

Annika Erben

Influence of the growing ETF industry on active investor relations work

DIRK-Forschungsreihe, Band 28



Mehr Wert im Kapitalmarkt

Bearbeitet von:

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Impressum

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ISBN: 978-3-9819679-8-2
1. Auflage Dezember 2021

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Unsere Mitglieder erhalten von uns fachliche Unterstützung und praxisnahes Wissen sowie Zugang zu Netzwerken und IR-Professionals aus aller Welt. Zugleich fördern wir den Berufsstand der Investor Relations und bieten umfangreiche Aus- und Weiterbildungsmöglichkeiten in enger Zusammenarbeit mit Wissenschaft und Forschung.

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Foreword

The rapidly rising passive investment industry, primarily in the form of exchange traded funds (ETFs), is well known throughout the capital markets and beyond. However, its impact on investor relations (IR) has hardly been researched yet.

Despite their enormous growth and increase in importance, ETFs play only a subordinate role in the day-to-day work of IR professionals. Nevertheless, the ETF industry could have a major impact on the field of IR, especially in certain IR task areas. If allocations to passive investment products continue to rise, the classic targeting of active investors – one of the main IR tasks – may no longer be necessary. This raises the question of whether IR will still be needed in the current setup or if it will become superfluous.

In her thesis, Annika Erben analyses whether the growing ETF industry will have an impact on the active work of IR. Ms. Erben collected primary data by sending a questionnaire to IR professionals to obtain a dataset on IR experts' sentiments toward the future of ETFs in IR work. Additionally, she conducted interviews with IR experts to obtain further qualitative primary data and detailed answers to specific questions. The thesis clarifies open research questions and analyses how the ever-growing ETF industry might influence the IR field. In her work, she not only informs on the status quo of ETFs in today's IR work, but also outlines a number of possible measures on how IR experts can prepare themselves and their companies for the possible impact. The study is thus of great value to IR professionals and provides first-hand data on the topic. Furthermore, the thesis serves as a motivator for IR experts to potentially deal with the topic in more detail.

I would love to hear your feedback on this study into our professional field, and look forward to further discussion on the topic. I hope all readers find the study exciting and insightful. Enjoy!

Frankfurt, im Dezember 2021

[Oliver Maier](#)

Präsident

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Acknowledgements

I would like to take this opportunity to thank all those who assisted me in the preparation of this bachelor thesis. Special thanks go to the people below, without whom this thesis would not have been conceivable in this form.

At this point, I would like to thank Prof. Dr. Georg Erdmann for supervising this thesis and for his friendly help and support during my bachelor studies at the Augsburg University of Applied Sciences.

My special thanks go to the Investor Relations team at PATRIZIA AG, who always supported me in the preparation of this thesis.

Special thanks go to Martin Praum, head of the IR team. He not only supported me with my thesis from the very beginning and was always there to give me advice but was also my mentor and enabled me to get started in the professional field of IR work.

Furthermore, I would like to thank all IR experts who participated in my survey or gave an interview and thus made a valuable contribution to the results of this study.

Lastly, I would like to thank Kay Bommer and the DIRK. By publishing my survey in the monthly IR newsletter, I was able to reach targeted IR experts across Germany and beyond.

Thank you for the opportunity to publish my work as part of the DIRK research series.

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List of abbreviations

1o1	One on One
AG	Aktiengesellschaft (German word for a corporation limited by share ownership)
AGM	Annual General Meeting
AI	Artificial Intelligence
AktG	Aktiengesetz (Stock Corporation Act)
AP	Authorized Participants
ARUG II	Gesetz zur Umsetzung der zweiten Aktionärsrichtlinie (German Act Implementing the Second Shareholder Rights Directive)
AUM	Assets under Management
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht
Bn	Billion
BörsG	Börsengesetz (Exchange Act)
Bps	Basis Points
CFO	Chief Financial Officer
Covid-19	Coronavirus disease 2019
DAX	Deutscher Aktienindex
DIRK	Deutscher Investor Relations Verband e.V.
DNA	Deoxyribonucleic acid
DSW	Deutsche Schutzvereinigung für Wertpapierbesitz
EMEA	Europe, Middle East and Africa
ESG	Environment Social Governance
ESEF	European Single Electronic Format
ETC	Exchange Traded Commodity
ETF	Exchange Traded Fund
ETN	Exchange Traded Note
ETP	Exchange Traded Product
FT	Financial Times
FTSE	Financial Times Stock Exchange Index
IFRS	International Financial Reporting Standards
iNAV	Indicative Net Asset Value
IPO	Initial Public Offering
IR	Investor Relations
IT	Information Technology
KPI	Key Performance Indicator
M&A	Mergers & Acquisitions
MDAX	Mid-cap-DAX
MiFID	Markets in Financial Instruments Directive
MSCI	Morgan Stanley Capital International
NASDAQ	National Association of Securities Dealers Automated Quotations

NAV	Net Asset Value
NR	Net Return
NYSE	New York Stock Exchange
SDAX	Small-cap-DAX
S&P 500	Standard & Poor's 500
SPDR	Standard and Poor's Depository Receipt
SPI	Swiss Performance Index
TecDAX	Deutscher Technologieindex
TER	Total Expense Ratio
Tn	Trillion
TNR	Total Net Return
US	United States
US\$	US Dollar
UCITS	Undertakings for Collective Investments in Transferable Securities
VIX	CBOE (Chicago Board Options Exchange's) Volatility Index
WpHG	Wertpapierhandelsgesetz (Securities Trading Act)
Xetra	Exchange electronic trading
y-o-y	Year-on-year

1. Introduction to the topic

Will investor relations (IR) still be needed in the future in view of the increasing influence of the passive investment industry? For years, active investments were the focus of investors and passive investment opportunities were only seen as a niche product. However, passive investments have developed to one of the most asked investment opportunities over the last years. Exchange traded funds (ETFs) were already introduced to the capital markets as a passive investment type as early as around 1990 and have gone through a development of steadily increasing importance ever since. Especially in recent years, this fast-growing trend accelerated significantly, also in Europe. This growth was also reflected in an increase of passive investments by 25.3% in 2019, (Hall et al, 2020, p.7), whereas the y-o-y growth of actively managed assets under management (AUM) was at 12.5% (Hall et al, 2020, p.37). Overall, passive investments made up 20% of equity markets worldwide in 2019 and in the US, its country of origin, even 30%. At the beginning of 2019, AUM of ETFs worldwide exceeded the benchmark of US\$ 5tn. Today, it is assumed that listed companies in the US are included in at least one ETF (Yin and Barrantes, 2019).

Despite this enormous growth and increase in importance, the passive investment industry plays only a subordinate role in the day-to-day work of IR professionals. So far, just a small proportion of IR work is devoted to tasks relating to the passive investment industry. Nonetheless, the passive investment industry could also leave a noticeable impact here, especially in certain IR task areas. If more and more shareholders invest their money passively, the classic targeting of active investors, which is one of the main tasks of IR, might not be necessary any longer. This leads to the question of whether IR will still be needed as a communication tool to the company's potential and existing shareholders or if it will become superfluous.

1.1 Problem description

The rapidly rising ETF industry is known throughout the capital markets and beyond. Nevertheless, its impact on investor relations has hardly been researched yet. ETFs, however, could have broader implications for investor relations, as tasks like traditional investor targeting could become superfluous. Therefore, research on possible influences is relevant not only for the investor relations area, but for listed companies in general, as changes in investment allocations on the capital market can affect the whole company.

1.2 Research question

The aim of this thesis is to find out whether IR will be impacted by the growing passive investment industry or if the increase of ETFs will not influence the future of IR. If the former is the case, the question how severe this impact might be, will be analyzed. It will be examined which areas of IR will be particularly and mostly affected by the passive investment industry. Furthermore, if and to what extent investor relations can prepare themselves for this potentially disruptive change in investment allocation and if IR work itself will even be relevant in some years, are further research questions arising from the research topic.

- Will IR be influenced by the increasing passive investment industry?
- How severe will this impact be? Which task areas will be mostly affected?
- How can IR prepare itself for this impact?
- Will IR become superfluous, considering the increasing ETF industry?

1.3 Research methodology

Since the impact on IR has hardly been researched yet, primary data is used. A questionnaire as the main methodological step sent out to IR professionals is the main data source of the empirical study. It is used to obtain a dataset on the sentiment of IR experts regarding the future of IR work related to the passive investment industry. In addi-

tion, interviews as a method to get further qualitative primary data are the second research methodology used within the framework of this thesis.

1.4 Structure of the thesis

In the first half of this thesis, the theoretical fundamentals of ETFs and IR are given. First, a definition of active and passive investment is provided, followed by a brief description of funds and an overview of exchange traded products (ETPs).

Afterwards, the ETF basics, starting with a definition of ETFs, followed by their development and an explication of different ETF types, including passive, smart-beta and active ETFs, are given. Processes and the functionality of ETFs are shown, concluded by listed advantages and points of criticism of this investment product.

In the third chapter, the objectives of IR and the target groups are mentioned, after a short defini-

tion at the beginning. That followed the tasks and measures of IR, subdivided into compulsory and voluntary measures.

The empirical part of the thesis starts with the hypothesis formulation, followed by an explanation of the methodology applied. Thereafter, the results of the questionnaire are analyzed and then evaluated. With the help of the results, it is determined whether the increasing passive investments will have an influence on IR and how this influence could possibly look like. After the discussed results, recommended courses of action are given on how IR can prepare themselves and the company for this possible impact and how the future work of IR could look like.

The thesis is concluded with a summary, in which the research questions posed at the beginning are answered, and an outlook of the research topic is provided.

2. Fundamentals of passive investments and ETFs

2.1 Definition of active and passive investment in financial markets

In this chapter, active and passive investment is firstly defined, followed by a description of the key characteristics of funds. Finally, different product types of passive investments are briefly presented.

The broad range of financial products and investment opportunities offers options for investing and managing assets for every type of investment preference. In addition to the classic investment in shares, other financial instruments traded on markets include securities like bonds, certificates, warrants, funds, and derivatives, among others. The distinction between active and passive investments is not a strict line but rather vague. Depending on how active and passive investment is defined, some investment types and financial instruments, e.g. funds, can either be counted into one or the other category. One investment strategy does not automatically exclude the other. On the contrary, both strategies can complement each other (Blackrock, 2021).

Active and passive investments differ mainly in their main objectives and applied strategies. The overall aim of active management of investments is to outperform the market and as a result, to achieve a higher return on the investment than the market average (Blackrock, 2021). Investment strategies, such as active stock picking or market timing, are used to try to beat the market average (Riedl, 2015). Active investments are based on individual assessments, where investment opportunities are first being analyzed on how to outperform the market and then evaluated before an active decision is being made. As a deep understanding and expertise is necessary to spot the best investment opportunities, highly skilled and experienced managers, researchers and analysts make those decisions, backed by databases (Blackrock, 2021).

In contrast to active investment instruments, passive management of investments, like funds with a passive investment strategy, generally pursue the goal of tracking the development of an index or an underlying asset, e.g. gold, as closely as possible (Krautbauer, 2015, p.77). The aim is not to outperform the benchmark, but to achieve stable, long-term returns. Decisions are not made, as it is the case with active investments, by humans but are rather automated, technology-based processes, which can be performed by computers (Blackrock, 2021). Passive forms of investment pursue a long-term buy-and-hold strategy and dispense with short-term speculative investments and ongoing trading, as making profit from market fluctuations is not the objective (Kommer, 2018, p.219). It should be mentioned at this point that only about 10% of actively managed funds succeed in beating the market. For example, the MSCI World is only outperformed every 10 years, leading to a low probability of achieving high returns by outperformance (Heinrich Jänner, 2018, pp.384).

2.1.1 Description of funds

From a legal perspective, funds are considered special assets, have an unlimited maturity, and are offered by capital management companies (Krautbauer, 2015, p.86). Besides Blackrock, Vanguard and State Street are the largest fund managers with AUM of US\$ 19tn, making up around 10% of quoted securities globally (FT, 2021). Funds following a passive investment strategy can be further subdivided into ETFs, classic index funds and passive special funds (Krautbauer, 2015, p.781). Distinctions are made between open and closed-end funds, public and special funds, and different fund strategies, such as equity funds, bond funds, mixed funds, or real estate funds (Zinnecker, 2020). Although both index funds and ETFs track an underlying index, the two investment products differ in terms of trading. While the price of an index fund is only determined once a day, the price of an ETF is available to investors at any time, making intra-day trading therefore possible (ExtraETF, 2021).

In order to allow a comparison of the costs of individual funds, **cost components** are summarized in the total expense ratio (TER). This is calculated by dividing the nominal total costs in fund currency by the average net asset value of the previous year and then multiplying it by 100 (Krautbauer, 2015, p.73). The costs include the management, administration and performance fees as well as custody fees and conversion fees; the front-end load and the order fee are not included (Eibl, 2008, p.19). This shows that the TER only takes into account the explicit costs (e.g. management fees), but not the implicit costs such as market impact costs or opportunity costs (Krautbauer, 2015, p.64).

A distinction is made between two types of **profit distribution**. Income generated can either be reinvested or distributed. In case of a reinvestment, investors have no direct access to the income. However, if pursuing a long investment horizon, they benefit from a compound interest effect. Furthermore, investors do not have to take care about reinvestment themselves, as income is automatically invested in shares of the same fund. In contrast, investors can freely dispose of the income in case of a distribution, which can usually take place up to four times a year.

Generally, there are two types of calculating an index: price and performance indices. A price index tracks the development of security prices without taking interest and dividend income into account. A performance index (Total Return Index), on the other hand, includes dividends in its performance. Based on the assumption that all dividends are reinvested in the securities of the index, the price of a performance index is usually higher than that of a price index (Heinrich Jänner, 2018, p.360, p.366).

2.1.2 Overview of exchange traded products

ETPs are one subcategory of passive investment types and can be further divided into exchange traded funds (ETFs), exchange traded commod-

ities (ETCs) and exchange traded notes (ETNs) (Deutsche Börse, 2018, p.12). ETCs and ETNs are, in contrast to ETFs, not a special asset but rather a type of debt securities. ETFs will be explained in chapter 2.2.

As the name indicates, **ETCs** provide a direct investment opportunity in commodities and can be seen as a combination of ETFs and certificates. They are debt instruments that are either backed by physical contracts or directly linked to the spot price of the commodity (Eibl, 2008, p.14). Physically backed ETCs build the vast majority of ETCs and are structured similarly to zero bond coupons. Since physical ETCs are seen as a safe investment vehicle with no counterparty risk, they are applied also in countries, whose ETF markets are still very little, e.g., in India. Synthetic ETCs, like synthetic ETFs, are based on a swap deal and are also collateralized (Stevenson and Tuckwell, 2019, p.18). Although ETCs, like ETFs, are structured securities, they are not constructed as funds and are therefore not presented as special assets but as debt securities. This results in an issuer risk that does not apply to ETFs (Eibl, 2008, p.14). The price of the ETCs is based on the price of one or more underlying. Industrial metals such as copper or nickel, precious metals, particularly gold and silver, as well as energy sources (oil or gas) and agricultural commodities are the most asked investment types among ETCs (Deutsche Börse, 2018, p.12).

ETNs are stock exchanged traded bonds that are related to the performance of a certain market indicator, e.g. volatility or share indices. ETNs are similar to synthetically replicated ETFs but are not categorized as funds, resulting in a higher vehicle variety since also futures or commodities can be tracked (Stevenson and Tuckwell, 2019, p.18). Many ETN providers include options to protect the investor against the existing downside risk. ETNs can be either secured or unsecured (Deutsche Börse, 2008, p.13).

2.2 Description of exchange traded funds (ETFs)

In this chapter, a definition of ETFs and an overview of its development will be given. Followed by an examination of different types of ETFs and an analysis of the processes and functions of this investment vehicle. This chapter is concluded by a comparison of advantages and disadvantages of ETFs.

2.2.1 Definition of ETFs

ETFs are passively managed funds and can be counted as a sub-category of investment funds (Heinrich Jänner, 2018, p.44). The most common type of ETFs are index ETFs who replicate an index and therefore, are classified as a passive investment strategy. Their aim is to track the performance of an index, such as the DAX or S&P 500, as closely as possible (Deutsche Börse, 2018, p.2). The value of the index fund is therefore dependent on the performance of the underlying assets listed in the respective index, e.g. shares of the companies (Heinrich Jänner, 2018, p.347). ETFs are traded directly on the stock exchange and, in contrast to classic funds, which are only traded once a day via the fund company, can be traded continuously (Eibl, 2008, p.11).

Issuers and providers of indices are mainly stock exchange operators and (former) subsidiaries of banks. The best known among them are MSCI, Dow Jones or S&P on a global basis and in Europe FTSE and STOXX, of which the latter belongs to Deutsche Börse (Deutsche Börse, 2018, p.38). Furthermore, Blackrock (iShares), Vanguard, DWS (Xtrackers) and Lyxor are among the major providers of ETFs (Eibl, 2008, pp.191), managing ETF assets of around 63% of the total European market as of the end of 2019 (Kühn, 2020a, p.14).

