middle East and Africa). Other analysts work on individual investment teams, but have no specific industry coverage. The firm has several portfolio management teams using specific investment approaches and styles. These include: emerging companies, small-cap growth, small-cap value, US small companies, small-cap opportunity, mid-cap growth, mid-cap opportunity, large-cap growth, capital appreciation, core equity, core/value, international/global small companies and global emerging markets, as well as specialised fund teams.

York Capital Management Global Advisors, LLC: US\$ 209.0 million

[US\$ 133.4 million]

(Alternative – United States of America – EAUM: US\$ 3.4 billion)

York Capital Management Global Advisors, LLC (York Capital Management Global Advisors) invests in global stocks across of all sizes in all sectors. The firm employs event-driven and long/short strategies. York Capital Management Global Advisors seek stocks with: (a) historically low valuation multiples, (b) future earnings growth and (c) growth catalysts. The firm devotes a portion of its portfolio to risk-arbitrage plays, but also invests in distressed equity and other special-situation opportunities. The firm takes a bottom-up and fundamental approach to research. It focuses on stocks it believes will appreciate in value from merger and acquisition opportunities, but also invests in stocks involved in buyouts, spinoffs and bankruptcy restructuring. The firm has 40-100 positions in each portfolio and holds stocks for three months to a year. The smaller positions in the portfolio tend to be distressed equity to minimise liquidity risk. The firm hedges with short positions and will invest in hostile takeovers. It will sell a stock if it falls 10-20 per cent below its valuation. The funds may also use leverage.

Zahid Group: US\$ 322.5 million

[US\$ 426.4 million]

(Undefined – Saudi Arabia – EAUM: US\$ 411.9 million)

The Zahid Group operates as a multinational industrial conglomerate encompassing a diverse portfolio of companies in 11 sectors. The firm manages proprietary assets and is a private-equity investor.

GLOSSARY AND ACRONYMS

Abbreviations for economies of the EBRD regions that are covered in this study

Albania	ALB
Armenia	ARM
Azerbaijan	AZE
Belarus	BLR
Bosnia and Herzegovina	BIH
Bulgaria	BGR
Croatia	HRV
Cyprus	CYP
Egypt	EGY
Estonia	EST
Georgia	GEO
Greece	GRC
Hungary	HUN
Jordan	JOR
Kazakhstan	KAZ
Kosovo	XKX
Kyrgyz Republic	KGZ
Latvia	LVA
Lebanon	LBN
Lithuania	LTU
Moldova	MDA
Mongolia	MNG
Montenegro	MNE
Morocco	MAR
North Macedonia	MKD
Poland	POL
Romania	ROU
Russia	RUS
Serbia	SRB
Slovak Republic	SVK
Slovenia	SVN
Tajikistan	TJK
Tunisia	TUN
Turkey	TUR
Turkmenistan	TKM
Ukraine	UKR
Uzbekistan	UZB
West Bank and Gaza	WBG

EBRD regions

Central Asia

Central Europe and the Baltic states (CEB)

Eastern Europe and the Caucasus (EEC)

South-eastern Europe (SEE)

Southern and Eastern Mediterranean (SEMED)

Acronyms

ADR: American depository receipt

CTA: Commodity trading advisor

EBRD: the European Bank for Reconstruction and Development

EPS: Earnings per share

ESG: Environmental, social and governance

GDR: Global depository receipt

HNWI: High net-worth individual

Q2: Second quarter

REIT: Real-estate investment trust

SEC: Securities and Exchange Commission

SRI: Socially responsible investing

Types of investor

Retail investors

Individuals who buy and sell securities on their own personal account and not for any other entity.

Insider investors

Individuals who typically work for the corporation in which they hold equity. Insiders may include executives, directors or founding members of a company, for example.

Institutional investors

Any institutions that invest on behalf of other individuals or organisations. These can include fund managers, banks, investment managers, investment advisors, insurance funds, endowments, pension funds, sovereign wealth funds and other entities.

