Finding Investors – Who, Where & Why?

Chris Collett – Corporate Services, Thomson Reuters
James Fitzsimmons – Managing Director Global Corporate Access, Goldman Sachs

3 June 2013, DIRK Investor Relations Conference, Frankfurt

THOMSON REUTERS

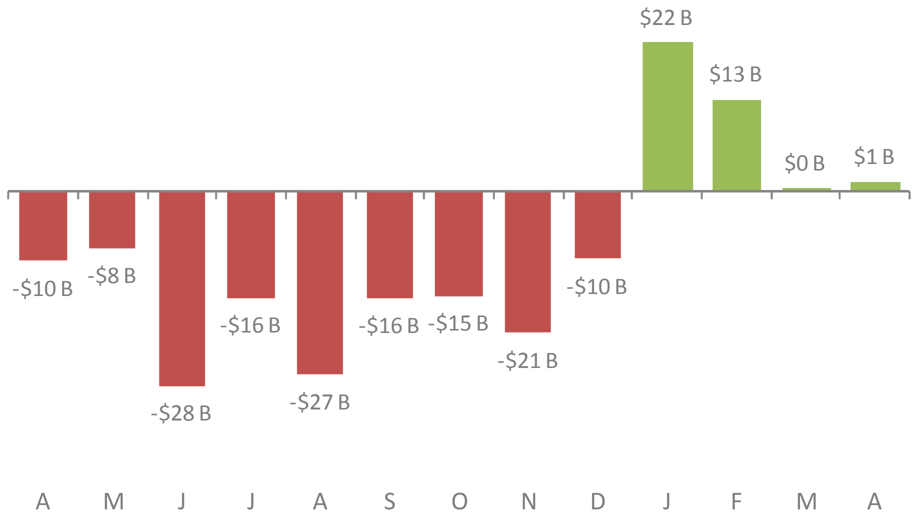
INTRODUCTION

- Market context
- Ownership in German companies versus benchmarks
- International investors in German stocks
- Focus on US investors in German equities
- Benchmarking your meetings & roadshows
- Key takeaways
- Questions

MARKET CONTEXT

➢ **Positive inflows into the hands of actively managed equity funds globally over the first four months of 2013**

2012-13 All Active Equity Fund Flows



➢ Redemptions of $114bn from actively managed equity funds over past 12 months

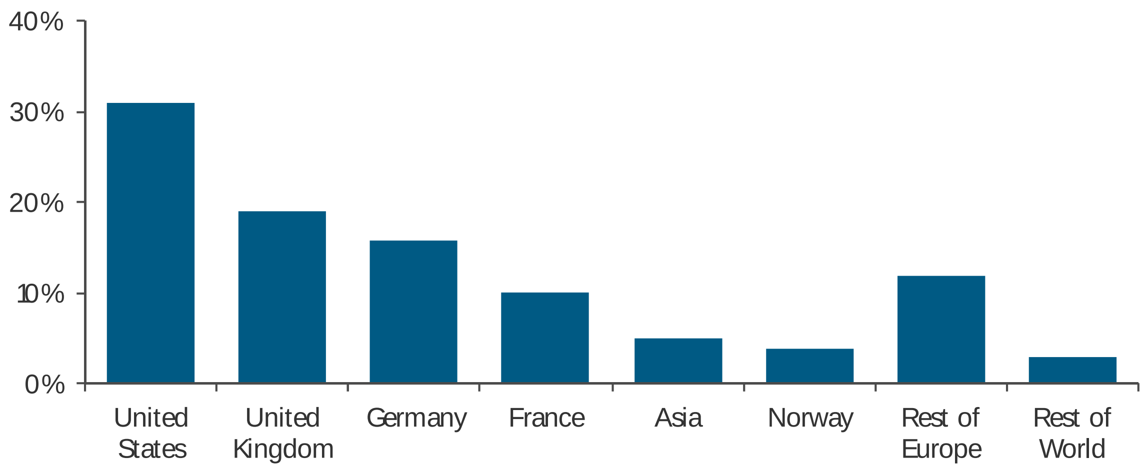
➢ Negative flows subsided in 2013; active equity funds attracting $36bn in new money