Naming convention of ETFs

ETF names are usually made up of three or four components. These give an indication of the type of ETF involved. In the first place, the name of the ETF issuer is placed, e.g. iShares, followed by the

underlying index, for example DAX or Euro Stoxx 50. The asset class, country or region is usually recognizable and the information as to whether it is a price or performance index. TR stands for total return and GR for gross return, both indicators for a performance index, whereas NR (Net Return) and TNR (Total Net Return) indicate a price index. In third place, regulatory information is given. For example, all ETFs listed on the Frankfurt stock exchange are UCITS-ETFs, meaning, regulations of the European Union apply. Afterwards, the type of investment is mentioned, e.g. ETF or ETN. In last place, there is additional information such as the currency unit or the use of earnings. For example, a "D" stands for the distribution of dividends. Additionally, further characteristics of the unit certificate class, such as the number of unit classes or the type of replication, may be mentioned (Deutsche Börse, 2018, p.41).

2.2.2 Historical development of ETFs

ETFs transformed from a niche to a standard product in a short amount of time. The invention and development of index funds began in the 1970s and the first index fund "Samsonite Pension Fund" went public on the New York Stock Exchange (NYSE) in 1971 but was only available to institutional investors (Krautbauer, 2015, p.46). Five years later, Vanguard, an American financial service provider, listed the first index fund for private investors in the United States, called Vanguard S&P 500 (Eibl, 2008, p.12). Access to index funds in Europe started much later and it was not until 1992 that the first index fund was accessible to private investors (Heinrich Jänner, 2018, pp.348). SPDR with the nickname Spider was the first ETF listed in New York in 1993 by Standard & Poor's. In April 2000, the first ETF in Europe was listed on the XTF segment of Deutsche Börse, which specializes in ETF trading (Krautbauer, 2015, p.47). At the turn of the millennium, due to the internet and technology boom, interest in risk-spreading asset classes such as index products was not very high in Europa, especially not in Germany (Eibl,

2008, p.12). This approach quickly changed and the search for fast and quick access to everything at all times led to many disruptions in the financial industry, ETFs being one example (Abner, 2016, p.5). Assets managed in ETFs increased more than sixteen-fold in thirteen years (Heinrich Jänner, 2018, p.349).

2.2.2.1 Current ETF landscape

World: At the beginning of 2020, over 7,000 ETFs worldwide were available with assets of more than US\$ 6tn (Kühn, 2020a, p.13). This number of ETFs globally steadily increased from 276 in 2003 to 7,602 in 2020, a rise in the amount by 27.5 times in 17 years, as can be seen in figure 1 (Statista, 2021b).

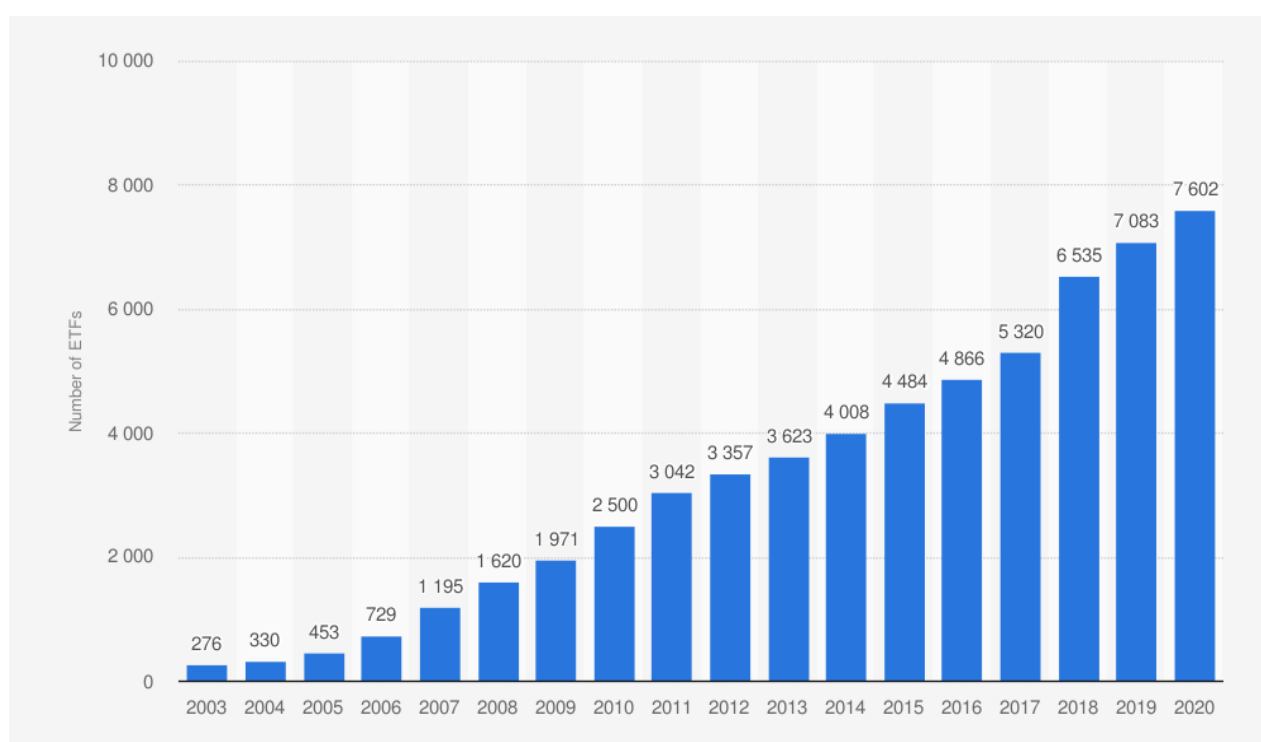


Figure 1: Number of ETFs worldwide from 2003 to 2020 [Source: Statista]

The assets invested in ETFs (see figure 2) had an even stronger development as the number of ETFs. In the same period of time (between 2003 and 2020), AUM of ETFs rose from US\$ 204.3bn in 2003 to US\$ 7,736bn in 2020, corresponding to a growth of nearly 38 times (Statista, 2021a). In 2020, US\$ 762.9bn were invested into ETF products in the US, a 34% increase compared to 2019. In this context, more than 50% of this investment volume is managed by Blackrock and Vanguard. Together with State Street, the trio holds \$19tn in AUM, making up a tenth of quoted securities worldwide (FT, 2021).

Nowadays, 80% of the US\$ 4.5tn invested in ETFs is locked in equity funds. The other 20% are made up by different kinds of ETFs, which are not only tracking equities. This percentage of non-equity ETFs is forecasted to further grow. Non-equity ETFs give investors exposure to other asset classes, especially in fixed income. As can be seen in figure 3, fixed-income ETFs are the second most asked asset class of ETFs worldwide, especially in the EMEA region (J.P. Morgan, 2020, p.9). By investing in fixed-income ETFs, investors gain access to bonds that were only available for insti-

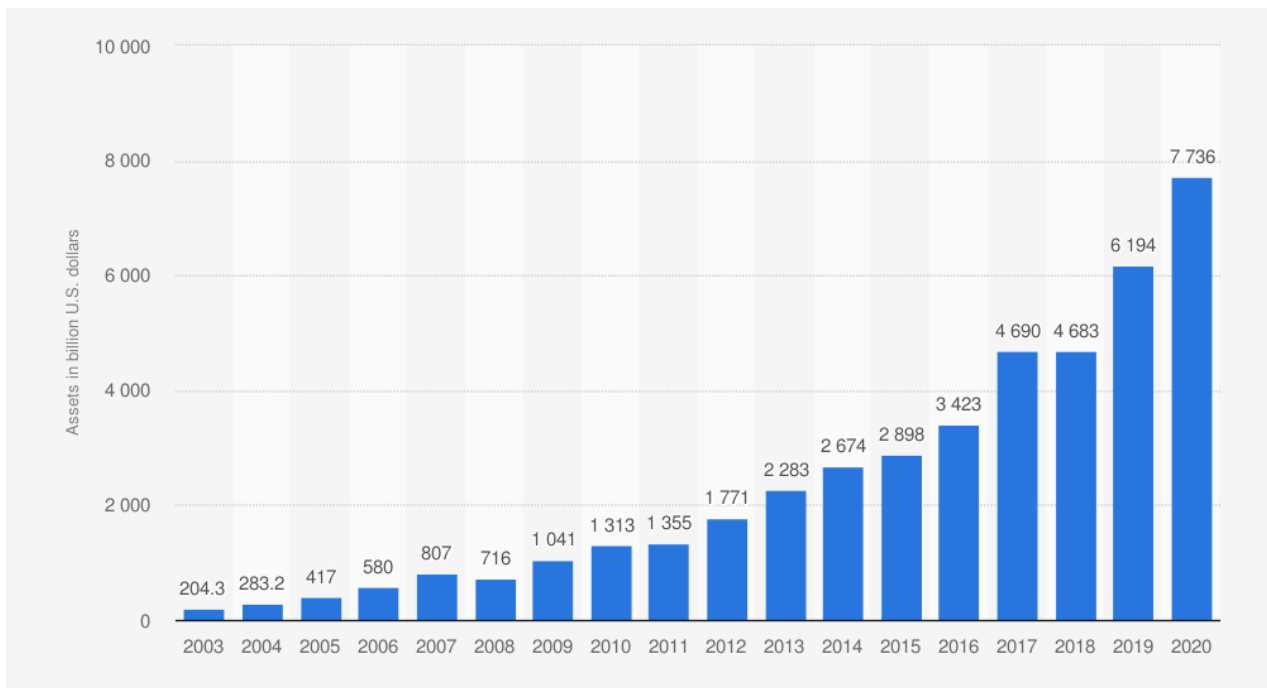


Figure 2: Development of assets of global ETFs from 2003 to 2020 [Source: Statista]

tutional investors in the past. The third major class of ETFs are commodities ETFs and others, e.g. VIX ETFs (Stevenson and Tuckwell, 2019, pp.33).

Germany: Since their introduction in 2000, the number of ETFs on the Frankfurt Stock Exchange has risen to over 1,500 in 2019 (Kühn, 2020a, p.13). This strong development can be seen not only in terms of the number, but also in terms of the amount of assets invested in ETFs. Annual growth rates of 20% are being achieved and at the end of May 2019, €550bn were invested in listed ETFs on the Frankfurt Stock Exchange (Deutsche Börse, 2018, p.1). The monthly Xetra trading volume accumulated to an average of €11bn in 2019, making Deutsche Börse the leading exchange trading venue in Europe with a market share of 28% (Kühn, 2020a, p.13).

2.2.2.2 Future expectations for ETFs

Since the beginning of the year, inflows into ETFs were three times larger than inflows into active equity funds (Meyer and Urbahn, 2021, p.1). Therefore, it can be assumed that the growth of the

ETF industry will continue, leading to an increasing displacement of active portfolio management. The largest inflows should continue to come from standard securities ETFs. Factor-weighted indices are also growing in demand and a trend towards active ETFs is discernible. Currently, European investors favor active ETFs and cryptocurrency ETFs in terms of ETF launches (Johnson, 2021). In general, a further expansion of the product range can be observed, which is expected to continue in the future. As competition continues to increase with more and more supply, the costs charged by issuers will continue to fall. The average cost of ETF shares fell by 22 bps between 2013 and 2018 alone (Kühn, 2020a, p.14).

Since ETFs have long been accessible only to institutional investors, the ETF market has so far been dominated by them. For example, it is assumed that the share of ETFs in Europe held by private investors is just 10% (Deutsche Börse, 2018, p.92). Due to new distribution possibilities, the share of private investors should gain importance in the future. Furthermore, so-called “robo-advisors” are

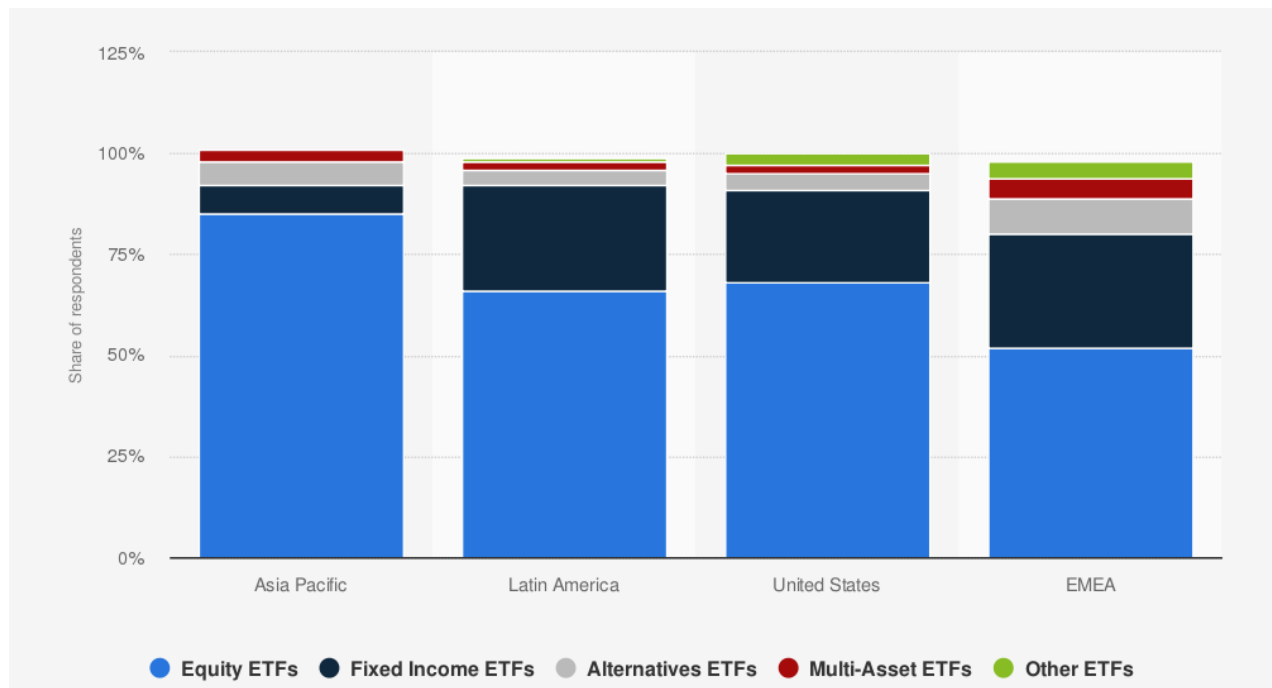


Figure 3: Distribution of asset classes held by ETFs worldwide in 2020, by region [Source: J.P. Morgan]

changing the distribution channels, of which ETFs are a part. Robo-advisors are often part of systematic strategies that largely rely on index products because of the aspects of simplicity and liquidity (Meyer and Urbahn, 2021, p.2) The trend to simple products will be further strengthened by the MiFID II (Markets in Financial Instruments Directive) financial directives, which have been in force since the beginning of 2018. The share of ETFs as a building block of a model portfolio or as a component of other products will continue to increase (Deutsche Börse, 2018, p.90).

The core-satellite strategy, for example, is an investment strategy that is implemented in whole or in part with ETFs. The main part (often around 80%) is invested in a broadly diversified, long-term core investment with low risk. The significantly smaller part (around 20%) flows into several, mostly short-term individual investments with higher return opportunities and thus also with a higher risk. The aim of the so-called satellite part is to achieve an excess return, also referred as alpha. In an ETF investment, for exam-

ple, the main part can be invested in an ETF share such as the MSCI World and the satellite part in ETFs with higher risk, e.g. in emerging markets or sector ETFs as well as in high-yield corporate bond ETFs. A combination of a passive core investment with an active satellite investment is also possible (Deutsche Börse, 2018, pp.51).

New investment vehicles like saving plans for ETFs, which are particularly used by private investors and with which investors can benefit from a compound interest effect, are accepted to be further broadened in the future (Eibl, 2008, p.181; Kühn, 2020a, p.6). Especially younger generations use savings plans for private old-age provision with passive products (Meyer and Urbahn, 2021, p.1). In relation to the overall market capitalization owned worldwide, ETFs make up only a small part of the total market. Even though ETFs will continue to rise, they are not estimated to take over the whole active market, but there will be a "natural self-regulating balance" between active and passive investments, according to experts' estimates (Stevenson and Tuckwell, 2019, pp.26).

