

## Do Active Asset Managers Create Value?

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### Key Findings

'Unrefined' amLeague rankings show a clear ability from active asset-managers to add value compared to benchmark's performance.

However, this added value may be questioned because of several biases. In the following study, amLeague addresses in depth these biases.

**The 'average' active portfolio manager brings a yearly outperformance.** Yet, this outperformance depends on the market trend: it is enhanced in case of bear markets; it is weakened but not annihilated in case of bull markets.

In (unfavourable) case of stagnant equity markets, **this added value amounts to 1.6% per year (Europe equity mandate)**. This magnitude has been confirmed through different simulations, proving by the way that the survivor bias can be efficiently prevented.

This 1.6% annual outperformance derives from a 'all Asset Managers included' approach. Much more attractive figures are achievable when adding 'selection value' to 'basic asset-managers value'.

With a purely quantitative selection methodology, it is possible to build an active asset-management index, **amLeague\_Europe 75<sup>®</sup>**, fully adapted to professional replication: 75 lines only, quarterly reshuffling, 5 days notice before implementation.

Since July 5, 2012, **amLeague\_Europe 75 provided a 4.8% annualized spread** vs passive STOXX<sup>®</sup> Europe 600 benchmark, with a 100% one year outperformances' frequency and a 100% 2 year outperformances' frequency.

**Yes, active asset-managers do create value; and this value can be significantly enhanced and operationally replicated**

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