➢ Equity ETF’s and index tracking funds continue to attract significant inflows

➢ $265bn added to passive equity funds over last twelve months; $74bn received YTD

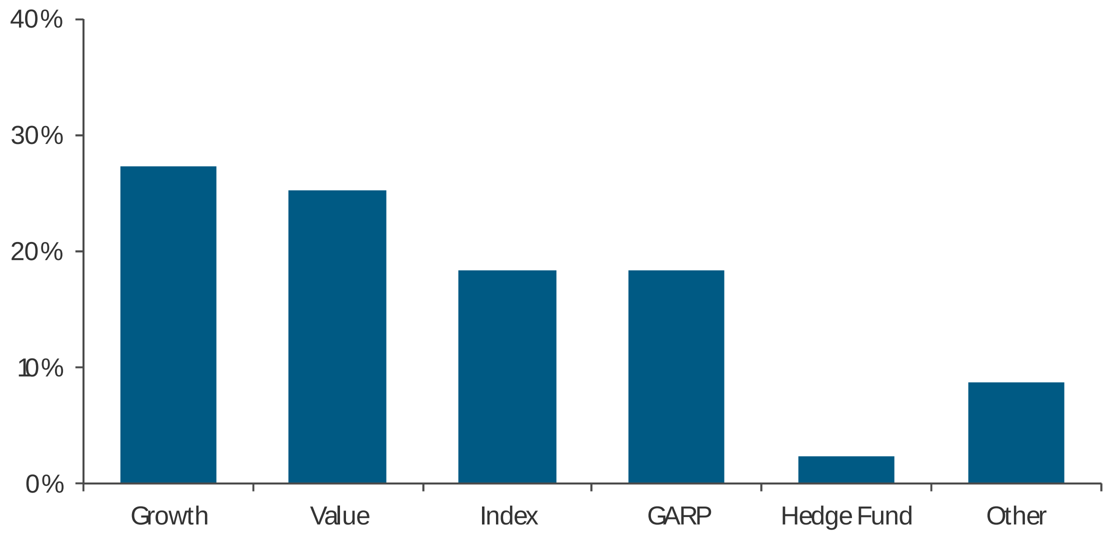
GERMAN MARKET BENCHMARKS

GEOGRAPHICAL DISTRIBUTION



- US & UK investors control over half share capital of German companies
- German institutions control **16%** of domestic companies