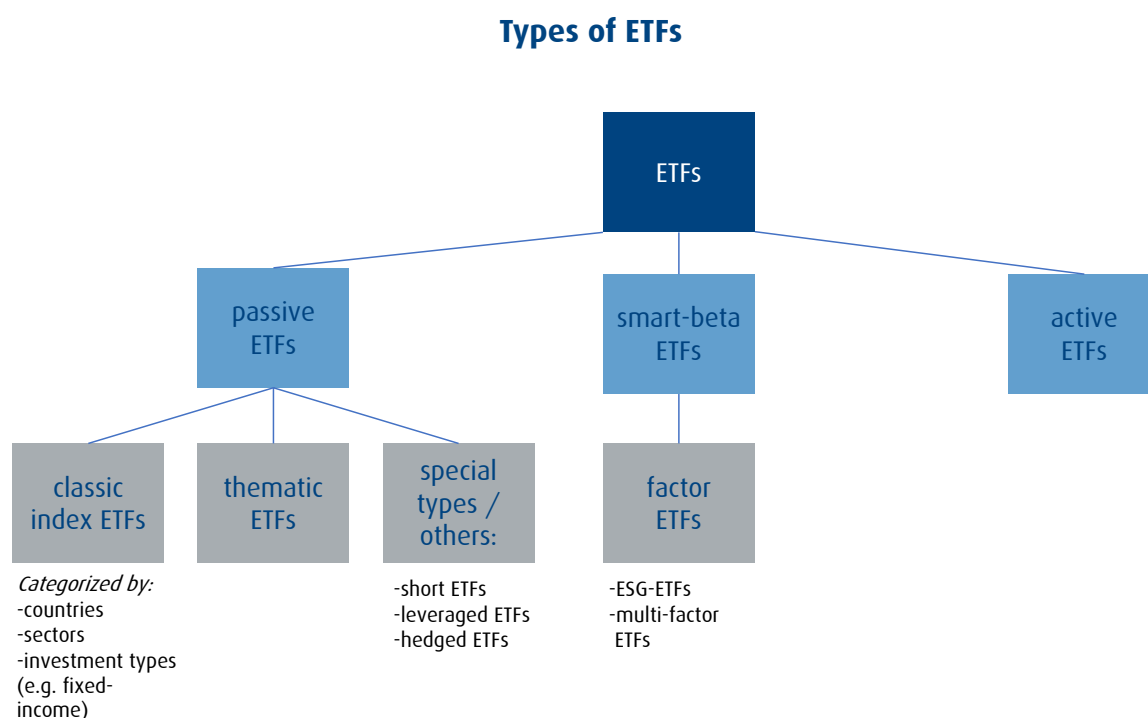


Figure 4: Types of ETFs [Source: own representation]

2.2.3 Types of ETFs

Not all ETFs are purely managed passively, as can be seen in figure 4. In addition to passive ETFs, which include among others fixed-income and thematic ETFs, there are also active ETFs and smart-beta ETFs, a hybrid with active and passive elements.

2.2.3.1 Passive ETFs

Since passive ETFs replicate a market by a given index, they hold the same securities at the exact same proportion and as a result, achieve the same returns as the market. Due to high automatization of the investing process, fees can be held extremely low (Riedl, 2015). An index can be compared to an imaginary portfolio that reflects a given market, showing changes that occur in the market it tracks (Frankel, Lumley and Hennessey, 2006, p.171). Indices can be used as a barometer for sentiment on stock markets. Indirect conclusions can be drawn about the economic future development of a sector or a country. A rising index price means that the companies in the index

are in a good upward position (Heinrich Jänner, 2018, p.365).

Classifications

ETFs are primarily classified by region, sector (e.g. finance, technology, pharma, energy or real estate), or asset class, where, besides shares and equity ETFs, bonds and commodities are the most in demand. Bond ETFs mostly relate to government or corporate bonds as well as to money market papers (Eibl, 2008, p.59). They bundle groups of bonds, allowing investors to get access to a broad selection of bonds with a single trade (Stevenson and Tuckwell, 2019, p.37). Due to a low interest rate environment, which will likely remain for even longer because of the Covid-19 crisis, corporate bonds are becoming more and more popular over the last years as they offer a yield spread to risk free bonds.

Besides the above-mentioned categories, ETF products, which deliberately exclude certain sectors (e.g. banking industry) or countries, are avail-

able on the market (Deutsche Börse, 2018, pp.18). One example is the "Screened Index", which screens out companies associated with problematic areas such as weapons or tobacco (Wiebe, 2021, p.37). Other ETFs focus on cross-sector megatrends, for example digitalization or robotics (Deutsche Börse, 2018, p.17).

Weighting

In addition to different classifications, the type of weighting also plays a central role in distinguishing indices. In index calculation, a fundamental distinction is made between price-weighted and capitalization-weighted indices, whereby weighting according to the market capitalization is applied more often. In a price-weighted index, the share prices of all stocks in the index are accumulated and then divided by the number of shares. An example is the Japanese benchmark index Nikkei 225, which is the most important stock index in Asia (Eibl, 2008, p.42). However, a price-weighted index has the consequence that shares with high prices are stronger considered in the index than those with low prices (Deutsche Börse, 2018, p.39). In a capitalization-weighted index, the weighting is proportional to the market value of a company. The market value is calculated from the number of shares issued multiplied by the current stock market price (Stevenson and Tuckwell, 2019, p.5). The DAX and the S&P 500, for example, are based on such a weighting (Deutsche Börse, 2018, p.39).

Examples of indices

Some of the world's most important shares indices are listed in the next paragraph. The MSCI World is published and calculated by Morgan Stanley Capital International and tracks the development of the world economy, containing over 1,600 companies from 23 countries (Stevenson and Tuckwell, 2019, p.96). The index is dominated by the finance and IT sector, especially by US tech stocks like Apple. Classified by country, the US make up around two-thirds of the index, the largest European representatives are the UK with 4.3% and

France with 3.4%. Overall, the top ten companies account for 17% of the index. With a focus on a long investment horizon, the timing of the entry is not decisive, as in the long term the prices of the weighty representatives of the world index have good chances of profit increases (Wiebe, 2021, p.36).

The MSCI Emerging Markets tracks over 800 companies from 24 emerging countries (Stevenson and Tuckwell, 2019, p.101). China (38%) and Taiwan (14%) account for more than half of the index. The dominant sectors are technology (20%), finance (17%) and irregular consumption (18%). The advantage is the return opportunities far from established markets, which are, however, strongly dependent on the risk appetite of investors (Wiebe, 2021, p.36). In contrast to the above-mentioned MSCI World, the MSCI Emerging Market is exposed to the risk of sharp price falls, resulting from the risk of lack of financing needs and political instability. A combination of both indices exists, in which the whole world economy is covered with nearly 2,500 companies (Heinrich Jänner, 2018, p. 370). There is no issuer risk with world indices, as most providers buy the shares directly and not via the futures market, as it is sometimes the case with less liquid shares (Wiebe, 2021, p.36).

The STOXX Europe 600, introduced 1998 by the STOXX AG (a subdivision of the German stock exchange), includes 600 large-, mid- and small-cap companies from 17 European countries (Heinrich Jänner, 2018, p.376). The 30, soon to be 40, largest German companies in terms of company value and daily order volume are represented in the DAX (Eibl, 2008, p.40). The S&P 500 is composed of the 500 most successful US companies in terms of market capitalization. It is often used as an indicator of the US stock market since over 75% of the US market capitalization is represented (Heinrich Jänner, 2018, p.379).

Thematic ETFs

Thematic ETFs focus on specific themes and trends, particularly on potential market opportunities, which are expected to be successful in the future. Thereby, thematic ETFs are not reduced to subsectors, but make selections according to structural or macroeconomic movements (Graytok, 2021). As at the end of December 2020, €51bn were invested in thematic ETFs in Germany, making up 9% of the total invested volume in stock ETFs. Especially the health and technology sector as well as trends like eSports, artificial intelligence (AI) and blockchain technology were popular investment topics. The latter recorded a success mainly due to the generally growing demand of cryptocurrencies such as Bitcoins or Litecoins (Graytok, 2021). Although returns of up to 50% in 2020 were achieved, thematic ETFs usually have higher cost ratios and a return average below the one of classic indices such as the MSCI World (Capital, 2021, p.114). However, the mapping of thematic investments can lead to valuation distortion for some individual illiquid small caps, as small caps are often used disproportionately in theme vehicles (Meyer and Urbahn, 2021, p.4).

Hedged ETFs, leverage ETFs, inverse ETFs

Other variants of passive ETFs are for example hedged, leverage or inverse ETFs. **Hedge fund ETFs** aim to achieve a high return despite low costs and at the same time guarantee high liquidity by bringing together the advantages of hedge funds and ETFs. Nevertheless, many are restricted and less transparent than other ETF types.

Leveraged ETFs seek to benefit from the performance of leverage rather than the tracked performance of an index (Deutsche Börse, 2018, pp.29). Unlike conventional ETFs, leveraged ETFs are a higher-risk investment option but high returns can be generated (Stevenson and Tuckwell, 2019, p.83).

With **inverse ETFs** investors can bet on falling prices. The price movement of short ETFs is exactly

opposite to that of the underlying index (Eibl, 2008, p.126).

2.2.3.2 Smart-beta ETFs and factor ETFs

Most of the indices are weighted by quantitative criteria, such as volume or market capitalization. By using this method, an index can be dominated by only a small number of companies. **Smart-beta ETFs** use different methods and replicate alternatively weighted indices, which are not weighted by market-cap or price (Stevenson and Tuckwell, 2019, p.5). Smart-beta ETFs contain both passive and active investment elements. They either aim to outperform the market and thus, to achieve an above-market return, or to replicate it with less risk, which corresponds with the aims of active investments (Riedl, 2015). Hence smart-beta ETFs replicate an underlying index and therefore, come with the same advantages as passive ETFs, this investment product can be counted as a subcategory of ETFs. The construction differs from the design of purely passive ETFs, since smart-beta ETFs use additional data for the selection of securities as well as for the weighting of the chosen index securities. A replication of an index by using the “plain vanilla” method is not applied (Bloch, 2020). Beta indicates the volatility of an individual stock compared to the overall market. Often a master-tailored new index is generated to create a new smart-beta ETF. Once the selection process of finding and isolating factors to form an index is fulfilled, the smart-beta ETF tracks exactly the underlying index, similar to a purely passive ETF (Stevenson and Tuckwell, 2019, pp.42, p.50, p.54). This data is sometimes hard to obtain. Smart-beta ETFs charge higher fees, resulting from higher expenses, caused by less automated investing processes compared to truly passive ETFs, and less competition. Even though smart-beta ETFs have a higher cost ratio than classic ETFs, the overall fees charged are still far below the one of active investment opportunities (Riedl, 2020a).

Factor ETFs are further developed smart-beta ETFs and can be seen as a subgroup of them. With factor indices, an index is created that is modified from the market index and selects only those companies that meet certain criteria, known as factors (Riedl, 2020a). The shift away from classic index tracking towards using factors is called “tilt” or “bias” (Bloch, 2020). Mostly, there are either technical factors like momentum (e.g. share price movement), variance and risk (e.g. low volatility), or fundamental factors like growth, price-earnings-ratio or return on equity, that define the weighting of the index (Deutsche Börse, 2018, p.24). Additionally, size accounts to one of the most successful factors (Riedl, 2020a). The two factors growth, with its focus on growth stocks, and value, focusing on undervalued stocks, are among the most represented factors (Wiebe, 2021, p.37). Further thematic categories focus on economic exposure, ESG, interest rate exposure or size, e.g. small-cap (Stevenson and Tuckwell, 2019, p.56). The idea behind the selection of small-cap companies rather than choosing large- or mid-cap companies is that former are often underestimated and thus, overlooked (Bloch, 2020).

The possibility of several factors included in an ETF is available in so called **multi-factor ETFs** (Deutsche Börse, 2018, p.25). Since factors and in general smart-beta ETFs can be applied on variable countries and asset classes and usually do not correlate with each other, which makes a balance between an under- and outperformance possible, they got more and more successful over the last years (Riedl, 2020a). A basic approach is a composite index, which contains two equally split factors (Stevenson and Tuckwell, 2019, p.58).

ESG-ETFs

Sustainability ETFs are growing strongly in importance as investors are placing more and more emphasis on taking sustainability criteria into account, which include not only economic, but also environmental, social and governance factors

(Kühn, 2020a, p.3). This trend is also reflected in the volume of US\$ 288bn invested in ESG (Environmental Social Governance) funds and ESG ETFs between January and November 2020, representing an increase of 96% compared to the previous year (Fink, 2021). AUM of ESG ETFs on the Xetra trading venue rose to €23bn in 2019, more than tripling compared to the previous year. As a result, ESG ETFs were by far the fastest-growing category in the ETF segment on the German stock exchange in 2019. The assets of ESG ETFs in the European market have undergone exponential growth over the last five years (Kühn, 2020b, p.17). A study by the European Bank for Financial Services showed that 55% of those surveyed want to give greater consideration to sustainability criteria in their personal investment strategy (Kühn, 2020a, p.7, 17).

The sustainability of companies and funds is assessed by rating agencies on an ESG basis. In 2016, for example, “Sustainalytics” was introduced – an ESG rating by the fund rating company Morningstar for all investment funds and ETFs (Deutsche Börse, 2018, p.31). Index providers play a major role as they decide which companies fulfill certain criteria and count as ESG and as a result, “receive investments from ETFs” (Stevenson and Tuckwell, 2019, p.76). The MSCI World mentioned earlier is now also offered in different ESG variants, for example the “World Leaders” only contains companies with the best ESG scores (Wiebe, 2021, p.37).

New ESG ETFs are constantly created, specializing on specific topics and reaching high returns. For instance, there are feminist ESG ETFs or fossil free ESG ETFs (Stevenson and Tuckwell, 2019, p.78). As another example, 80% of the approximately 300 new ETFs launched in 2020 were classified as ESG ETFs (Riedl, 2020b).

2.2.3.3 Active ETFs

In addition to passively managed funds, also called classic index funds, there are actively man-

aged funds. Active ETFs are a special form of index funds and are actively managed but still have benchmark indices. In contrast to passive ETFs, which are objective and free of misjudgments due to the market taking over the function of the fund manager, the fund management has influence on the actively managed ETF. The fund manager has individual freedom of design in stock selection and can therefore deviate from the index to be tracked, e.g. excluding a specific stock or a sector (Stevenson and Tuckwell, 2019, p.42). The objective is to achieve a higher return by outperforming the market. However, there is also the risk of underperformance and the fees are higher than with passive funds due to the occurring management fees (Eibl, 2008, pp.11). Although active decisions are made by the management, as is the case with traditional actively managed mutual funds, active ETFs have a higher degree of transparency. As with other ETFs, designated sponsors provide buying and selling prices and thus support trading (Deutsche Börse, 2018, p.33).

The fact that active ETFs have grown in importance over the years can also be seen in the investment volume: as of 30 September 2020, US\$ 228bn were invested in active ETFs, more than twice as much as at the end of 2018. Even though this amount only accounts for 3% of the AUM of ETFs worldwide, active ETFs are the most popular ETF type in Europe (Johnson, 2021). One reason for their popularity is their transparency: in contrast to the majority of active managers, who disclose their portfolio on a quarterly basis, active ETFs are disclosed on a daily basis (Stevenson and Tuckwell, 2019, p.44).

Novelty ETFs are a relatively new investment vehicle in the ETF market. Their investment strategy is comparable to the one of active managers. Novel ETFs include the latest trends and invest in upcoming industries, e.g. marijuana industry (Stevenson and Tuckwell, 2019, p.45).

2.2.4 Process and functionality description

2.2.4.1 Replication method

Two different types are distinguished in applying a replication of an index: the physical and synthetic replication. In case of the former, shares are physically acquired or in case of the latter, the performance of the index is tracked by means of swap transactions (Deutsche Börse, 2018, p.2).

Physical replication

The **physical replication** can be further narrowed down in a full and a partial replication. As the names already indicate, the difference constitutes of the percentage of the replication. In case of a full replication, the complete stock index is replicated, which only is possible if the number of shares in an index is relatively low (Heinrich Jänner, 2018, p.350). For example, a full replication is possible for the DAX index, whereas the MSCI World index, constituting of 1,600 shares, cannot be fully replicated. To be able to replicate the index, all securities contained in this underlying index are purchased corresponding to the weighting of the index. In case of changes in the index composition, the weighting of those securities in the ETF are changed accordingly, also known as rebalancing (Deutsche Börse, 2018, p.13).

A partial replication only replicates a certain number of shares, which do not necessarily need to be part of the same index. A high correlation is sufficient. The method of replicating an index with representative securities is also referred as optimized sampling (Stevenson and Tuckwell, 2019, p.10; Kommer, 2018, p.232). By choosing only a certain number of shares representing the whole index, discrepancies between the performance of an index and the performance of a fund tracking that index, so called tracking errors, might occur (Heinrich Jänner, 2018, p.352). They are further an indication of the standard deviation of the differences between the returns of the index per day in relation to one year. The lower the tracking errors, the better is the replication of the index and less

performance deviations between the ETF and its underlying index occur. Partial replications, also referred as approximate replication methods, is of little importance in practice in the ETF market (Krautbauer, 2015, p.52).

Synthetic replication

Funds being **replicated synthetically**, trade intraday on an exchange like physically replicated funds (Stevenson and Tuckwell, 2019, p.11), but use derivatives, e.g. swaps, to replicate a certain index (Krautbauer, 2015, p.52). In a swap agreement, two parties, usually the ETF provider and an investment bank, enter a contract in which both agree on a delivery of performance. The ETF party agrees to hand over the performance of the collateral basket of shares to the bank or another swap partner and in exchange receives the performance of the index (Heinrich Jänner, 2018, p.355). In addition, the bank pays yields and dividend payments to the ETF issuer. Those payments are offset by the payment of swap fees and yields of the basket of shares to the bank.

Swap ETFs can be divided into two types: unfunded, which is more common and funded (Stevenson and Tuckwell, 2019, p.13). In an unfunded swap ETF, the collateral (basket or shares) is held by the ETF issuer itself, which is why only the ETF provider and the swap partner are involved in the swap process. Payment flows directly between the two (Krautbauer, 2015, p.62). In contrast, in a funded swap, the swap partner takes care of the collateral, which is deposited with an independent trustee and held on behalf of the ETF provider (Heinrich Jänner, 2018, p.356). As a consequence, the swap counterparty, usually an investment bank, receives cash instead of the collateral basket and exchanges this cash itself for the basket (Stevenson and Tuckwell, 2019, p.14).

