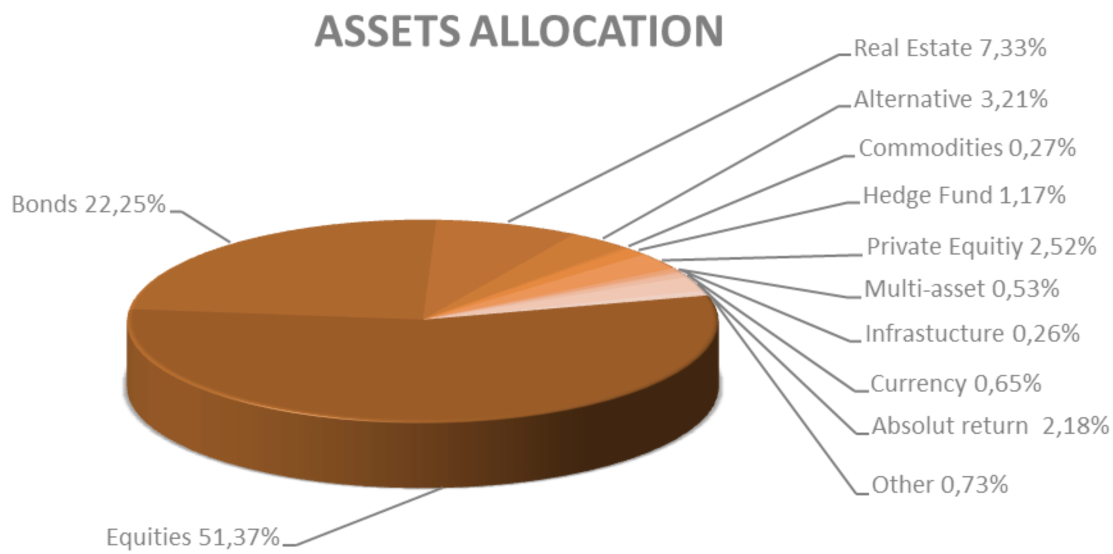
2013 Opinion Study - Institutional Investors

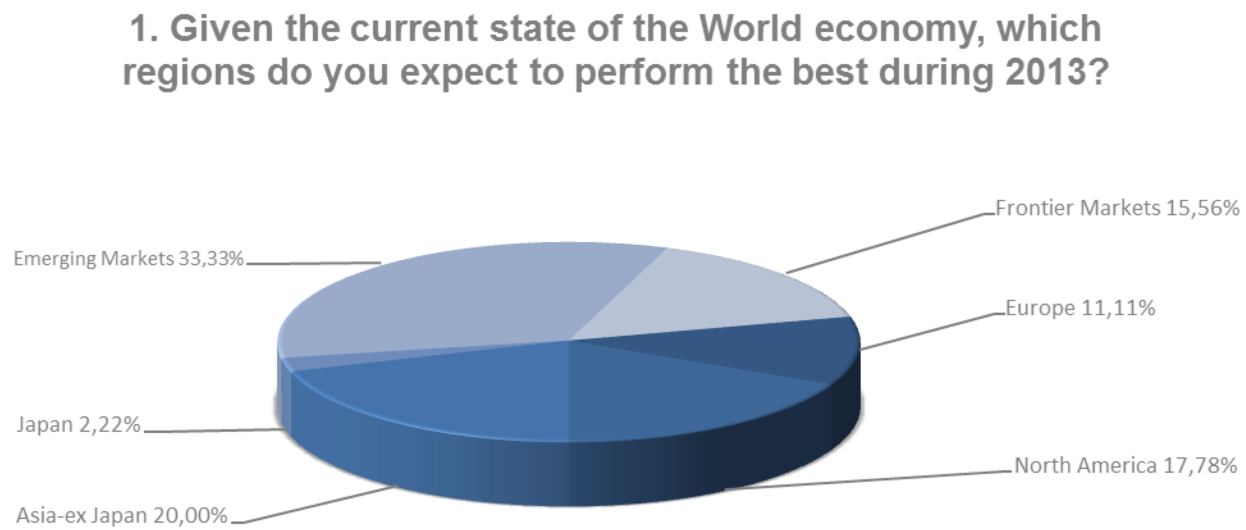
Results

During November-December 2012 Instintell Institutional Investors Intelligence Limited conducted an opinion study covering preferences and trends within the institutional investor market. In this report presents a summary of our findings regarding general intentions and opinions about future investment decisions.

Our study covered institutional investors with total assets under management of EUR94,025m.