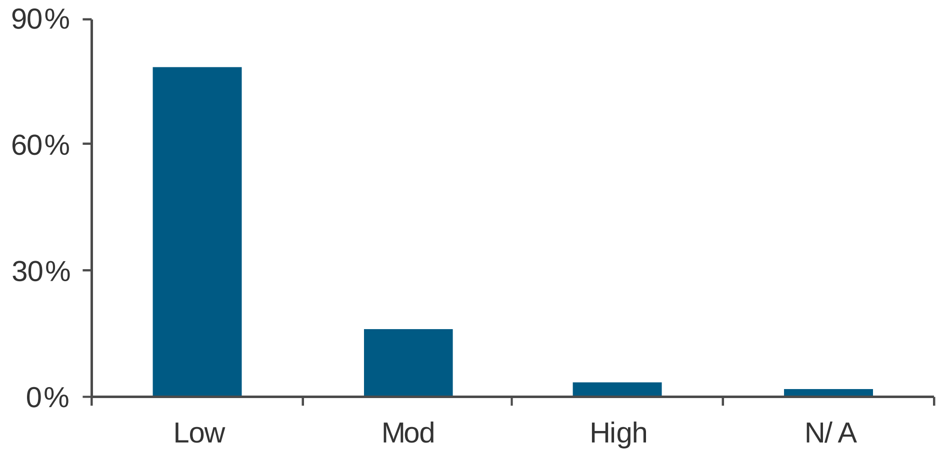
INVESTMENT STYLE



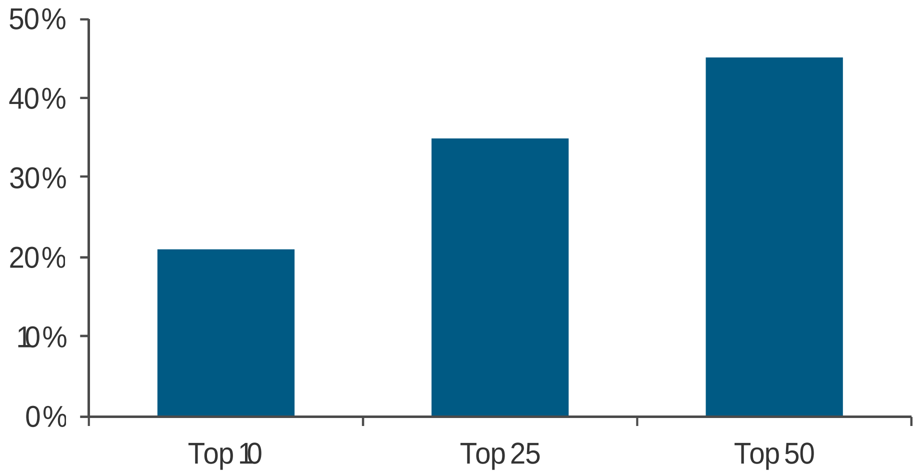
- Broadly even distribution of Value and Growth investors
- Hedge Funds own **2.4%** of German companies on average

GERMANY MARKET VOLATILITY BENCHMARKS

TURNOVER WITHIN THE GERMAN MARKET



CONCENTRATION IN THE GERMAN MARKET

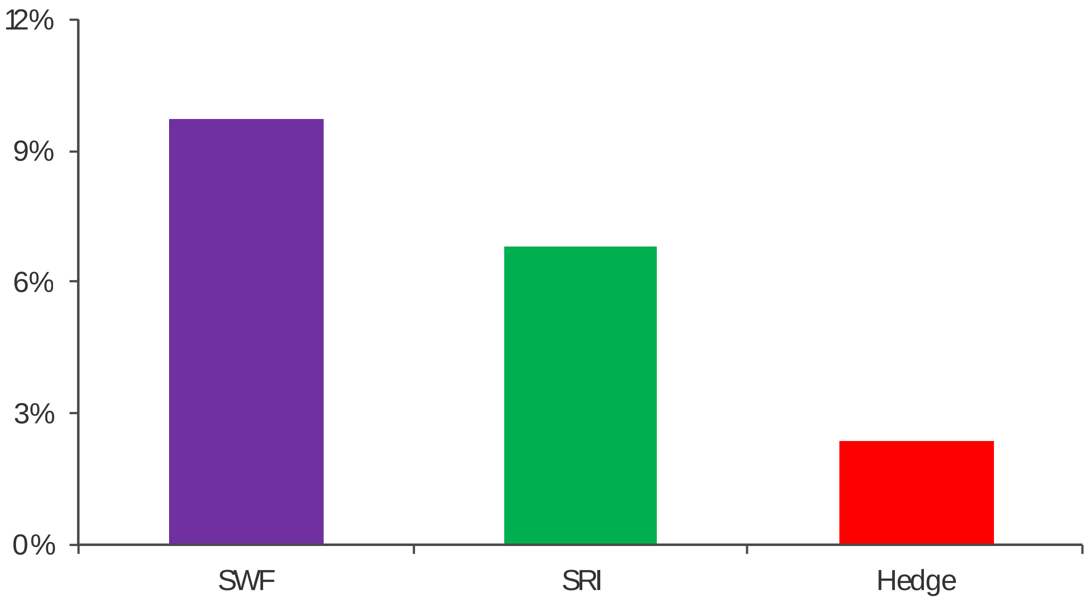


* Concentration as a percentage of free float.