Large-sized indices can be replicated more precisely than with a physical partial replication. ETF issuers provide more exposure to specific markets

which are difficult to access. Furthermore, the fee structure is lower compared to a full replication because less shares have to be acquired and trading at lower spreads is possible. Additionally, costs for rebalancing the composition of the portfolio due to changes in the benchmark do not occur as the ETF provider does not trade the shares of the underlying index (Stevenson and Tuckwell, 2019, p.11). The probability of occurring tracking errors is below the one of physical replication since the performance of the ETF is assured by contract. Beside the disadvantage of high complexity which makes a tracking not possible, a counterparty risk exists. Default of the swap partner can lead to a decrease in price and as a result, losses for investors (Heinrich Jänner, 2018, p.357). However, issuers of fully replicating ETFs often engage in securities lending. They lend the securities they have acquired to short sellers to generate additional income. By lending those securities, a counterparty risk also occurs by physical replications (Stevenson and Tuckwell, 2019, p.11; Deutsche Börse, 2018, p.15). Short sellers influence or even exploit the prices in the market (Boyde, 2020b). Although still widespread in Europe and Asia, synthetic replications are losing importance over the last years and the market share will continue to further decline in the future. Whereas nearly 60% of ETFs in Europe were replicated synthetically in 2011, the percentage steadily decreased over the years down to nearly 20% in 2017 (Stevenson and Tuckwell, 2019, p.13). Some institutional investors are not even allowed to purchase swap-based ETFs, especially in the US (Deutsche Börse, 2018, p.15).

2.2.4.2 Creation-redemption-process

ETF holdings can be increased or decreased depending on current demand with the creation-redemption-process. The process flow of the creation-redemption-process is shown in figure 5 on page 24. In contrast to investment funds, this process has no impact on other investors in the fund. It even has a positive influence for all inves-

tor regarding an increase in efficiency (Heinrich Jänner, 2018, p.361).

Investors place the order to buy a specific number of shares with the broker and from that point, have no further influence in the creation-redemption-process (Heinrich Jänner, 2018, p.361). The ETF provider compiles a theoretical securities portfolio with the aim of replicating the performance of the reference index as closely as possible. To replicate the underlying index of an ETF, authorized participants (AP) compile a basket of securities, also called creation units and thus realize the securities portfolio through securities purchases. The composition of the basket depends on the replication method. In case of a full replication, the underlying assets are replicated one to one. The AP delivers the basket to the ETF provider and receives the ETF shares in the value of the delivered securities in return. The process of forming new ETF shares and placing them on the secondary market is called creation (Deutsche Börse, 2018, p.74). Creation takes place when demands and consequently purchases of an ETF increase. This process ensures the tradability of the index, as it can now be sold on the stock exchange (Heinrich Jänner, 2018, p.363).

Vice versa, ETF shares can be returned to the ETF sponsor and the basket of securities is given back to the AP during the **redemption** process (Deutsche Börse, 2018, p.74). A redemption is occurring in case of a decrease in demand of the shares, resulting from a sell order from an investor (Heinrich Jänner, 2018, p.364). Unlike fund units at corporations, there is no redemption fee for investors when the units are sold (Eibl, 2008, p.18).

In case of a synthetic replication, an additional party, the senior market maker, is integrated into the process for the conclusion of the swap transaction. He or she enters into a swap agreement with the ETF provider and trades the ETF against the baskets of securities (Krautbauer, 2015, p.62).

An **authorized participant** (AP) is either a financial institution (usually large banks, e.g., Morgan Stanley or JP Morgan Chase) or a more specialized market maker but never an individual investor. An AP is able to manage complex securities settlement and is entitled to either create or redeem shares during the creation-redemption-process. An AP therefore has an agreement with an ETF sponsor, giving the AP the right to create / redeem ETF shares in the primary market. An AP plays the role of an agent, either on behalf of market makers or institutional clients (Novick et al, 2017). An AP ensures that the supply of ETF stock corresponds to its demand (Boyde, 2020a). Hence, the majority of the liquidity in the market is provided by APs (Chen, 2020). Furthermore, an AP arbitrages an occurring difference between the fund prices and the value of its holdings narrowing the difference between the share price and NAV (Net Asset Value). Through the arbitrage process the AP earns money and discounts in ETFs never actually occur (Stevenson and Tuckwell, 2019, pp.7, 43). As a result, APs have a direct influence on the price of the ETF, which is therefore coherent with the NAV (Boyde, 2020a).

Market makers (broker-dealer) ensure additional liquidity by “providing two-sided (buy and sell) quotations to clients” (Novick et al, 2017), either on their own initiative, at auctions or through quote requests from market participants (Schnorrenberg, 2008, p.151). Whereas an AP ensures liquidity only in the primary market, a market maker is also active in the secondary market (Boyde, 2020a). They are usually the initiator of the creation or redemption of shares. If an imbalance of orders exists, the market maker reaches out to an AP. Market maker obtain long or short position in ETF shares through secondary market trading. Additionally, market makers can act as an AP by creating or redeeming shares themselves (Novick et al, 2017).

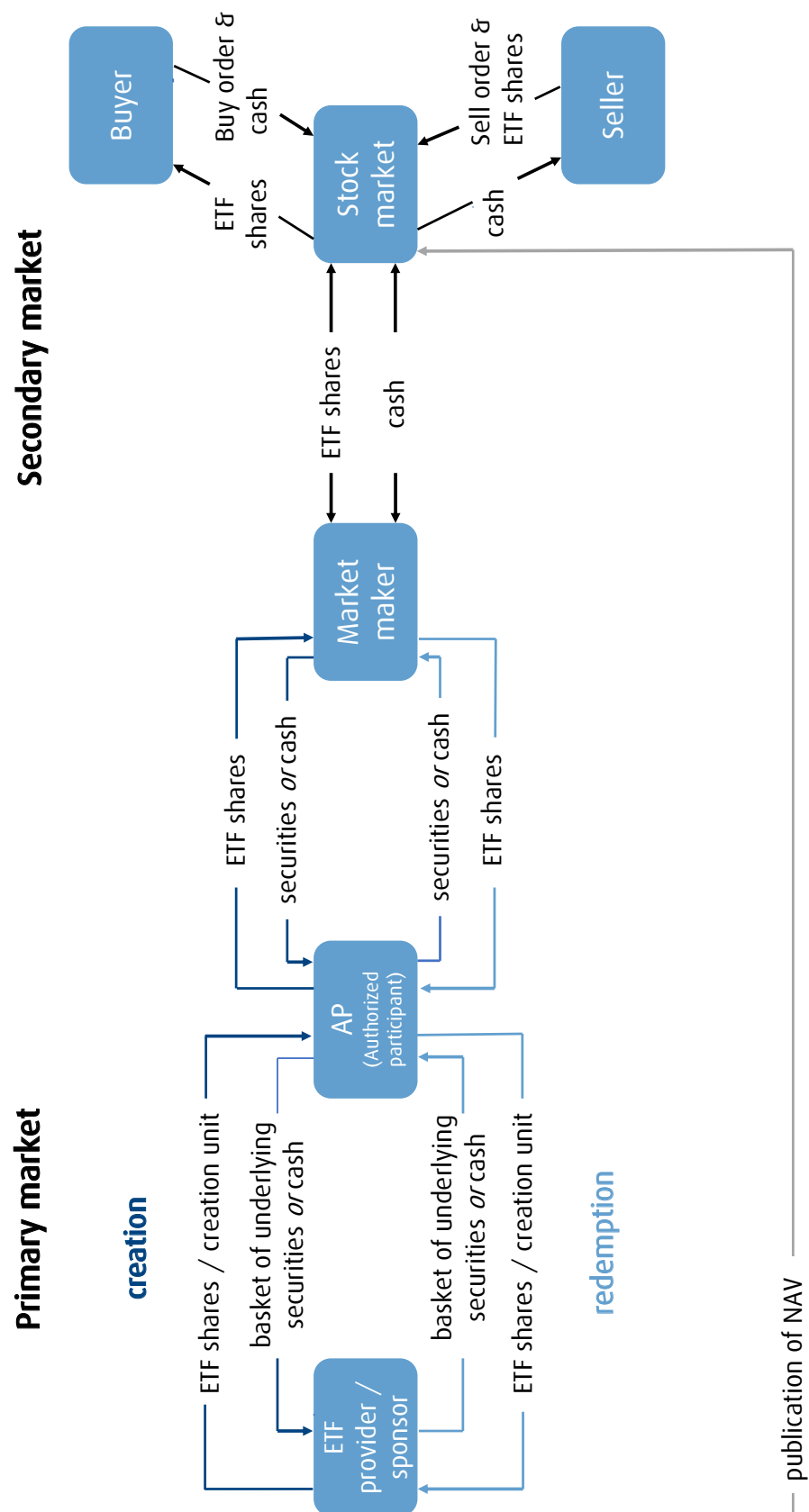


Figure 5: Creation-redemption-process [Source: own representation based on Boyde, 2020b]

In Xetra trading, market makers are known as **designated sponsors**. At least one designated sponsor commits for each ETF. Usually, around two or three designated sponsors are dedicated to one ETF, which can lead to more effective price formation due to competition between market makers (Krautbauer, 2015, p.58; Schnorrenberg, 2008, p.151). High requirements for those sponsors regarding the quality of their set courses are fulfilled with regulations of maximum spreads and minimum quotation volume (Deutsche Börse, 2018, p.74). Market makers are obliged to provide binding bid and ask prices for a certain minimum quotation volume for at least 80% of the Xetra trading hours (Krautbauer, 2015, p.57). Because liquidity is ensured, the spread is very low and is less than 0.1% for the high-volume ETFs on the well-known indices (Eibl, 2008, p.28). Market makers try to profit from any arbitrage opportunity but are not obligated to enter the market (Novick et al, 2017). Both, an AP and a market maker are market participants, who are using the technology to balance the supply and demand of ETF shares and therefore, ensure liquidity (Novick et al, 2017).

2.2.5 Advantages and points of criticism

Advantages

There are several reasons why ETFs have gained in importance so quickly in such a short amount of time. They form a combination of advantages of two investment forms: as with classic managed investment funds, risk diversification is achieved by spreading the investment. At the same time, ETFs, like actively traded shares, can be bought or sold in a matter of seconds at any time at the prices valid at the moment (Deutsche Börse, 2018, p.4). With a single transaction, investors can bet on an entire market, which underlines the easy use and simplicity of ETFs. Nowadays, nearly all asset classes are covered by ETFs, which leads to a wide range of possible investment opportunities for investors.

Another important factor for the success of ETFs is their low-cost structure. Management fees and the commission to be paid are significantly lower compared to classic managed investment funds (Deutsche Börse, 2018, p.5). The front-end load or issue surcharge of up to 1% is significantly lower than for traditional funds, where it can be up to 5% (Eibl, 2008, p.28). Therefore, the total expense ratio (TER), which includes annual costs such as management fees and costs for auditors, is lower for ETFs than for actively managed funds (Heinrich Jänner, 2018, p.386). On average, the cost of 40% of global ETF assets is less than 10 bps per year (Kühn, 2020b, p. 3). ETFs that track the major indices today often have annual costs of only 5 bps (Kühn, 2020a, p.16). Costs are even decreasing further with a tendency of annual fees of zero. In order to be able to offer plain vanilla ETFs with no annual fees, ETF providers engage in stock lending to be able to generate return (Stevenson and Tuckwell, 2019, p.15). This additional return comes from the fee, the lender (ETF provider) charges the borrower (Boyde, 2020b).

The high transparency is a key difference to traditional investment funds. The composition of an ETF is daily published by its issuer, whereas portfolio holdings of classic investment funds are only available on a quarterly basis (Balchunas, 2016, p.9). Transparency enables simple and at any time comprehensible price determination (Eibl, 2008, p.17). The indicative net asset value (iNAV) is an approximation of the fund's assets in the course of trading and because it is calculated at least once per minute, it contributes to a high transparency (Eibl, 2008, p.25). The iNAV is calculated by dividing the fund's asset by the number of fund units in circulation (Deutsche Börse, 2018, p.8).

High liquidity is ensured on the one hand by stock exchange trading and on the other hand by the creation of new ETF shares through market makers (Deutsche Börse, 2018, p.8). Liquidity is also

resulting from the fact that ETFs, compared to close-ended mutual funds, are open-ended and intraday trading is possible (Stevenson and Tuckwell, 2019, p.20; Balchunas, 2016, p.6).

In addition, ETFs generally have a higher risk diversification than individual shares or actively managed funds. Furthermore, a high level of investor protection is guaranteed (Eibl, 2008, p.17). In contrast to fund managers, who specialize in a few different shares or titles, ETFs are broadly diversified and contain up to 1,700 shares (Deutsche Börse, 2018, p.9). Even with a diversification of 50 different securities, the influence on the overall performance is significantly reduced and the investment risk is considerably lowered by such a sensibly structured investment portfolio (Eibl, 2008, p.24).

Since ETFs are part of the issuer's special assets, which is held in custody by an independent custodian bank, an issuer risk does not apply. In case of an insolvency of the issuer of the ETF, the assets of an ETF remain unaffected (Eibl, 2008, pp.26). Moreover, a reinvestment risk does not exist as there is no maturity date and ETFs are running indefinitely (Deutsche Börse, 2018, p.10).

Irrespective of whether the ETF is a performance or price index, investors benefit from profit distribution. Either in form of a reinvestment in the fund in case of an accumulating fund or in form of dividend payments in case of a distributing fund (Deutsche Börse, 2018, p.10). General, stable returns are expected, especially regarding the major indices, which have generated continuous returns over the last twenty years (Heinrich Jänner, 2018, p.388).

Points of criticism

In general, ETFs are a relatively low-risk investment option (Heinrich Jänner, 2018, p.392). Nevertheless, as with most other investment strategies, prices can develop differently than expected and

there is a general market risk. However, the losses triggered by this risk are relatively low due to the usually high diversification of ETFs (Deutsche Börse, 2018, p.54). Exchange rate risk is present in ETFs whose components are listed in another currency. Currency risk is a fluctuation risk and fluctuations in value can generally lead to losses (Heinrich Jänner, 2018, p.394). Nevertheless, investors can hedge to avoid this risk, which comes with higher costs or invest directly in hedged ETFs, where the costs for the currency hedge are already included in the management fees (Stevenson and Tuckwell, 2019, p.7; Deutsche Börse, 2018, p.54). Deviation risk can arise due to tracking errors. In the case of swap-based ETFs, the swap partner, usually a bank, may default, resulting in counterparty risk (Drobetz, 2020, 5:36). Anyhow, the risk is limited in Europe due to EU regulations. These stipulate that the value of derivative transactions may not exceed 10% of the NAV of an investment fund per counterparty. Some ETF providers require further hedging mechanisms vis-à-vis their counterparties, e.g. the deposit of securities. Physical replicating ETFs are also subject to counterparty risk if the management lends securities to institutional investors, which can then be used for short selling (Deutsche Börse, 2018, pp.55). However, this default risk due to securities lending is very low, as only investors with high collateral are selected by the management. Due to the existing liquidity risk, liquidation in times of falling prices can lead to losses when selling the units, therefore ETFs should generally be invested for the long term (Heinrich Jänner, 2018, p.394). Another risk, albeit very small, is the possible closure of an ETF.

Another criticism of ETFs is that they undermine the market's quality selection process by buying shares of all the companies in an index. This has the consequence that companies are also supported with capital that for various reasons should rather not receive any.

Empirical studies have shown that indices, which are primary dominated by ETF holdings lead to highly correlated stocks in the same index (Drobetz, 2020, 7:10). Correlation means that share prices move in the same way and the risk of a certain inefficiency in the markets could develop and price discovery processes could be disrupted. This occurring inefficiency cannot be exploited by arbitrageurs due to the high correlation between shares and indices (Drobetz, 2020, 8:02). This correlation leads to increasing volatility in the markets, which is reflected in sharp market movements and volatility spikes. Furthermore, information efficiency decreases, because with a decreasing part of active investors, less stock research is conducted, as annual reports and market rumors remain unnoticed by passive investors (Meyer and Urbahn, 2021, p.5).

In addition, the liquidity situation on the market is changed by passive investments. This liquidity is increasingly concentrated on a few, highly capitalized stock exchange companies and is shifting from the opening to the closing price. Closing prices can thus be distorted as many ETF transactions are executed at the closing auction in order to minimize tracking errors (Meyer and Urbahn, 2021, p.5).

ETFs are often criticized for reducing competition. Since their aim is not to maximize the value of each individual company but that of the entire index, this investment strategy shakes the foundation of the market-based system (Drobetz, 2020, 13:32). However, it should be considered that the idea of an efficient market would mean that it would be impossible to beat a 100% efficient market, so that everyone would just invest passively. This in turn would speak for the efficiency of passive investments (Stevenson and Tuckwell, 2019, p.29).

3. Fundamentals of investor relations

The following section deals with the area of investor relations. After a definition and classification in the corporate structure, objectives and different target groups of IR are described, followed by an overview of IR tasks and measures.