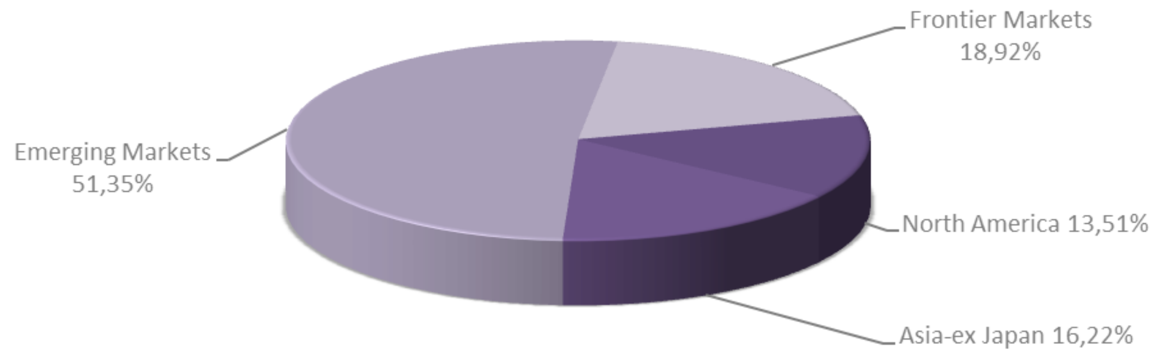
The chart below shows the asset allocation breakdown the institutional investors which took part in our research study.





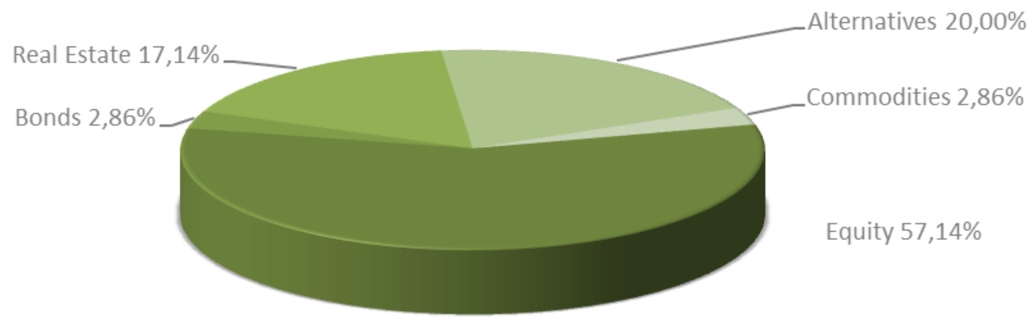
The above chart shows the results for the first question and from it we can see a preference for the Emerging Markets(followed by Asia Pacific).

2. Which regions do you expect to perform the best on long-term?



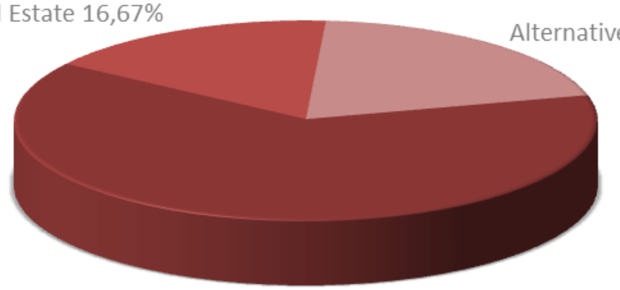
On long-term the Emerging Markets and Frontier Markets are seen as the best performers.

3. Which asset classes do you think will perform the best during in 2013?



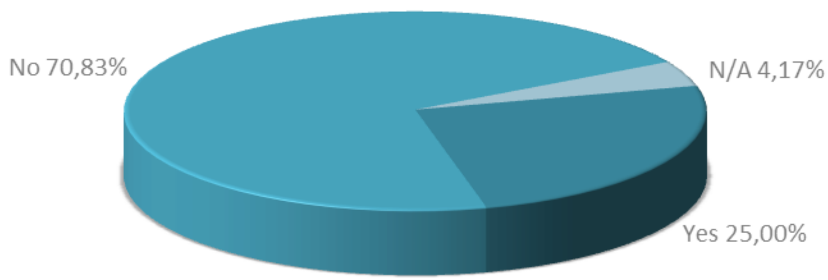
Equity is seen as the best performer in 2013. Alternative investments are seen as the second best option.