- Low turnover institutions control **79%** of institutional shares
- Slightly lower than European average
- The **Top 10** holders control an average **21%** of free float
- The **Top 25** and **Top 50** investors control **35%** and **45%** of free float, on average
- Concentration levels are well below the European average

INVESTOR TYPE BENCHMARKS

TYPES OF INVESTORS IN GERMAN COMPANIES



- Sovereign Wealth Funds own **10%** of institutional shares
- SRI ownership has steadily increased & now stand at **6.8%**
- Thomson Reuters estimates total SRI Equity AuM has risen over past year from **$812bn** to **$932bn**

6

LARGEST ACTIVE BUYERS OF GERMAN SECURITIES

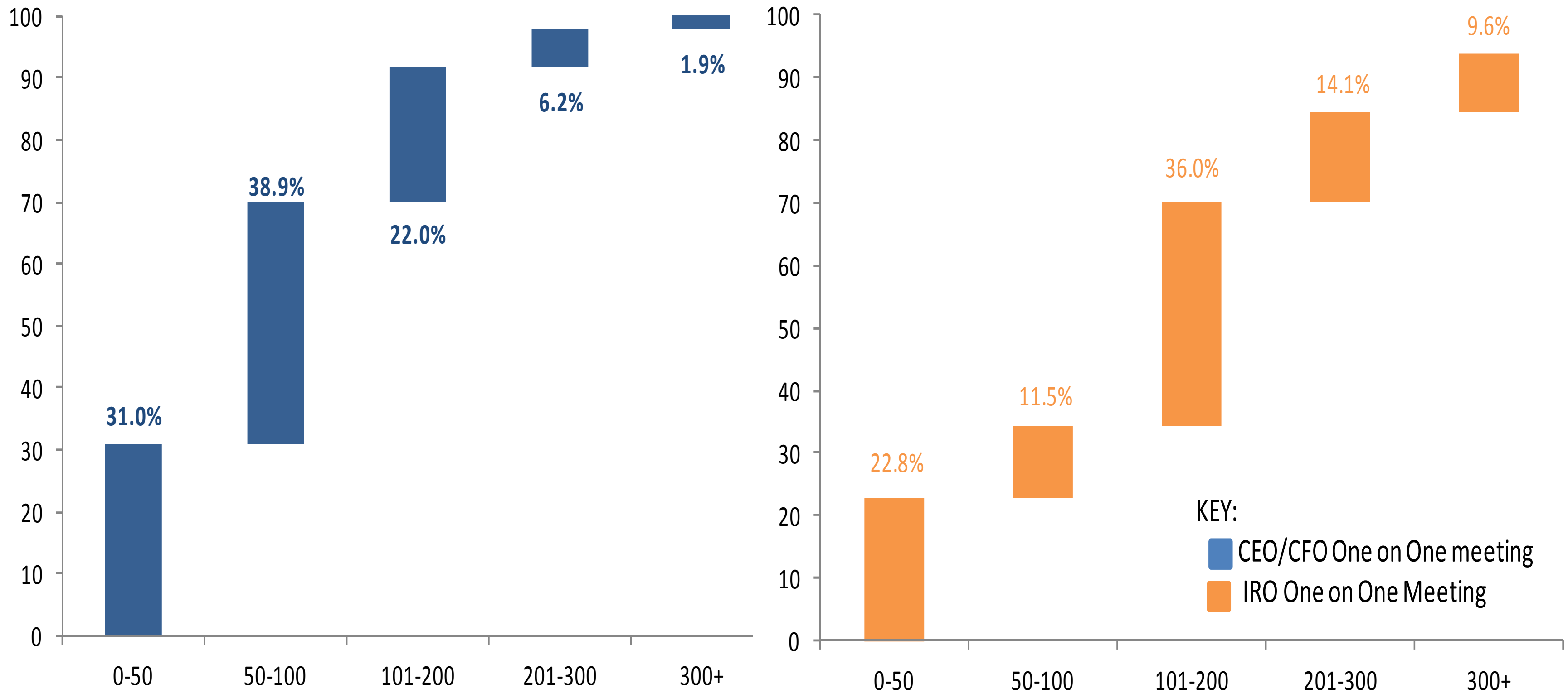
Norges Bank Investment Management (NBIM)	Core Value	Oslo
Capital Research Global Investors	Core Value	Los Angeles
Qatar Investment Authority	N/A	Doha
Morgan Stanley Investment Management Ltd. (UK)	Core Value	London
T. Rowe Price Associates, Inc.	GARP	Baltimore
Baillie Gifford & Co.	Core Growth	Edinburgh
Sumitomo Mitsui Trust Bank, Limited	Core Growth	Chiyoda-ku (Tokyo)
Mackenzie Financial Corporation	Core Growth	Toronto
Northern Trust Global Investments	Core Growth	Chicago
Causeway Capital Management LLC	Core Value	Los Angeles
Epoch Investment Partners, Inc.	Growth	New York
Thornburg Investment Management, Inc.	Core Value	Santa Fe
Universal-Investment-Gesellschaft mbH	Core Growth	Frankfurt
Cevian Capital	Core Value	Stockholm
BlackRock Financial Management, Inc.	Core Growth	New York