3.1 Definition of investor relations

“Investor Relations (IR) describes the targeted, systematic and continuous, primarily capital market-oriented financial communication with current and potential shareholders (equity IR), lenders (fixed-income IR) and corresponding opinion leaders (financial analysts, rating agencies, analysts’ advisors) about the company’s past, current and expected future business, taking into account the sector to which the company belongs and the overall economic context (Streuer, 2004, p.6)”. IR acts as an interface for financial communication between a listed company and the financial community, whereupon the company’s owners make up the main target group of this purposeful communication. A high level of understanding of capital market processes, especially on the stock exchange, is required to manage IR activities (Allgäuer and Larisch, 2011, p.243). Depending on the definition of IR, financial and equity marketing is considered as a part of it (Theilen, 2008, p.28).

3.1.1 Historical development of IR

IR as an independent organizational unit in its own right, detached from public relations, is a relatively young communication discipline and was not introduced in Germany until the end of the 1980s (Allgäuer and Larisch, 2011, p.243). In 1994, only 10% of German companies had their own IR department (Streuer, 2004, p.9). Similar to the development of ETFs described in chapter 2.2.2, the US were one step ahead. There, active investor communication was already well developed in the 1950s and the term “investor relations” was first mentioned in 1953 by the company General Electric. The IPO of the Deutsche Telekom AG in 1996 is considered as the birth of IR as an institution in Germany (Theilen, 2008, p.28). One important

driver for the growing importance of IR was the increasing influence of institutional investors in the 80s, triggered by the movement to privatize national industry (Frankel, Lumley and Hennessey, 2006, p.1). There is no German equivalent for the term IR until today as the term was simply taken over from the English language (Schnorrenberg, 2008, p.11).

3.1.2 IR in the corporate structure

Today, IR functions as a separate communications department with independent IR activities (Allgäuer and Larisch, 2011, p.243). In the corporate structure, it is directly subordinated to the CFO or CEO as a staff department (Schnorrenberg, 2008, p.14). IR is therefore involved at an early stage in all decisions affecting the company in relation to the capital market. It is not explicitly prescribed how IR is defined as an independent organizational unit. Besides the described staff unit, central units or completely independent business units are also possible types of organization of the IR department (Köhler, 2015, p.188).

3.2. Objectives and target groups of investor relations

3.2.1 Objectives of investor relations

The overall objective in financial communication is to achieve a long-term maximum **fair valuation** of the share price (Theilen, 2008, p.41). In addition, IR aims to realize a steady, slowly increasing share performance without high fluctuations (Allgäuer and Larisch, 2011, p.244) to reach a sustainable stabilization of the share price trend.

One major aim of IR is to **provide** the financial community with **information** that can be used to assess the development and value of the company. This information is communicated through legally required publications, such as the annual report, as well as through numerous other means of communication, like presentations or meetings. Shareholders are then able to make an investment decision based on provided, mainly economic

based, information by IR (Schnorrenberg, 2008, p.11, 244). That information, e.g. about the development of the company, should be communicated in a transparent, precise, complete and regular way as possible (Allgäuer and Larisch, 2011, p.244). Therefore, the continuous improvement of the information standards and information efficiency between the company and the capital market is one sub-target of IR in order to achieve a fair valuation (Streuer, 2004, p.22).

Conformance and performance of legal **transparency** and information requirements is a major objective of IR (Allgäuer and Larisch, 2011, p.244). It is important that IR ensures transparency and fair information for all market participants (Streuer, 2004, p.31). Transparency requirements are also increasingly imposed by the legislator on listed companies to protect market participants, in particular shareholders, and to avoid unequal treatment as much as possible (Schnorrenberg, 2008, p.11). IR tries to eliminate information deficits and to optimize the transparency level and thus, contributes to a fair valuation of the share price. Due to the fact, that IR activities directly influence the value of the company, it has a company strategic and value-adding function within the company (Allgäuer and Larisch, 2011, p.244). **Compliance** with the increasing legal requirements, e.g. with regard to corporate governance, is a further duty on the part of the IR department, which is directly linked to transparency requirements (Schnorrenberg, 2008, p.11).

Another major aim of IR is to **attract new investors and keep existing ones** for the company, primarily done through active IR communication. Thereby, attracting new investors is not only limited to the company's domestic country but includes globally expanding the contact base and as a consequence, increasing an internationalization of the shareholder structure (Schnorrenberg, 2008, p.14). In order not to have to constantly look for new investors, building up long-term rela-

tionships are essential (Frankel, Lumley and Hennessey, 2006, p.117).

Positioning and increasing the **awareness** level of the company and its share in the capital market as well as maintaining and improving the image are other targets of IR (Allgäuer and Larisch, 2011, p.244). Clarifying the future potential of the company is one key element in the IR communication (Streuer, 2004, p.21).

Other objectives can be subdivided into financial policy and communication policy targets. In addition to reducing the cost of capital and share price volatility, financial policy aims include the control of the shareholder structure and their loyalty, as well as protection against hostile takeovers and the preservation of capital-raising opportunities. Raising capital at the lowest costs possible, especially in case of capital increases, is another financial objective of IR (Allgäuer and Larisch, 2011, p.244). An expansion of free-floating shares contributes to an increase in shareholder value. The reduction of information asymmetries, for example, can be counted among the communication policy aims (Theilen, 2008, p.42).

Moreover, a balance, referred as expectations management, between internal planning regarding the development of the company and external market's expectations should be ensured (Schnorrenberg, 2008, pp.11).

3.2.2 Target groups

As the main addressees of communication, the focus is mainly on three target groups within the financial community: private shareholders, institutional shareholders, and multipliers, such as analysts, economic and financial journalists, financial advisors and rating agencies (Allgäuer and Larisch, 2011, p.245). Since each target group has different experiences and investment horizons and, derived from this, different expectations, a target group-oriented approach is necessary.

Private shareholders buy, hold and sell capital market products out of private interest and are a very diverse target group (Schnorrenberg, 2008, p.144; Vollbrecht, 2004, p.294). Despite of being the largest target group in terms of numbers, they have the lowest investment capital per shareholder. Consequently, they rarely exert influence on corporate decisions (Allgäuer and Larisch, 2011, p.245). Since they trade with their own money, they are not under pressure to perform, which is the case with most institutional investors. Their main investment motives are saving, provision or speculation purposes (Theilen, 2008, pp.113). They often have their interests jointly represented by shareholder protection associations such as the DSW (Deutsche Schutzvereinigung für Wertpapierbesitz), which on the one hand not only protect the interest of small private investors but are also regarded as contact partners for them. Due to the large number of this group, it is difficult to actively address them in person. Communication therefore mostly takes place via passive information channels, such as the IR website or via IR newsletters. A direct dialogue is only established when the shareholder actively contacts IR. The annual general meeting (AGM) usually is one of the few opportunities enabling a direct contact between the company and private shareholders. Private investors react to short-term fluctuations in the share price and to newspaper articles and thus, are “event-driven”. The advantage of this target group is their mostly high loyalty to the company, meaning that the shares of the mostly long-term oriented private stockholders are held for a comparatively long time (Allgäuer and Larisch, 2011, p.245; Schnorrenberg, 2008, pp.144). IR is required to present complex issues in a simplified way when communicating to private investors. Empathy also plays a role alongside factual argumentation since communication is often emotional.

Institutional investors are capital market participants who manage and invest capital amounts as institutions, whereby the financial resources

have either been entrusted to them by clients or are their own money. Unlike private shareholders, they are considered non-natural and therefore legal persons (Theilen, 2008, p.73). In contrast to private shareholders, they influence the events on the financial markets and thus also those of the company due to their extensive and large investments and disinvestments (Allgäuer and Larisch, 2011, p.245). This target group, whose participants are specialized in different areas according to their investment focus, includes among others, banks, investment firms and trusts, insurance companies, pension and hedge funds, family offices and foundations. They often choose their investment decisions based on information provided by analysts and therefore have a high amount of information (Theilen, 2008, p.97). Unlike with private shareholders, the contact consists of personal, regular, target group oriented, and direct communication. Public companies usually maintain close and, from the IR perspective, very time-consuming relationships with these investors. Institutional shareholders, e.g. fund managers or buy side analysts, have high expectations of the company and attach great importance to the expectation of returns. Non-performance can quickly lead to disinvestment (Allgäuer and Larisch, 2011, pp.245; Schnorrenberg, 2008, p.143). Fast but also in-depth information policy plays an important role with a high degree of continuity while being in contact with this target group.

Multipliers help reach shareholders with their expertise, as the company cannot personally address each of its shareholders. They support investors in their decision-making process through their target group-oriented information (Allgäuer and Larisch, 2011, p.246; Theilen, 2008, p.109).

Analysts publish studies on companies they cover and recommend actions on capital investment decisions for institutional investors based on the information which they have obtained. In the case of analysts, who usually specialize in certain sectors, a distinction is made between sell-side

and buy-side analysts. Hence, they act as a link between the company and its institutional investors, they are in regular contact with the company and also obtain their information from it (Schnorrenberg, 2008, pp.141). Their recommendations for action, which in addition to a description of the company also include future prospects and profit expectations, can have a direct impact on the share price and indirectly influence it, as well as the trading volume. As sell-side analysts have a great influence on the investment decisions of investors due to their multiplier effect and their high degree of specialization, they are very important for investor marketing (Theilen, 2008, p.111). Therefore, maintaining contact with analysts and continuously providing them with information is of great importance for the company.

Financial journalists, like analysts, are interested in following the company, but unlike them, they do not publish detailed studies, but are rather on the lookout for news. Press releases from the company serve them as an important communication measure in this respect (Schnorrenberg, 2008, p.142).

3.3 Description of investor relations work

3.3.1 Overview of IR tasks

The core task is to communicate reliable information regarding the past and future development of the company to the financial community. In addition, IR also communicates with other stakeholders and constituencies and has a strategic management responsibility to ensure a fair valuation of the company (Theilen, 2008, pp. 29). Attention should always be paid to a clear and unambiguously formulated communication style. In order to achieve credibility in communication, the target group-oriented approach should be capital market-oriented and comprehensible. Furthermore, attention should be paid to transparency with a focus on materiality and equal treatment. Continuity, in which attention is paid to the issues of topicality, compatibility and expectation manage-

ment, is another important factor of credibility (Theilen, 2008, p.54).

IR takes over the coordination of the content of mandatory publications and ensures that necessary deadlines are met (Allgäuer and Larisch, 2011, p.246).

Since the IR manager can be seen as the link between the financial community and the company, he or she has to ensure a steady exchange of information. On the one hand, IR absorbs, processes and circulates important information and feedback it receives from the capital market and passes it to the managing board. On the other hand, IR provides the capital market with the latest information of the company (Allgäuer and Larisch, 2011, p.246). IR is in regular contact with other communication divisions, e.g. public relations, of the company and helps employees with external client contact by means of communication guidelines. IR thus assumes an internal advisory role, which goes hand in hand with an accountability for comprehensive reporting of observations on the capital market and a self-reflection of its own IR activities (Streuer, 2004, p.63). Moreover, IR supports the strategy development within the company and helps communicating it to the capital market.

To attract new investors and to not lose the trust of existing ones, IR managers must constantly follow emerging trends in the market and be aware of the latest investor requirements (Kirchhoff, 2008, p.109). This involves a market analysis, including an assessment of the investor and shareholder structure (Streuer, 2004, p.46). Analyzing the competition and defining a peer group, which is intended to provide a best practice orientation from the company's point of view, are also part of strategic IR tasks. For investors, the classification of the company in a peer group offers a comparability based on multipliers and key performance indicators (KPIs) (Theilen, 2008, p.69).

IR managers have to make sure that the legal transparency and information requirements are fulfilled and necessary deadlines met (Allgäuer and Larisch, 2011, p.246). IR takes over the coordination of the content of those mandatory publications.

Setting up a proactive IR program and constantly communicating the strategy and targets undertaken to the financial community will benefit IR in the event of a crisis, as investors will be more supporting if there is good communication in advance. Defining goals and a plan on how these targets can be achieved and who, besides IR, will be involved, is a key element of the IR department (Frankel, Lumley and Hennessey, 2006, pp.115).

3.3.2 IR measures

To communicate with the financial community and to provide especially shareholders with information of the company, IR uses different instruments. Since the IR work is determined and prescribed by legal requirements, a majority of the IR instruments derive from those regulations. Therefore, the different IR instruments can be categorized into compulsory measures and voluntary measures (Allgäuer and Larisch, 2011, p.247).

3.3.2.1 Compulsory measures and legal framework

The tasks and work of the IR departments are determined and prescribed by a number of legal requirements, regulations and codes in various laws, e.g. regulations against market abuse (Allgäuer and Larisch, 2011, p.247).

The Stock Corporation Act (AktG) regulates the constitution of a public limited company, the duties of the annual general meeting and accounting obligations. In addition to the Stock Corporation Act, which is intended to ensure transparency with international standards through regular reforms, there are other laws that form the legal framework of IR. The Securities Trading Act (WpHG) contains, among other regulations, obligations regarding

ad-hoc disclosures, insider trading and directors' dealings. The Exchange Rules, which are required by the Exchange Act (BörsG), set out the legal framework of the exchange and its admission requirements (Schnorrenberg, 2008, pp.19, 23).

The German Corporate Governance Codex contains best-practice-rules that German listed companies can, but do not have to, comply with. Only the obligation to submit an annual declaration of conformity is mandatory (Allgäuer and Larisch, 2011, p.252). The Code is intended to provide investors with transparency on the rules applicable in Germany with regard to company management and supervision. Among other topics, measures regarding compliance, the development of own corporate guidelines and management and control structures as well as transparency in corporate communication are recorded (Schnorrenberg, 2008, pp.24). A distinction can be made between internal, e.g. remuneration or disclosure, and external behavior, such as ethical guidelines (Frankel, Lumley and Hennessey, 2006, pp.78).

Companies listed in the General and Prime standard are obliged to follow the index regulations and to comply with the highest international, European transparency requirements (Schnorrenberg, 2008, p.26).

Financial statements

The preparation and publication of an **annual report**, of which the minimum scope and contents are prescribed in the Commercial Code, is mandatory for all corporations. It is a key information source for shareholders and the capital market to obtain information about the strategy and success of a company and therefore, be able to obtain an impression of the asset and the overall financial situation. Consequently, it is one of the most important communication measures of a company and requires an intensive and long preparation period (Allgäuer and Larisch, 2011, p.248). Planning usually begins six months before

publication and a theme must be formulated and implemented in terms of design, which is often done via a design agency. A group management report, a balance sheet, an income statement, a cash flow statement, a statement of changes in equity, a segment reporting and notes are mandatory. In addition, a report of the supervisory board, a remuneration report, a corporate governance statement and an auditor's opinion must be included (Allgäuer, p.248). Furthermore, a forecast of expected future earnings and cash flows is also highly recommended (Frankel, Lumley and Hennessey, 2006, p.147). Most listed companies are also obliged to prepare their accounts in accordance with international accounting standards, which are dictated in the IFRS (International Financial Reporting Standards) in Europe. Companies following the German Corporate Governance Codex, must have published the report within a 90-day period and submitted it to the electronic federal gazette. The annual report is usually structured in such a way that an introductory letter to the shareholders is followed by the group management report, in which the company has a certain amount of freedom of formulation, followed by the notes (Schnorrenberg, 2008, pp.87, 92, 95).

For companies in the Prime Standard, the publication of an **interim report** and two **quarterly statements** is mandatory (Schnorrenberg, 2008, p.97). These have a similar structure to the annual report but are less detailed and do not have to be audited by an accountancy firm. The reports must be published at the latest after 45 days for companies following the German Governance Codex. Otherwise, the deadline is two months (Allgäuer and Larisch, 2011, p.249).

To avoid insider trading, directors are not allowed to buy or sell shares of the company during the closed period, taking place thirty working days before publication of the figures (Frankel, Lumley and Hennessey, 2006, p.12, 148). IR reminds affected persons of their trading ban prior to the beginning of the closed period.

In addition to the reports, a results presentation summarizing the financial figures and forecasts is also uploaded on the IR homepage. Furthermore, the company presentation with the current numbers is updated. Following the publication of the financial figures, a press / analyst conference will be held for analysts and investors and / or the financial media.

AGM

The annual general meeting (AGM), which takes place at least once a year, is the highest decision-making body of a public company. All shareholders are entitled to participate, are invited in writing, and vote on fundamental decisions (Allgäuer and Larisch, 2011, p.249). For the majority of shareholders, especially private investors, the AGM is usually one of the few ways to enter into direct dialogue with the company's directors and can also be seen as a chance to establish contact from an IR perspective (Frankel, Lumley and Hennessey, 2006, p.158). The AGM is subject to strict legal regulations, which is why a notary and another legal authority must be consulted, and places high organizational demands on IR. The discharge of the management board and the supervisory board, the appointment of the members of the supervisory board, the presentation of the annual financial statements, the election of the auditor, the resolution on the appropriation of the reported annual profit, amendments to the articles of association and measures to raise capital are prescribed by law (Schnorrenberg, 2008, pp.111, 158). The AGM must be convened by the management board at least 30 days before the AGM and is precisely prescribed in the stock corporation law. To protect shareholders from surprises, the agenda must be announced in advance. Every shareholder has the right to submit a counter-motion up to two weeks before the AGM, which the company must publish. The quality of the back office, which collects questions from shareholders and formulates answers for the board, is crucial to the process (Schnorrenberg, 2008, pp.114). A distinction is made between the ordinary AGM, which must take place within

the first eight months after the end of the financial year, and the extraordinary AGM. The latter only takes place in the case of unexpected events (Allgäuer and Larisch, 2011, p.249).