4. Which asset classes do you think will perform the best on long-term?

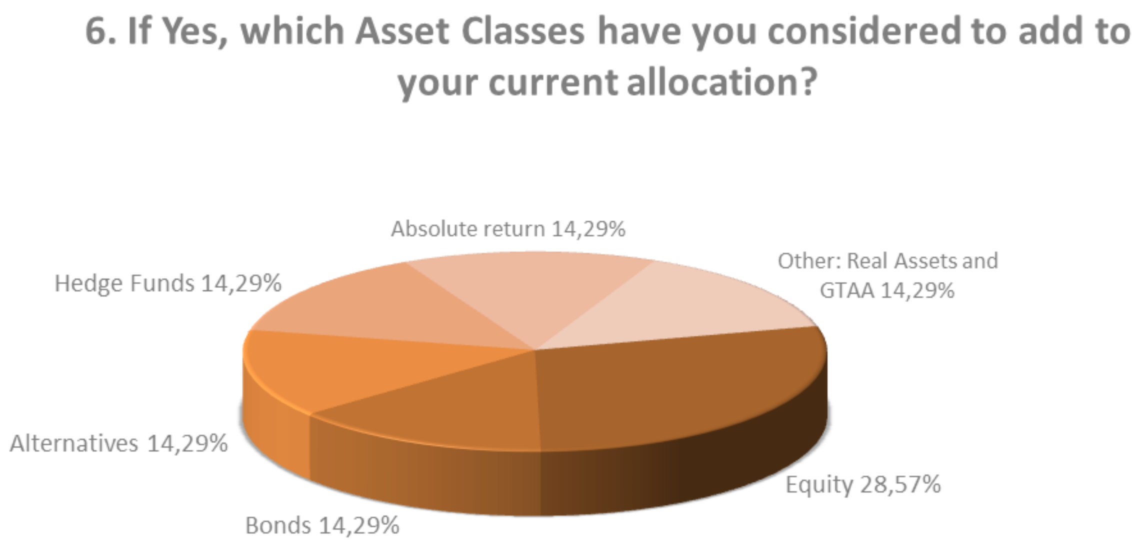


The growth asset classes like Equity, Alternative and Real Estate are seen as the best long-term performers.

5. Due to the changing of the economic conditions, do you plan a change of the Strategic Asset Allocation in 2013?



25 % of the institutional investors consider changing their asset allocation in 2013.



If changes in portfolio are to happen, there is a tendency to diversification.

Amongst the major issues to deal for the pension funds in 2013:

- Compliancy with changes legal setting;

-Supervision and legislation, euro crisis risk;

-Sluggish global economic growth likely to adversely impact on investment performance;

-Currency volatility;

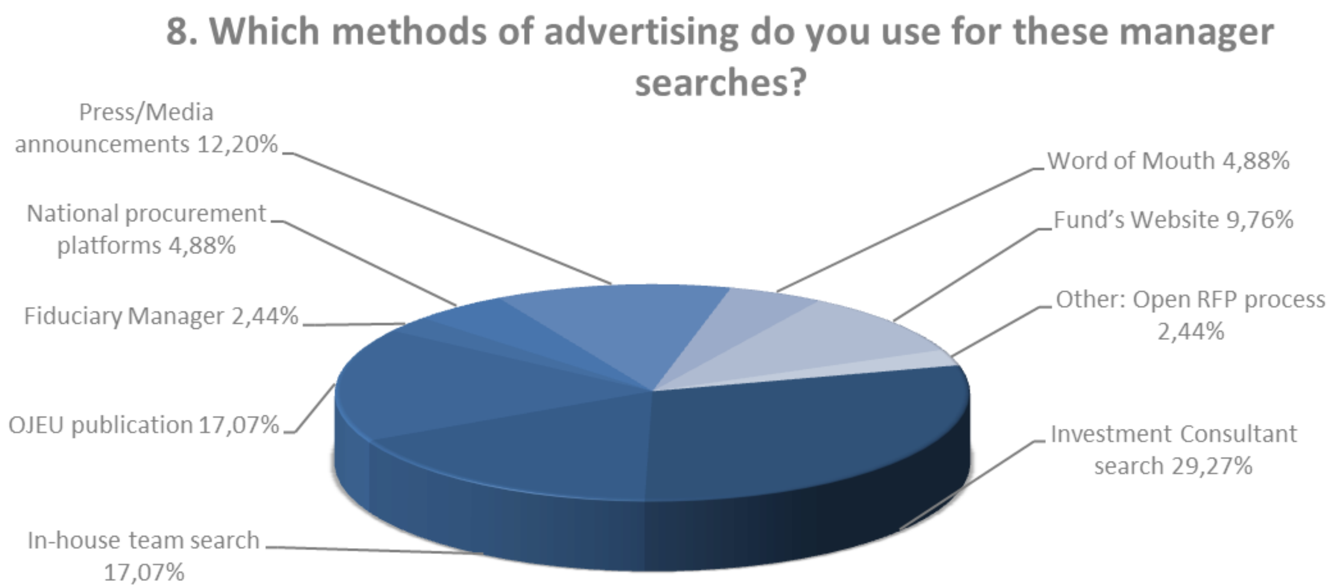
-Continuing political uncertainty and economic dislocation leading to market stress;

-The wide implications of inflation will be significant on the investment and benefits side however I believe the changes in contributions, pension's law and savings habits may be even greater;

-Policymaker inaction & gridlock: inability of global policymakers to enact the necessary fiscal policy changes;

-The combination of a continuing global economic uncertainty combined with Scheme design and a changing profile of pension fund membership;

-Income generating assets and funding positions.



The most frequent method of announcing a manager search is via Investment Consultant, followed by the search conducted by the in-house team and OJEU publication(for the European pension funds).