Utilising your Corporate Access Relationships

James Fitzsimmons
Goldman Sachs International

BENCHMARKING ONE-ON-ONES

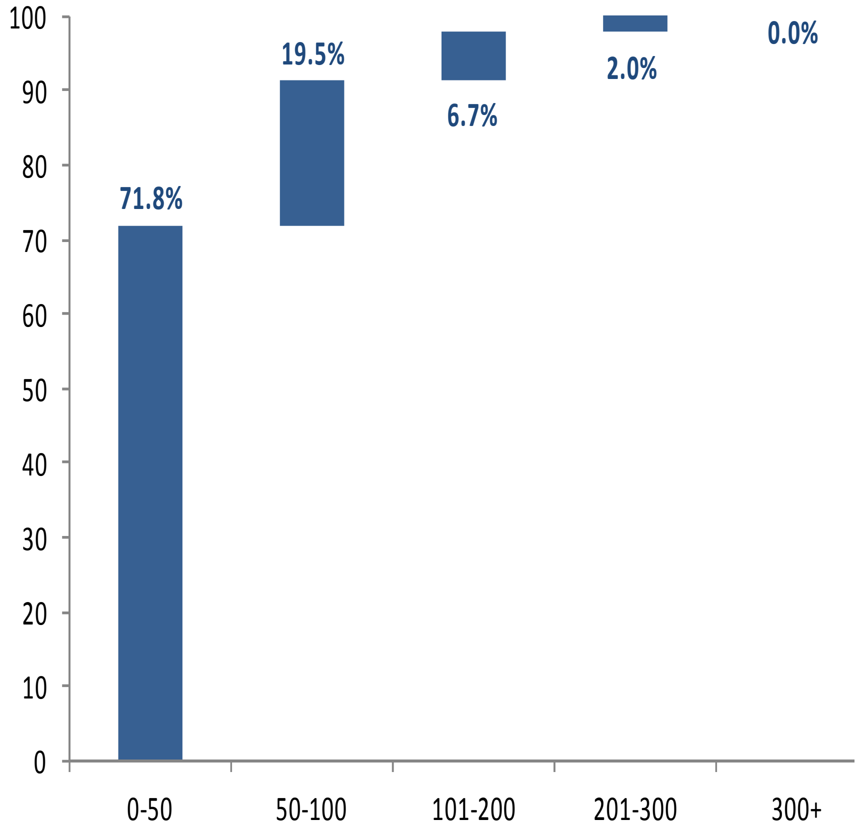
CEO/CFO/IRO One-on-One Meetings

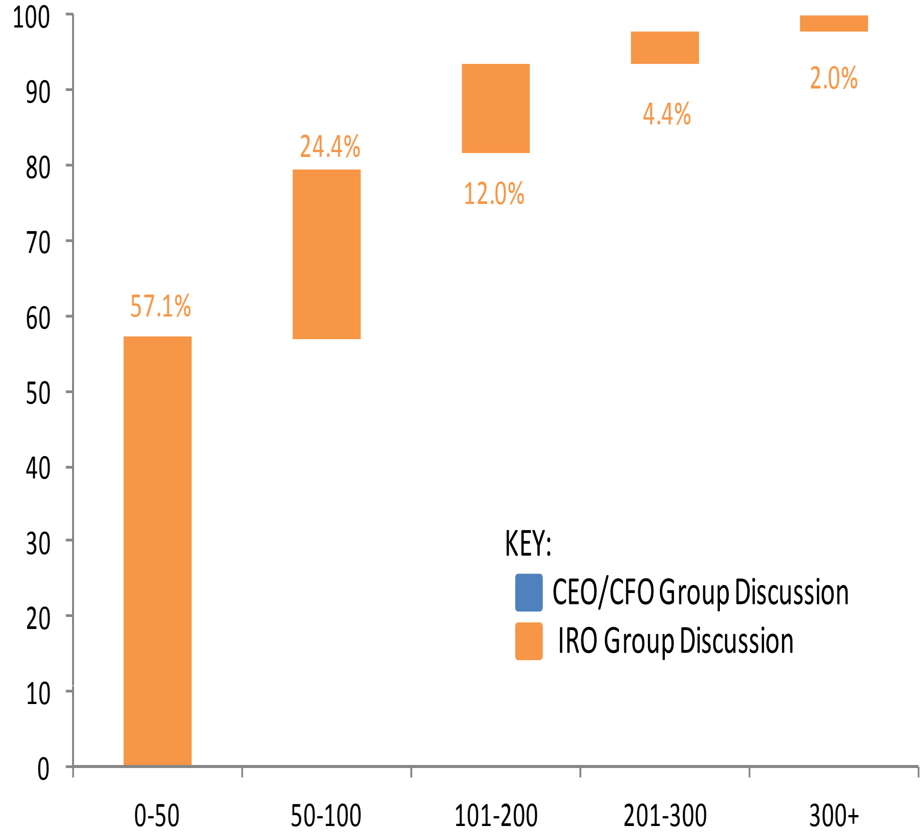


- Most CEO/CFO's participating in 50–100 one 1X1 investors meetings per year
- Most IRO's participating in 101–200 1X1 meetings per year