Analyst conference

Companies listed in the Prime Standard are obliged to hold an analysts' event at least once a year. The form of the event is not prescribed and often takes place in form of a conference call to explain the annual results (Schnorrenberg, 2008, p.103). In order for participants, usually mainly sell-side analysts, to arrive prepared at the conference, the new financial figures are announced the evening or morning before the event (Theilen, 2008, p.161). Since analysts are an important target group for IR work, as described above in 3.2.2, intensive preparation in advance of the conference is indispensable. As the outcome of future evaluations may also depend on the success of the conference, senior leaders from the divisions accounting, controlling and IR are present in addition to board members such as the CEO or CFO (Allgäuer and Larisch, 2011, p.250).

Financial calendar

A financial calendar drawn up in German and English for the duration of at least one financial year is mandatory for public listed companies in the Prime Standard (Allgäuer and Larisch, 2011, p.250). It lists publication dates of the annual and interim reports, the date of the AGM and the analyst's conference. Additionally, a conference calendar, which includes upcoming trade fairs and roadshows, can be published (Schnorrenberg, 2008, p.79).

Declaration of compliance

The management and supervisory board is required by the Stock Corporation Act to issue an annual declaration of compliance in accordance with the German Corporate Governance Code (Allgäuer and Larisch, 2011, p.252). This must be made permanently available to shareholders and can usually be accessed in the "Corporate Gover-

nance" section of the IR homepage (Schnorrenberg, 2008, p.24).

Authorization obligations

In the case of important news that may considerably influence the stock exchange price of the company, an **ad-hoc announcement**, as part of formal announcements, must be published. These events, which are unknown to those outside the company, are referred to as insider information and must, as the name already indicates, be published immediately, without culpable hesitation (Schnorrenberg, 2008, pp. 29, p.153; Gebauer, 2004, p.518). The aim is to minimize the amount of insider information and to avoid the risk of insider share trading by publishing ad-hoc announcements on the company's website (Allgäuer and Larisch, 2011, p.250). In determining whether an event is ad-hoc obligatory according to the law of the trade in commercial paper, the probability that it will occur must be sufficient. Significant structural measures, unexpected changes in management or changes in the dividend payment are examples for an ad-hoc announcement (Schnorrenberg, 2008, pp.31).

The acquisition and sale of shares by persons with outstanding management responsibilities is referred to as **directors' dealings** and is subject to notification and publication. A deadline of three working days after the transaction is concluded must be met (Allgäuer and Larisch, 2011, p.251; Gebauer, 2004, p.521). In addition to the members of the management and supervisory board, persons closely related to them are also obliged to report the following. The background to this is the knowledge advantage of people with management responsibilities, who could thus index the development of the company through their transactions. The notification obligation is intended, on the one hand, not to disadvantage other investors and, on the other hand, to take action against insider trading and market manipulation (Schnorrenberg, 2008, pp.40).

Persons who have access to sensitive internal company information and thus have an information advantage due to their professional positions or other circumstances are referred to as insiders (Schnorrenberg, 2008, p.159). Listed companies are required by law to keep a **list of insiders** with personal information of the insiders. This list must be provided to the BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) at any time upon request and aims to facilitate the identification of insider trading (Allgäuer and Larisch, 2011, p.251).

If a shareholder of the company reaches a certain threshold of **voting rights**, this must immediately be notified to the company and the BaFin. The company as issuer is then obliged to publish this **notification** within three calendar days (Schnorrenberg, 2008, p.43). The background to the obligation is that the shareholder structure serves as an important decision-making basis for the acquisition or sale of shares from other market participants (Allgäuer and Larisch, 2011, p.251).

In addition to the above listed requirements, there are other special notifications that are subject to a publication obligation. In addition to the remuneration report of the board members, this also includes informing the public about special events. These include the convening of the AGM as well as announcements about the distribution of dividends and the issue of new shares (Allgäuer and Larisch, 2011, p.252). An announcement of capital increases is also a mandatory measure (Streuer, 2004, p.56).

3.3.2.2 Voluntary measures

Roadshows (1o1)

The most common instrument for a direct approach of investors is the roadshow. The company presents itself mostly internationally to the financial community (Schnorrenberg, 2008, p.100). The target group is existing and potential institutional investors, such as fund managers, whom the company is trying to convince of a (further) com-

mitment to the share (Allgäuer and Larisch, 2011, p.253). Roadshows are held, usually together with at least one member of the management board, not only in the important financial cities such as Frankfurt, London or New York, but also in other financial centers that are important for the company and its industry. Typically, roadshows are taking place in the period after the publication of financial results or other important proclamations and mostly in form of successive one-on-one (1o1) meetings. These meetings require intensive preparation on the part of IR, who also brief the board in advance to ensure a credible, professional appearance. During those briefings, IR plays the role of the counterparty to optimally prepare the board for the upcoming discussions. Databases, such as the information service providers Bloomberg or Refinitiv, are one way of identifying shareholders. Since the identification of shareholders who do not hold registered shares can be difficult, another possibility is to plan the roadshow with the help of third parties such as banks and "house brokers". These enable contact with potential new investors (Schnorrenberg, 2008, p.101). Usually, the top 40 shareholders are met each year, usually after the fully year and often after the interim results (Frankel, Lumley and Hennessey, 2006, pp.117).

At a "dog and pony show", the company presents recently issued securities to raise awareness by its investors. In addition to meetings at roadshows, business lunches or dinners, site visits, capital markets days as well as telephone or virtual conference calls are other ways of keeping contact with (potential) investors (Frankel, Lumley and Hennessey, 2006, pp.116).

Website

The IR website is one of the most important instruments for IR. Information is accessible to everyone from everywhere and can be transmitted in real time. Maintaining the information provided and present mandatory elements are part of the IR work. These elements include ad-hoc

and press releases, financial statements, financial calendar, information of the AGM, share information and contact details. In addition, analyses, presentations, a company profile (including a boilerplate) and a registration option for an e-mail or newsletter distribution list are usually obtainable (Gaulke, 2004, p.149). Furthermore, information on the share price, historic data, financial information, contact details and a list of board members, including their CVs, should be made available on the website (Frankel, Lumley and Hennessey, 2006, p.121).

The development of an **equity story** and placing it on the capital market is another key task of IR. When creating the equity story, the strategy and vision as well as the company's philosophy, culture and profitability should be communicated clearly and precisely, so that the DNA of the company is visible at first glance. First step is to transfer the strategy into an equity story.

A **factsheet** summarizes the most important information about the company for the financial community on one or two pages. The content, which includes among other topics, the boilerplate, equity story and company structure, is published on the IR website and must be updated regularly (Schnorrenberg, 2008, p.109). **IR press relations** are factual and based on economic data. Especially the annual press conference at which the management board presents the annual results of the company to journalists is of uttermost importance.

IR newsletter and shareholder letters are another IR instrument to keep shareholders informed about the latest information of the company and its shares (Allgäuer and Larisch, 2011, pp.253).

3.3.2.3 Special situations

During special company phases, such as IPOs, capital increases and decreases, takeovers or crisis, the attention and importance of IR is particularly high. With the latter two, the satisfaction of the financial analysts with IR usually decreases (Schnorrenberg, 2008, pp.53). To prevent this and not lose the trust of the financial community, a few principles of crisis communication should be followed. Early communication from the beginning may still save trust, as mistrust cannot spread for so long. Furthermore, by providing background material and information, an attempt can be made to prevent negative surprises that can affect the image in the long term. A plan should also be drawn up to determine who communicates with the outside world and information should always be provided with the "one-voice-policy". This policy ensures that only a previously defined group of people takes part in conversations with the public and thus minimizes the risk of misunderstandings and speculation (Streuer, 2004, p.53). It is important to keep the communication as simple as possible, following the "keep it simple" guideline. In crisis situations, partial successes should also be communicated to restore trust (Schnorrenberg, 2008, pp.72).

4. Influence of the ETF industry on IR work

After the theoretical fundamentals were described in the previous chapters, the following section is based on the survey and interviews conducted. With the help of the primary data collected, the influence of the ETF industry on the IR work is to be found out.

4.1 Hypothesis formulation

Due to the expected development of passive investments, the following hypothesis can be derived with regard to IR: The work of investor relations will be impacted by the growing ETF industry in the future but will not become completely superfluous.

This hypothesis can be broken down into two sub-hypotheses:

1. If the ETF and overall passive investment industry continues to further grow, as is expected and described in former chapters, this increase will also affect IR work to some extent.
2. However, this influence will not be so great that IR will no longer be needed.

4.2 Methodology

A collection of primary data is necessary, as secondary data sources cannot be used because they do not (yet) exist. The following methodological steps are carried out as part of the empirical part of the bachelor thesis: A questionnaire as the main data collection instrument has been set up to get a quantitatively broader insight of the sentiment of IR experts regarding the future of active investor relations work. Additionally, interviews are used as a method to obtain further qualitative primary data. Therefore, three IR experts have been consulted on the topic during 15-minute and 30-minute telephone and video interviews. The transcripts of these interviews are attached in annex 3 for further detailed information on the topic.

The target group are IR experts from all over Germany whose companies belong to the DAX family. Since the target group is very specific and the

number of potential respondents is very small compared to broader target groups, a suitable way has to be found to address as many people of this target group as possible. The DIRK (Deutscher Investor Relations Verband e.V.) is the German professional association for IR and the largest European professional association for the link between companies and capital markets (DIRK, 2021). Since (nearly) all German companies in the DAX group are members of DIRK, a promotion in the DIRK newsletter through a short teaser text with a built-in link to the survey is a good method to reach as many people of the target group as possible. The survey has also been advertised in the newsletter of the IR club, one of the largest IR associations in Europe (IR Club, 2021). In addition, emails are sent as a classic distribution channel to directly address IR experts. As social media is becoming increasingly important not only in the private but also in the professional world and a large group of people can be reached in real time, attention has been drawn to the survey via a post on LinkedIn.

Structure of the survey

The online questionnaire was created with and conducted via LamaPoll, an internet-based tool for surveys and questionnaires. The questionnaire consists of closed questions, which formed the largest part of the questionnaire, semi-open and open questions. For the closed questions, there are several answer options to choose from. In open questions, participants can freely formulate an answer of their own choice. Semi-open questions combine the former two variants. In total, the questionnaire consists of 27 questions, which are divided thematically into seven categories on seven pages. In addition to the topic of the question, the intro text explains the aspects of anonymity and voluntariness of participation in the survey. The questionnaire is attached in annex 1 for a detailed view of the layout and structure of the seven pages.

The first two questions are designed to collect information about the company that the respondent represents as an IR professional. The two questions are therefore rather general questions and do not yet touch on the research topic. However, they are interesting for the evaluation of the data regarding possible correlations. The second set of questions is intended to show how present the topic of passive investments is in relation to the working time of IR departments. The third set of questions deals with the topic of indices, index targeting strategy and inclusion criteria for certain indices. Contact with shareholders and the targeting of active and passive investors is dealt with on the 4th page. This is thematically followed by certain aims of IR and how important those targets will still be, taking into account the growing ETF industry. The penultimate topic revolves around the issue of the influence of the passive industry, especially on certain task areas of IR. The last set of questions summarizes the opinion of the respective expert regarding the strength of the influence and whether this is perceived positively or negatively.

4.3 Overview of data and analysis of questionnaire results

In this chapter, the data and results of the survey are presented. Overall, 41 IR professionals participated in the survey in the period from 23 February until 1 April 2021. However, the number of respondents varies from question to question from 2 to 31. Overall, 21 participants completed the whole questionnaire. The detailed results of each question are attached in the annex 2 at the end of this thesis.

In the first two questions, data regarding the company is collected. As can be seen in figure 6, the index that is least represented with five participants is the DAX. 19% of the 31 respondents are working in companies listed in the MDAX, around one third in the SDAX. Another third, equal to a total number of 10, indicates a different index membership than the DAX family. The indices represented are the Basic Board, the NYSE, the NASDAQ and the SPI. The TecDAX is, with a number of zero, not represented in the survey.

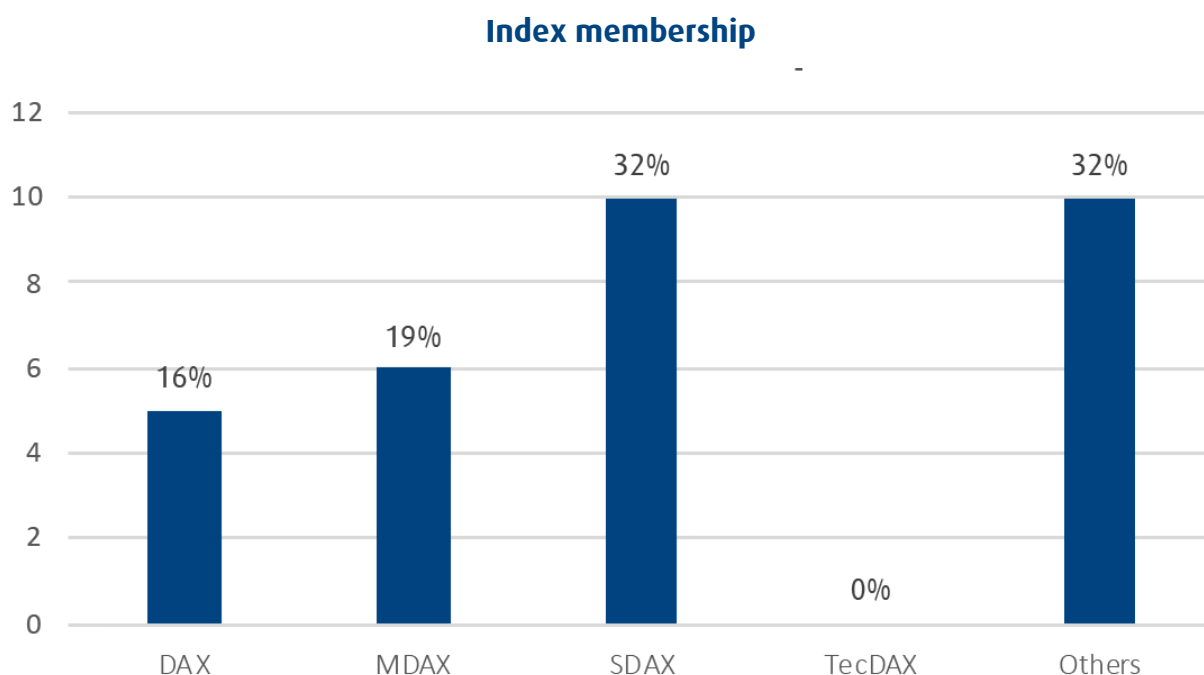


Figure 6: Index membership of the respondents [Source: own survey]

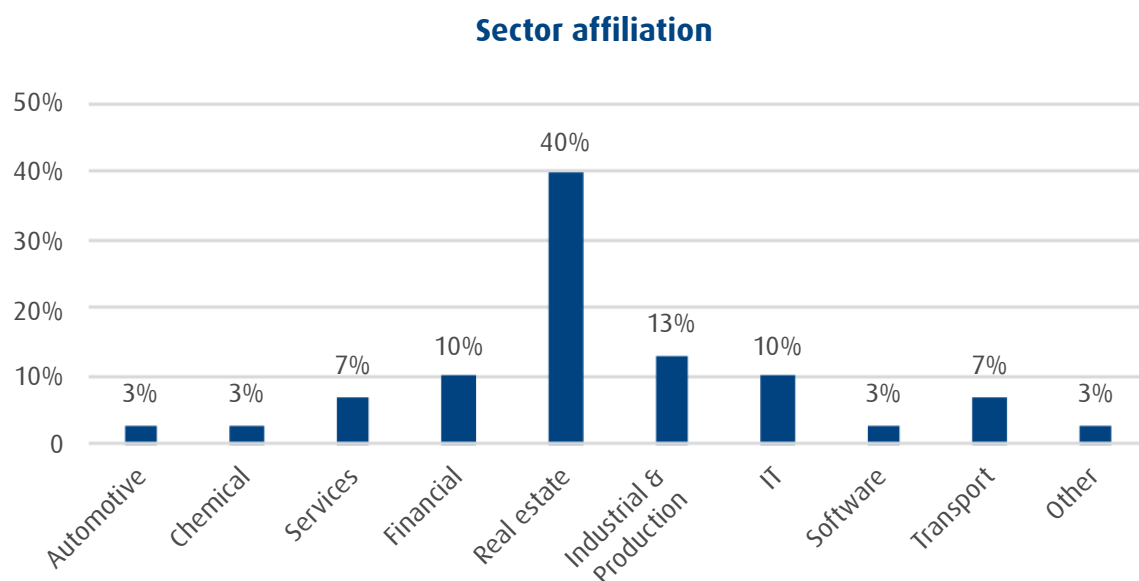


Figure 7: Sector affiliation [Source: own survey]

As an IR officer, events on the capital market are naturally followed. Therefore, it can be assumed that IR departments have been aware of and are following the growing trend of passive investment opportunities such as ETFs for years. In order to get an overview of how present this topic currently is

in IR departments, the proportion, which is dealt with ETFs in relation to the total working time, is asked at the beginning of the second page of the questionnaire. As can be seen in figure 8, the majority of 25 respondents spend around 5% of their current working time on ETFs.