Strategic investors

Institutions that take concentrated, strategic stakes in companies. They can include governments or corporations.

Institutional investment styles

Aggressive growth

Aggressive growth investors take stakes in companies that have very high revenue, EPS growth rates and multiples relative to the overall market. These companies usually do not pay any dividends and are in the early stages of growth. Aggressive growth investors exhibit faster portfolio turnover than other styles of investor.

Alternative

A term primarily used to classify hedge funds, which use various strategies outside typical “institutional investment” strategies. A catch-all for lightly regulated investment vehicles that have the ability to “go anywhere” and invest long or short in any type of security. Hedge funds seek to earn above-market returns for their clients while at the same time controlling risk factors. Hedge funds have grown in prominence over the years as their returns, net of fees (typically 2 per cent management, 20 per cent incentive), have outperformed mutual funds and pension managers. Recently, many hedge funds have gained in prominence as activists, demanding change (leadership or strategic) at companies in North America, Europe and Asia.

Asset allocation

Asset allocation managers allocate their investments between stocks, bonds and cash equivalents, among other things. Asset allocation is primarily dictated by the needs of clients and used by many smaller firms and banks.

Deep value

Investors in this category engage in an extreme style of value investing, where they invest in companies with very low valuations on an historical basis and in relation to the overall market. Usually the companies or their industries have been out of favour with the market for an extended period.

GARP (growth at a reasonable price)

These institutions seek to add growth stocks to their portfolios, but will not pay a premium to obtain the securities. Investors that adopt this investment approach use methodologies and indicators favoured by both growth and value investors, but neither style dominates.

Growth

These institutions place the greatest emphasis on the growth prospects of a company's earnings. Growth investors prefer companies where net profit growth will average at least 15 per cent annually and are willing to pay above-market average multiples for a stock. At the first sign of an earnings slowdown, however, growth investors are often the quickest to sell.

Index

These institutions strive to match the performance of an equity index, such as the MSCI EAFE Index or the S&P 500 Index, while at the same time keeping trading costs at a minimum. They accomplish this by holding those stocks that make up the index in the same proportion as the index. Indexing is a passive style of investment; stocks are bought and sold based on their inclusion in an index and not on their fundamentals. Index investors are not familiar with the companies in which they have invested.

Private equity

Private equity investors invest directly in private companies or buy out public companies, leading to their delisting.

Specialty

Firms with investment strategies that cannot be categorised due to the specific nature of their focus. An industry- or sector-specific focus is the most common example of a specialty investor.

Value

Value-oriented institutions prefer stocks that are trading at levels that are less than their perceived value, such as their intrinsic value or free cash flow. Value investors tend to have longer-term investment horizons than their growth counterparts, as they wait for the convergence of value and price.

Venture capital

Investors that buy into small, early-stage, emerging companies that are deemed to have high growth potential, or which have demonstrated high growth prior to their IPO.

Yield

Yield investors are sensitive to a high dividend yield and invest in companies with yield levels that are very high compared with the market yield and have a history of paying (and increasing) dividends over time.

Orientation

Active

This term indicates that the final investment decision-making process at an institution is enacted by a portfolio manager or analyst. While computer screening models may be used in the investment process, they are not used to make the final investment decision.

Passive

This category primarily refers to index and quantitative investors. These investors use computer models to define an investible “universe” and make final portfolio decisions.

Turnover

Portfolio equity turnover is the measure of how frequently a portfolio buys or sells securities over a 12-month period. It is calculated as the sum of the dollar value of purchases and sales over a given period, divided by the sum of the beginning and ending equity assets over the same period, reported as an annualised percentage.