BENCHMARKING GROUP DISCUSSIONS

CEO/CFO/IRO Group Discussions

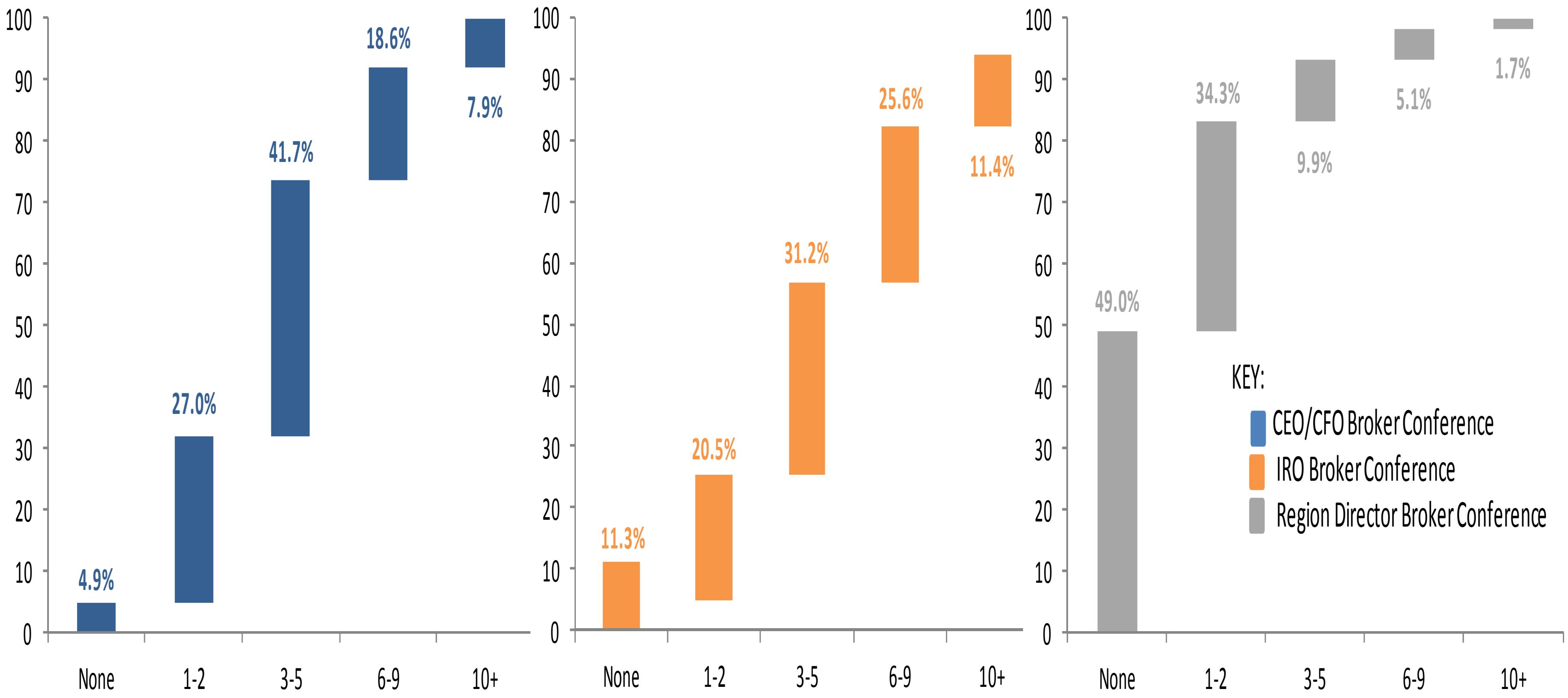




- Most CEO/CFO's and most IRO's are participating in up to 50 group discussions with investors per year

BENCHMARKING BROKER CONFERENCES