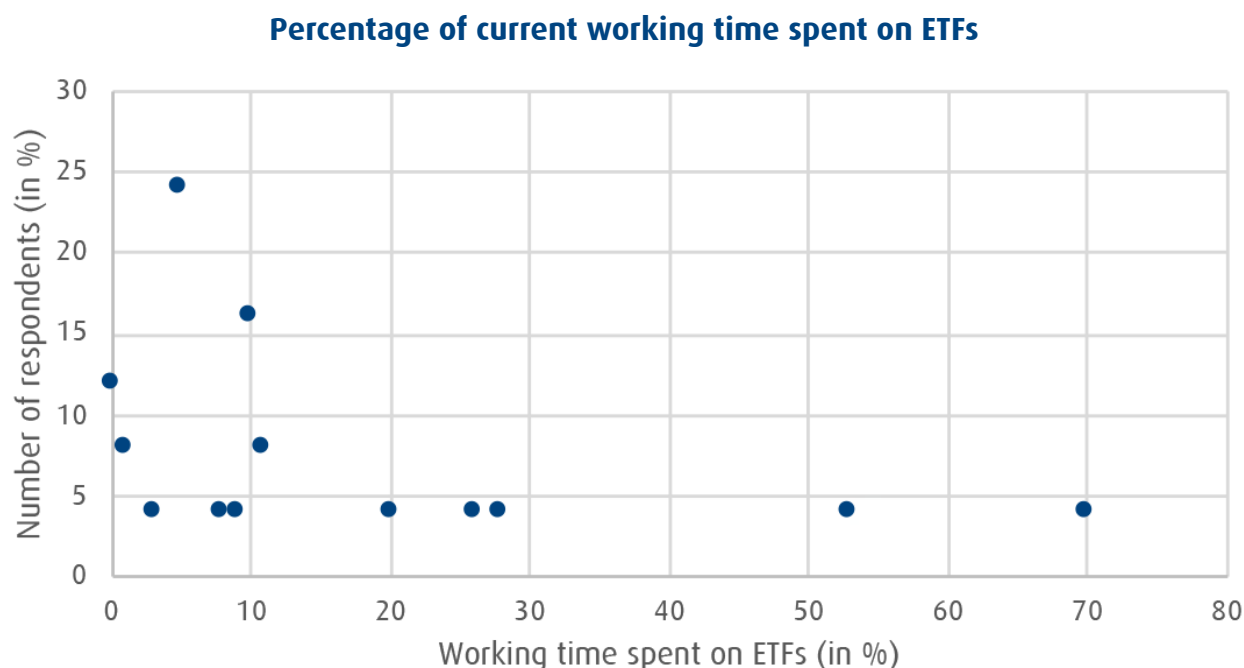


Figure 8: Percentage of current working time spent on ETFs [Source: own survey]

16% spend 10%. For 12%, ETFs are not a topic and therefore take up 0% of working time. For two respondents, the topic of ETFs takes up between a quarter and half of their working time, in total 26% and 28%. Two IR professionals even indicate a value of 53% and of 70%. However, this is rather the exception: almost half (48%) of the IR respondents deal with ETFs between 0% and 5%, 24% between 5% and 10%, 20% indicated a time period between 10% and 50% and only 8% of more than 50%, as can be seen in figure 8.

Two thirds (65%) of the 23 respondents expect the portion of ETF in relation to the total working time to increase, whereas one third do not expect any growth, as can be seen in figure 9.

When asked what percentage of working time the IR respondents will devote to ETFs in the future, the majority (28%) of the 18 participants of this question indicated a share of 15%. Overall, as can be seen in figure 10, the share shifts further to the right compared to figure 8. This means that passive investments will become more present for IR in the future, and IR professionals expect to devote more of their working time to the topic of ETFs. While

Will the percentage of working time spent on ETFs increase?

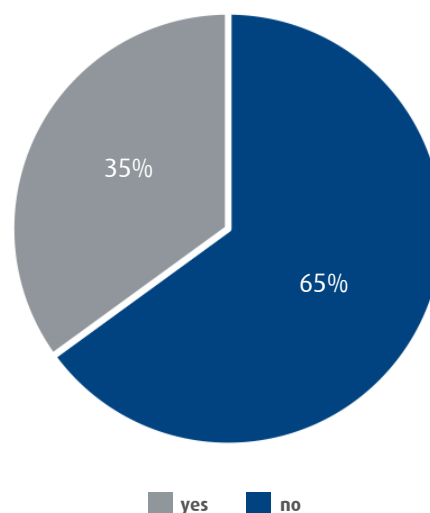


Figure 9: Future expectations of working time spent on ETFs [Source: own survey]

more than 10% of working time was currently only an exception among IR respondents, a majority of two third (67%) expect ETFs to account for at least one tenth of their working time in the future. In contrast, around 33% expect the future share to be 5% or less, of which 17% indicate a value of 0%. The minority of 6% expects a value of 10%.

Estimated percentage of working time spent on ETFs in the future

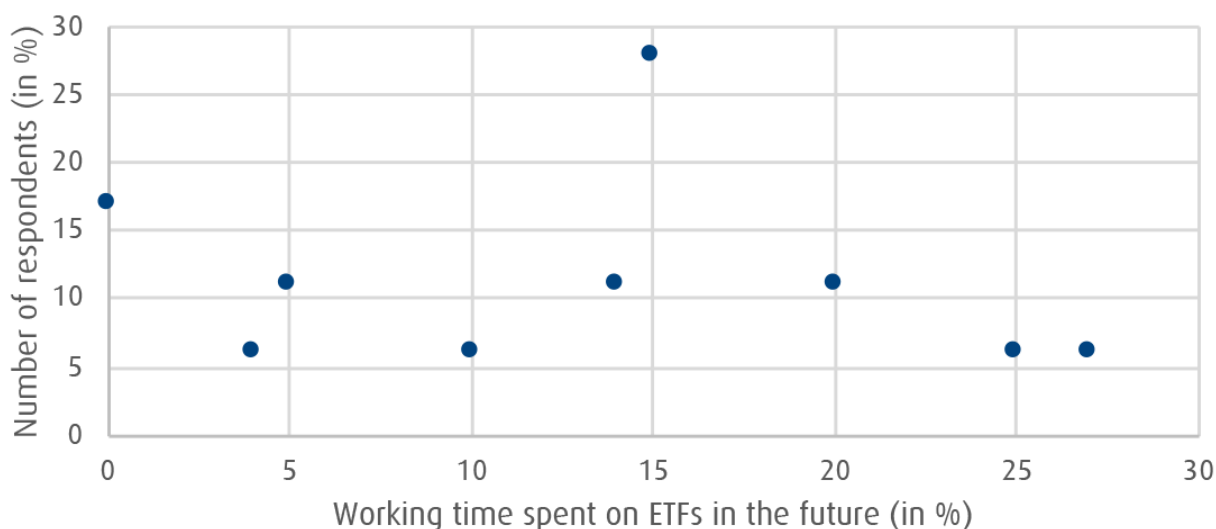


Figure 10: Estimated percentage of working time spent on ETFs in the future [Source: own survey]

Comparing the current main tasks of IR professionals in relation to ETFs, it can be summarized that most activities are of a rather passive nature. These include tasks such as monitoring the news, understanding market movements and the implications for one's own company, as well as identifying the investment approach and its impact on IR. Tasks including active elements are monitoring the shares held by ETFs and meeting information needs. Very few IR professionals have active tasks as their main task when it comes to ETFs. In addition to tracking the development in relation to the real index, these consist of identifying in which ETFs and indices the company is included and which potential ETFs there are that could be considered as buyers of the company's shares. Nevertheless, for the majority of IR departments, the main tasks evolve from classic IR work for the company and are only marginally tasks which specifically deal with ETFs.

Since ETFs track the performance of an index, it is becoming increasingly important for companies to be included in large, liquid indices in order to thus get on the radar screen of ETF providers. To get

Active tracking of which indices the company is listed in

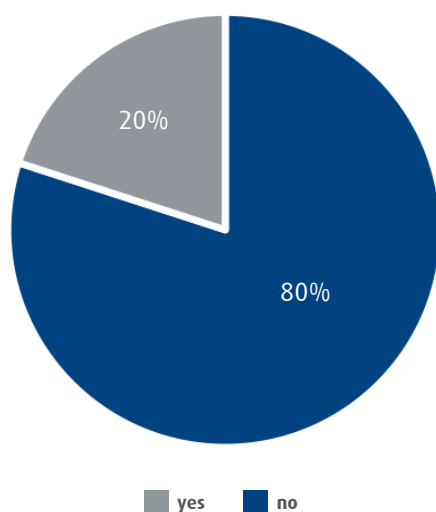


Figure 11: Active tracking of indices
[Source: own survey]

an overview of how present the topic of indices in IR departments is, the third page of the questionnaire thematically focuses on questions about indices. 80% (16 out of 20 respondents) say they actively track which indices their company is listed in. In contrast, as can be seen in the graph below (figure 11), active tracking does not play a role for 20% of the respondents.

A clear majority of 86% (out of a total of 7 participants) can imagine to actively follow which indices the company is listed in. Only one participant does not see this as a possible IR task in the future (see figure 12)

Likelihood to actively track in the future in which indices the company is listed in

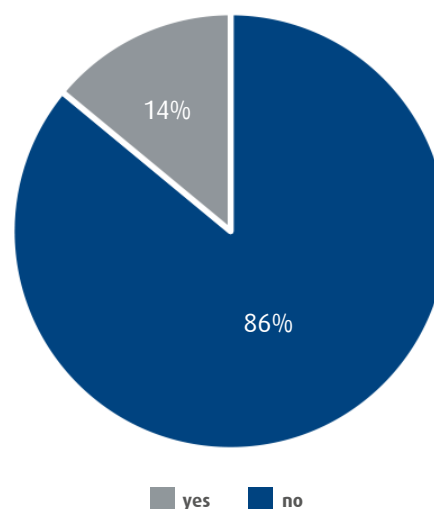


Figure 12: Likelihood to actively track in which indices the company is listed in
[Source: own survey]

In addition to tracking listings in indices, an active index targeting strategy can be established and followed. An index targeting strategy is an active strategy to get included in certain indices as a company. As can be immediately seen in figure 13, very few IR professionals (10%) currently follow such a strategy. A clear majority of 90% (18 out of 20 respondents) do not currently have a targeting strategy.

Pursuit of an active index targeting strategy

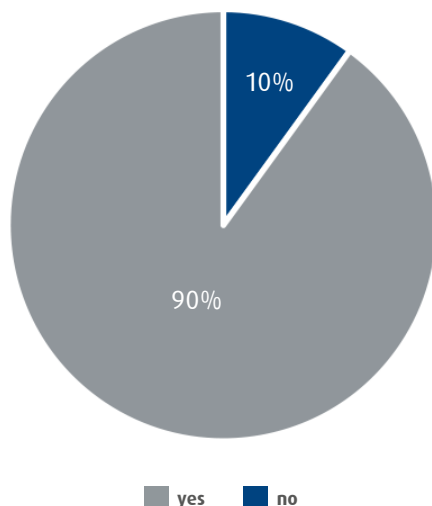


Figure 13: Pursuit of an active index targeting strategy [Source: own survey]

Are there any future changes planned to the active index targeting strategy?

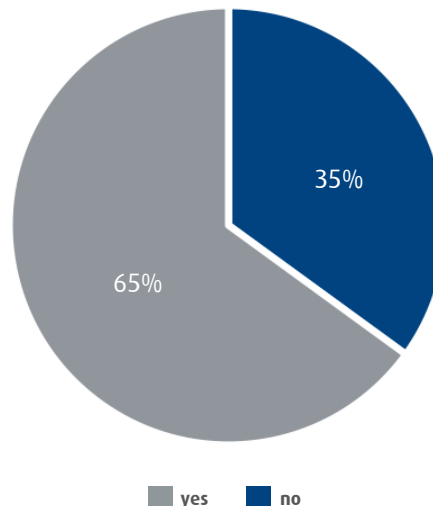


Figure 14: Expectations of an active index targeting strategy [Source: own survey]

On the one hand, this index targeting strategy is an attempt rather than a strategy to keep up with the development. IR analyses in which sectors the company is allocated and whether the company is included in the “right” sector indices. On the other hand, the strategy may involve increasing the liquidity of the share and the overall market capitalization.

In contrast to tracking the indices in the future, only a good third (35% of the 20 respondents) plans to make a change in their targeting strategy in the future. 65% say they will not adjust their IR strategy with regard to index targeting, as is illustrated in figure 14.

85% of the respondents can imagine that IR will be committed to fulfilling certain index criteria within the company in the future, such as ESG indices. For a small proportion of 15% (out of a total of 20 respondents), such a commitment to achieving index criteria in the company is not a likely option, as figure 15 shows.

Likelihood to support the fulfilment of certain index criteria in the company in the future

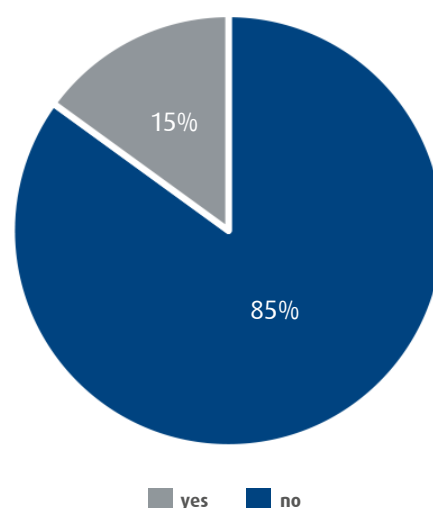


Figure 15: Likelihood for the fulfillment of index criteria [Source: own survey]

An even stronger majority of 90% (18 out of 20 participants) can imagine analyzing in the future which inclusion criteria are required for certain indices. Only for one in ten such an analysis is not conceivable, as can be seen in figure 16.

Likelihood to analyze in the future which inclusion criteria are required for certain indices

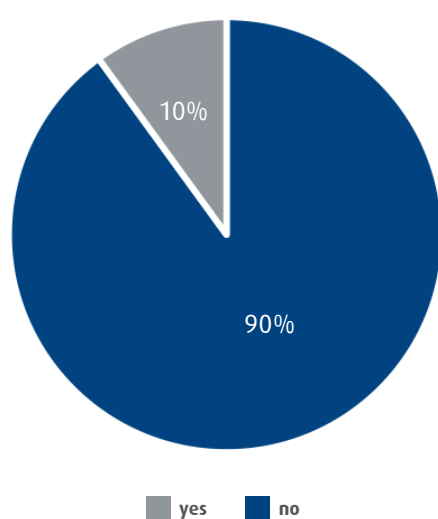


Figure 16: Likelihood to analyze required criteria for indices [Source: own survey]

Due to the growth in ETFs, a further increase in the share held by ETF providers in the company can be assumed. Half (10 out of 20) of the respondents say they know what percentage of shares are held by passive investors. The other 50% deny this, as can be seen in figure 17.

Knowledge of the proportion of shares held by passive investors

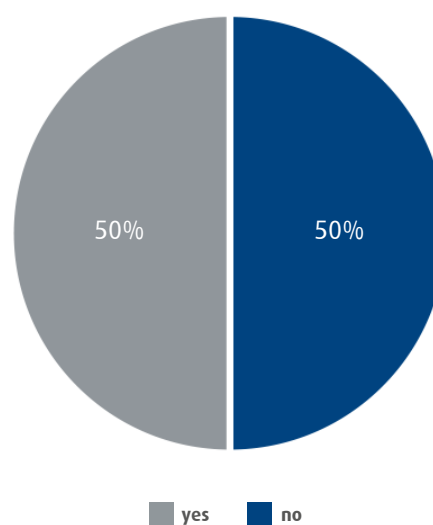


Figure 17: Knowledge of shares held by passive investors [Source: own survey]

(Estimated) proportion of shares held in the company by passive investors

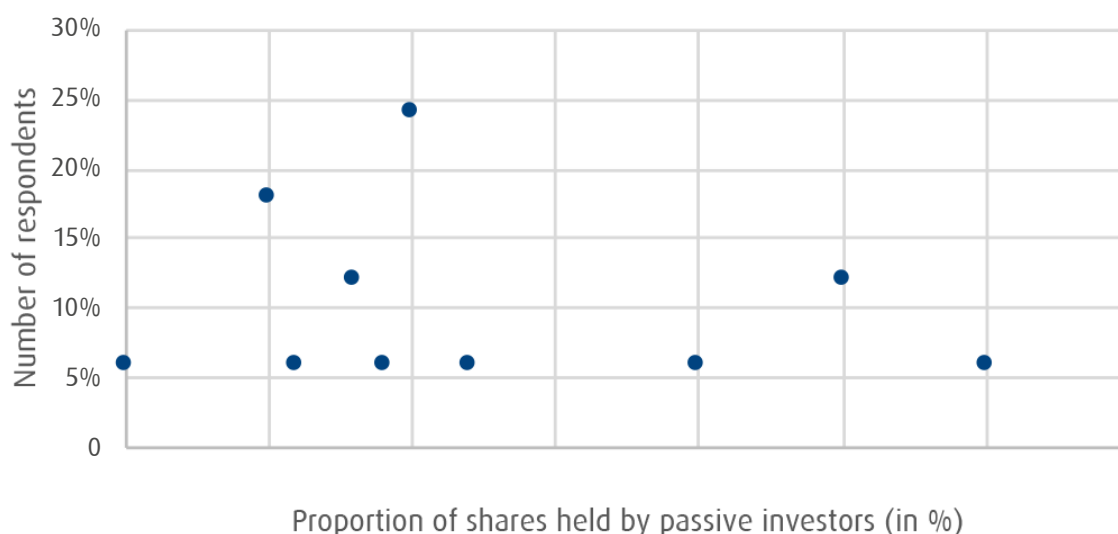


Figure 18: Proportion of shares held by passive investors [Source: own survey]

The (estimated) percentage of the company held by passive investors varies from 0% to up to 30%, as the graph in figure 18 shows. The majority (24%) of 17 respondents indicate a share of 10%. One person estimates the value to be 0%, which means that all shares of the company are held by active investors. 18% estimate the value of passive investors at 5%. Almost half (48%) of the respondents give a range of over 5% to 10%. The remaining 28% indicate a percentage of above 10%.