A portfolio with a turnover rate of 100 per cent replaces its entire portfolio over the course of a 12-month period, while a portfolio with a turnover rate of 50 per cent replaces half of its holdings during the same period. In this report, portfolio turnover is categorised as follows:

- low turnover (0-33.3 per cent per year)
- medium turnover (33.3 -66.6 per cent per year)
- high turnover (66.6-100 per cent per year)
- very high turnover (over 100 per cent per year)

Investment focus

Global

The investor allocates less than fifty per cent of its equity assets to the region in which it is based.

Regional

The investor allocates more than fifty per cent of its equity assets to the region in which it is based.

ABOUT THE EBRD

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 38 economies across three continents. The Bank is owned by 69 countries as well as the European Union and the European Investment Bank. EBRD investments are aimed at making the economies in its regions competitive, well-governed, green, inclusive, resilient and integrated.

This report was prepared under the EBRD's Local Currency and Capital Markets Development Initiative (LC2), which aims to promote more efficient and self-sustaining financial markets through the development of local capital markets and broader use of local currencies. The project is supported by the EBRD Shareholder Special Fund.

Contact us: **LC2info@ebrd.com** or **+44 207 338 6000**

This report benefited from comments and feedback from Anastasiya Barakina, Borbala Siklos, Hannes Takacs and Kensuke Yazu.

ABOUT IHS MARKIT

We combine information, analytics and expertise to provide solutions for business, finance and government. Leaders from more than 50,000 organisations, including 85 per cent of the Fortune Global 500, rely on our insights to reveal interconnected factors that impact the big picture in their markets. We call this perspective The New Intelligence. It helps our customers see why things happen and focus on what really matters so they can make confident decisions to improve efficiency, outpace competitors and drive growth.

Contact us: **DL-A-Global-EBRD-ProjectTeam2019@ihsmarkit.com**

Andreas Posavac

Global Head: ESG, M&A, Corporate Governance
+43 6644 441130
Andreas.Posavac@ihsmarkit.com

Morgan Bodell

Research Analytics: Situational Analytics
+1 212 849 3726
Morgan.Bodell@ihsmarkit.com

Qian Chen

Director: Perception Analytics
+1 212 849 3804
Qian.Chen1@ihsmarkit.com

Alexi Meghir

Research Analyst: Perception Analytics
+44 2076 659726
Alexi.Meghir@ihsmarkit.com

Terms and Conditions

IHS Markit has prepared this report assessing the investor base of cross-regional securities markets in the economies where the European Bank for Reconstruction and Development (“EBRD”) works. Neither IHS Markit nor the EBRD shall have any liability to any third party in respect of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein. This report has been produced for information purposes only and does not constitute investment advice or provide an opinion regarding the fairness of any transaction to any and all parties. Recipients of this report should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor. This report does not constitute legal advice, which can only be provided by legal counsel and for which you should seek advice of counsel. All data and other sources of information in this report are believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate, complete or up to date and it should not be relied upon as such. No responsibility is taken for changes in market conditions or laws or regulations and no obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof. All statements and opinions contained in this report are made as at the date and time of its dissemination and are not held out as being applicable at any point thereafter. There is no intention to update this report in future. Where, for any reason, an update is made, this will be made clear. To the fullest extent permitted by law, IHS Markit and the EBRD disclaim any responsibility or liability, whether in contract, tort (including, without limitation, negligence), equity or otherwise, for any loss or damage arising from any reliance on or the use of this report in any way.

Note: Terms and names used in this report to refer to geographical or other territories, political and economic groupings and units, do not constitute and should not be construed as constituting an express or implied position, endorsement, acceptance or expression of opinion by IHS Markit or the European Bank for Reconstruction and Development or its members concerning the status of any country, territory, grouping and unit, or delimitation of its borders, or sovereignty.

This publication has been produced with the assistance of the EBRD. The contents of this publication are prepared by IHS Markit and do not necessarily reflect the views of the EBRD.

© European Bank for Reconstruction and Development. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, without the written permission of the copyright holder. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.



**European Bank for
Reconstruction and Development**
One Exchange Square
London EC2A 2JN
www.ebrd.com