- Broker Conferences Attended by CEO's/CFO's/IRO's and Regional Directors

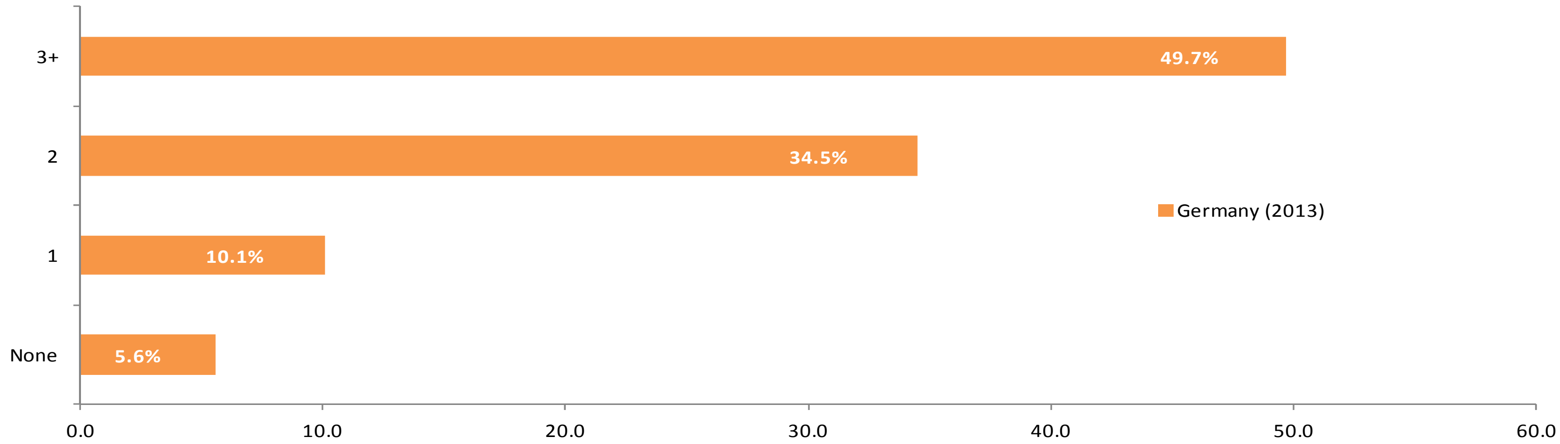


- Most CEO/CFO's & IRO's each participating in 3-5 Broker Conferences per year
- One third companies have Regional/ Divisional Directors participating in 1-2 Broker Conferences

