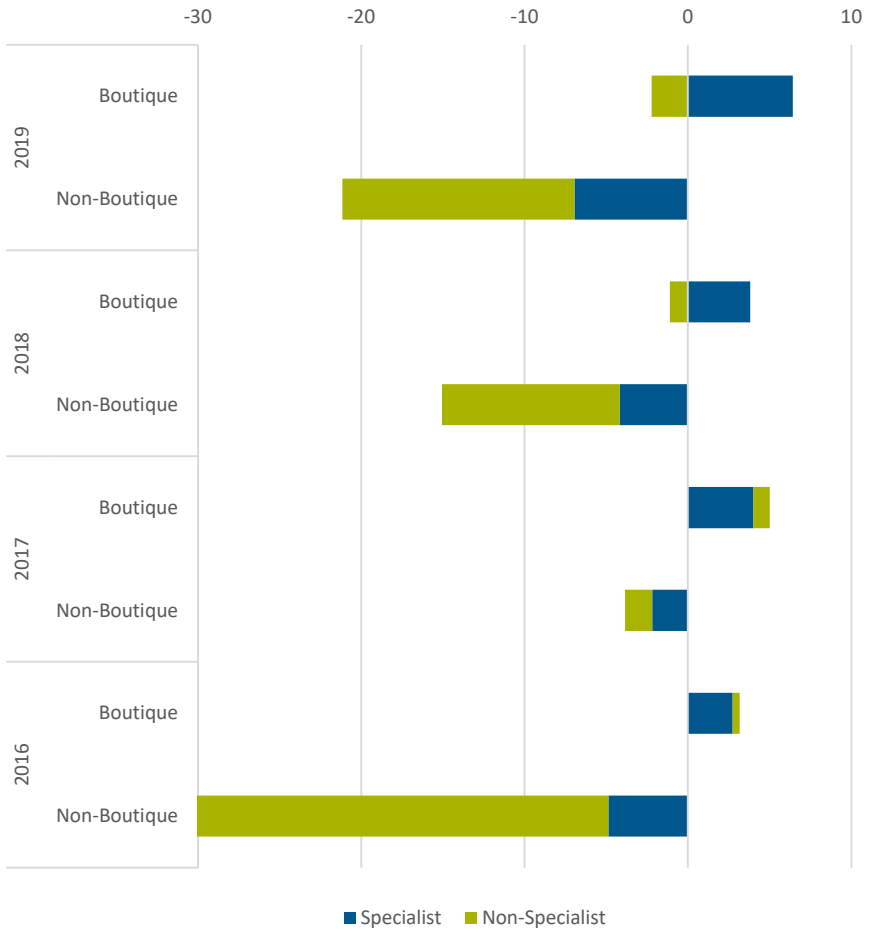
Europe's boutiques win high conviction fund flows

ANNUAL HIGH CONVICTION EQUITY FLOWS BY MANAGER TYPE – €BN



Boutique: A manager offering no more than 20 strategies
Non-specialist: A manager with less than 30% of total AUM in HC equity strategies

Source: GMI (SW, FF) and Lipper

Broadridge Insights

But not all boutiques are viewed equally with specialists preferred

Boutique asset managers have posted consistently strong high conviction equities fund flows over the past four years, with more than 60% recording positive three year flows versus 52% for non-boutique firms. Often seen as experts in their field investors perceive an alignment of interest between smaller managers and themselves. The success of Fundsmith and Lindsell Train undoubtedly influence the sales picture, as not all boutique managers are perceived equally. Houses that have a smaller proportion of assets (<30%) in high conviction strategies typically struggled to attract money.

The gap is even more pronounced between boutiques and non-boutiques. Despite the strong showing from heavyweights such as Morgan Stanley, large managers have registered notable outflows from high conviction strategies in three out of the past four years. Some of the highest profile asset managers including BlackRock, Franklin Templeton, Standard Aberdeen and M&G have seen net outflows from high conviction strategies of over €5bn since 2016. Although there are exceptions, leading managers in the non-boutique space tend to be those where the overall business is focused on active investing.

Insights drawn from European Equities Prism

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