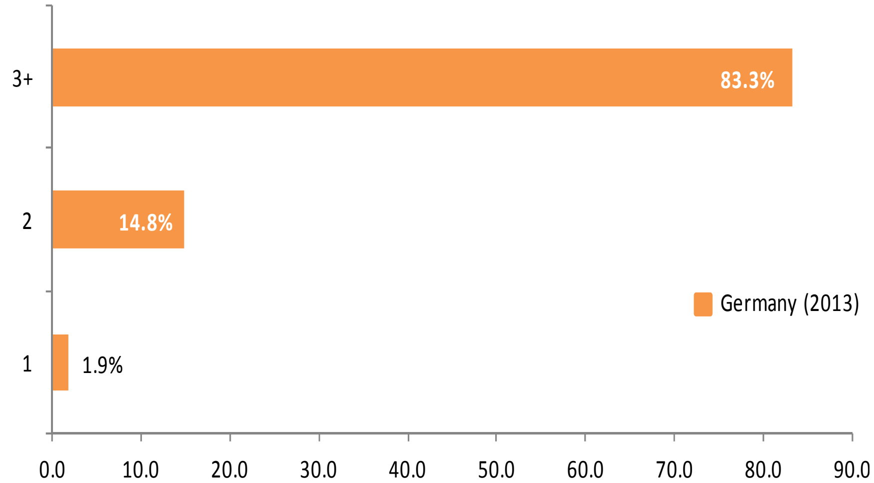
BENCHMARKING ROADSHOW DESTINATIONS

- Number of German IR teams visiting the US East Coast increased in 2013

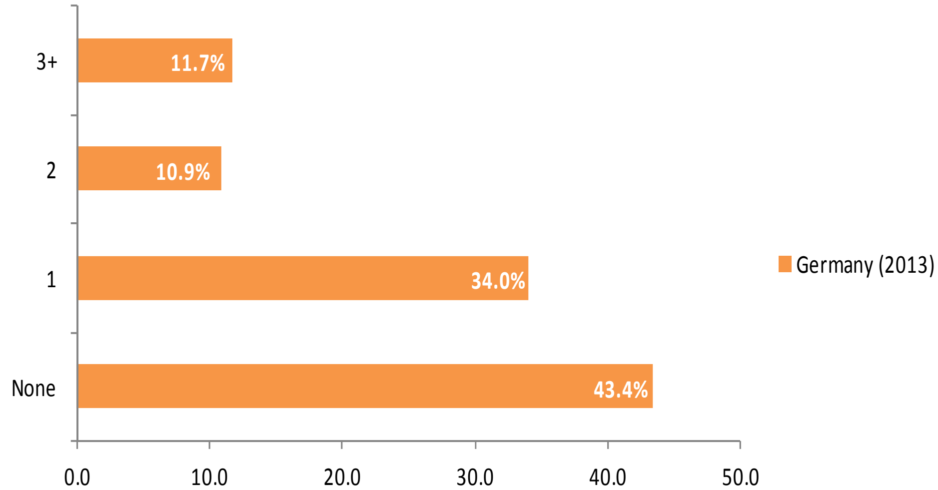
Number of yearly roadshows to U.S. East Coast



Number of yearly roadshows to the UK



Number of yearly roadshows to Asia



KEY TAKEAWAYS

- Understand make up current shareholder base and how it compares to peers
- Define objectives of roadshow strategy
- Work with internal and external stakeholders
- Focused list of target investors
- Understand multiple touch points within target institution
- Measure effectiveness of meetings

QUESTIONS?

CONTACTS

Chris Collett
Corporate Services
Thomson Reuters
Tel: +44 (0)207 542 2867
chris.collett@thomsonreuters.com

James Fitzsimmons
Managing Director, Global Corporate Access
Securities Division , Goldman Sachs International
Tel: +44 (207) 552 0226
james.fitzsimmons@gs.com