Contact to existing and potential investors is one of the main tasks of IR. Nevertheless, only one in ten of the IR respondents is in regular contact with ETF providers or with the sub-section of asset managers responsible for ETF products. 90% (18 out of 20 respondents) therefore currently have no direct contact (see figure 19).

Proportion of IR professionals who are in regular contact with ETF providers and asset managers responsible for ETF products

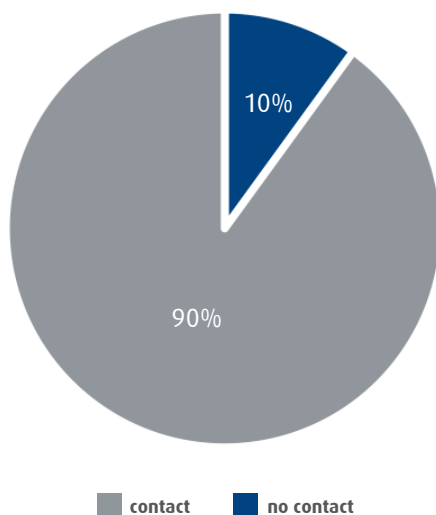


Figure 19: Proportion of IR professionals in regular contact with ETF providers [Source: own survey]

Regarding the future situation, half of the respondents (10 out of 20) assume that such direct contact with ETF providers will become more important, the other 50% do not expect this to happen, as can be seen in figure 20.

Will contact with ETF providers become more important in the future?

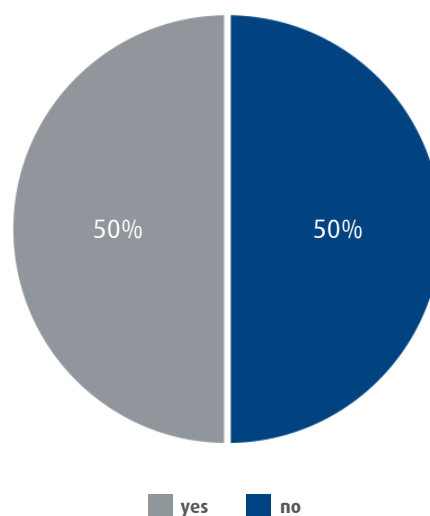


Figure 20: Forecast for contact with ETF providers [Source: own survey]

Looking at the future forecasts for classic investor targeting, the majority of IR experts (17 out of 20, 85%) do not expect a decline in relevance. Only 15% are of the opinion that classic investor targeting, such as contact with active portfolio managers, will take less time in the future because it will become less important (see figure 21).

Probability that classic investor targeting will become less relevant in the future

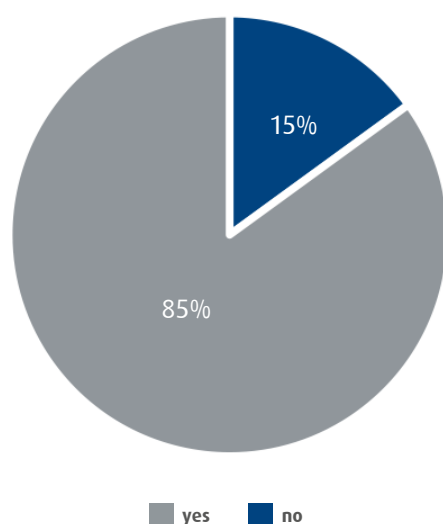


Figure 21: Forecast of classic investor targeting
[Source: own survey]

When asked how relevant certain IR targets will be in the future, taking into account the growing ETF industry, the following results emerged (see figure 22). Individual IR goals are to be classified from non-relevant to less relevant, neutral to relevant or very relevant.

70% of the 20 participants classify the placement of the equity story on the capital market as very relevant and 25% as relevant. This aim thus achieves the highest relevance in the survey. Increasing awareness of the company and its shares is rated as the second most relevant goal as half of the IR experts see this goal as very relevant. The goal of increasing transparency, e.g. through ESG indicators, is rated as very relevant and relevant by 45% respectively of the respondents. The fulfillment of requirements of institutional proxy advisors was also classified as at least relevant by

Relevance of the following IR objectives taking into account the growing ETF industry

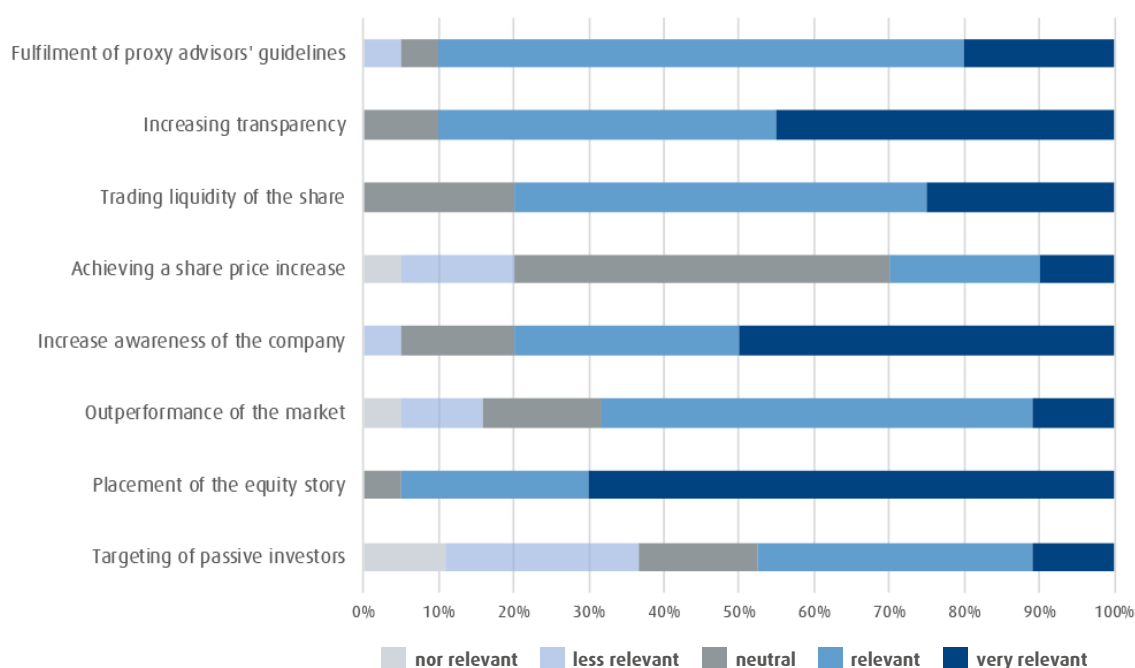


Figure 22: Relevance of IR objectives [Source: own survey]

90% of the respondents. Furthermore, the trading liquidity of the share continues to be seen as an important IR objective, as it is also classified

as at least relevant by 80% of the respondents. The outperformance of the market and the peer group is rated as not quite as relevant as the for-

mer objectives. Here, 69% of the participants see a relevance, while 16% are neutral towards the goal and another 15% classify this as less or not relevant. Significantly less focus will be placed on achieving a continuous increase in the share price in the future. As least important is the targeting of passive investors, compared to other IR objectives. 11% do not consider this objective to be relevant, a good quarter (26%) see it as less relevant, 16% as neutral and less than half (48%) as at least relevant. Consequently, the future estimation of this goal causes the most discord among IR experts, as there is no clear weighting and no clear majority of a relevance class.

The overall opinion is also divided on the question of whether the growing ETF industry will influence IR work to a greater extent. Half of the 20 participants answered yes, the other 50% do not expect a strong impact, as is demonstrated in figure 23.

Will the growing ETF industry influence IR work to a greater extent?

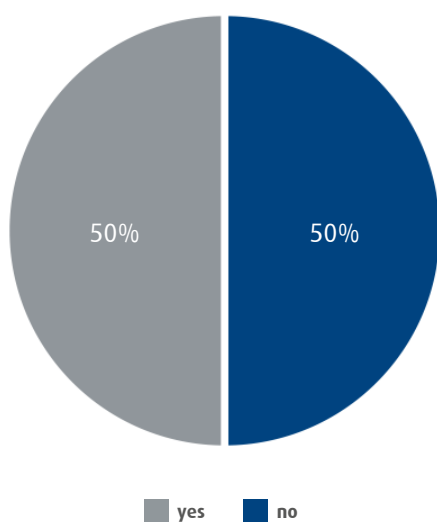


Figure 23: Likelihood of an influence of IR work by the ETF industry [Source: own survey]

When asked in which task areas this influence will primarily have an impact, the following assessments emerge among the 19 respondents. The influence on individual IR tasks is to be classified as no influence, slight, noticeable, moderate, or considerable influence. For each task area, all five levels of influence are represented. As can also be seen in figure 24, the majority of respondents do not expect a significant impact from the passive industry in any of the nine task areas. The impact is always rated as low by the majority of participants, with one exception: the majority (37% of the respondents) assumes a moderate influence in the area of corporate governance. Events for private shareholders will not or only slightly be influenced by the passive industry, according to 90% of respondents and is thus the least likely to be influenced. According to the survey, the ETF industry will have the second least influence on reporting. 63% expect no or only minor influence. Contact with analysts is also classified by the majority (58%) as having little or no influence, whereas 32% expect a strong influence. The influence on participation in conferences and the presentation of the company as well as on roadshows and investor meetings is also assessed almost identically (53% expect no or little influence, 32% at least a moderate influence). Regarding the AGM, almost half (48%) assume no or only little influence, whereas 37% expect a noticeable and 11% even a considerable influence. Active investor targeting as well as the representation of the company in databases such as Bloomberg are the two most ambivalent task areas: for both, 11% of participants see no influence and 37% see little influence from the ETF industry. For active investor targeting, about a quarter (26%) expect a noticeable influence, 21% a moderate and 5% even a significant influence.

Degree of influence on the following IR tasks

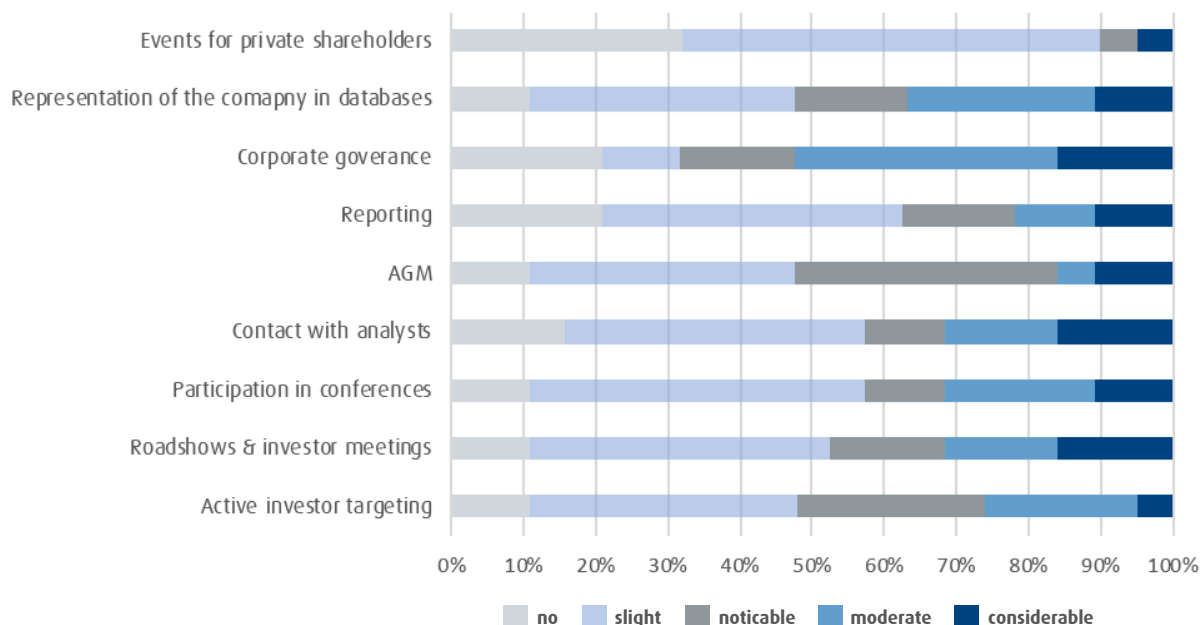


Figure 24: Degree of influence on IR tasks [Source: own survey]

The question of whether the majority of classic IR work will become redundant if the ETF industry can be expected to further grow is answered quite uniformly: 90% of the 20 respondents continue to see traditional IR work as important and do not think that it will become superfluous (see figure 25)

The motivations are different but can be broken down into two main lines of argument. The first is the expected development of active and passive investment. Active investment decisions are expected to remain the majority and there will still be active investors. IR work will continue to be of high importance, especially due to the high proportion of active institutional and private investors. As a result, IR based on individual shareholders remains a very important instrument. One opinion is that active management remains necessary and is even becoming more attractive again as the share of passive investments in the overall market increases, as this can lead to misallocations and exaggerations.

Will most of the traditional IR work become superfluous (taking into account a further increase in the ETF industry)?

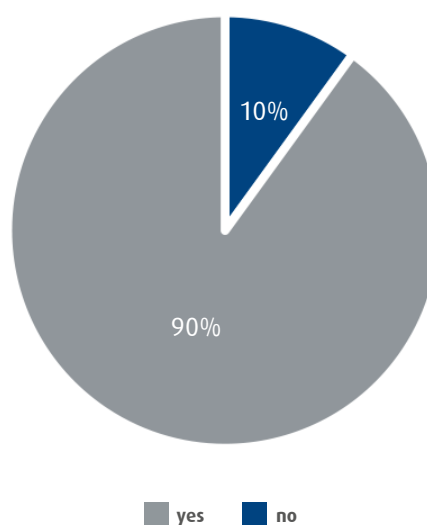


Figure 25: Likelihood of IR work becoming superfluous [Source: own survey]

The second is that the focus is on main functions of IR that respondents continue to expect to be necessary in the future, despite the potential influence of passive investments. These include, among others, basic functions such as creating transparency, fulfilling stock exchange obligations

and bridging the gap to the capital market. The individual positioning of the company remains essential and IR will still have to communicate how the company differs from others.

Nevertheless, some IR experts are expecting changes in the field of IR by the ETF industry: the equity story, for example, will remain relevant for smart-beta ETFs. Not everything will depend on indices, there will also be primarily thematic ETFs. Therefore, an alignment of passive products with actively managed products is expected to evolve. Critical voices see the development for IR in the future somewhat a bit more worrying: with increasing ETF investments, a large part of the funds will first flow to the large-cap companies before ETFs then also reach a larger part of the smaller companies and make active-managed portfolios the exception.

The result is even clearer when asked whether activities such as maintaining contact with actively managed funds and buy-side analysts in particular are considered to be at risk. 95% out of 20 respondents deny the statement, only one person agrees and sees a threat to this activity in the future (see figure 26).

Is the contact to actively managed funds and buy side analysts in particular at risk?

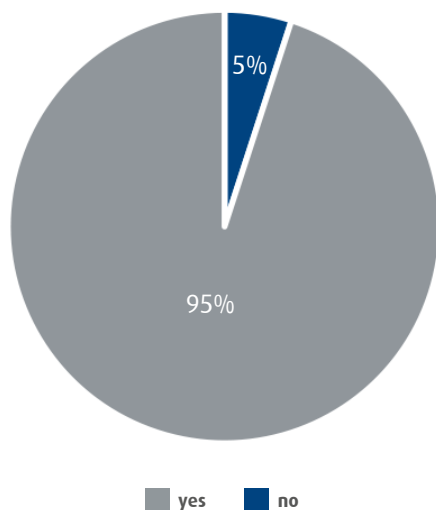


Figure 26: Forecast of contact to buy side analysts [Source: own survey]

Sentiment regarding the development of the ETF industry from an IR perspective

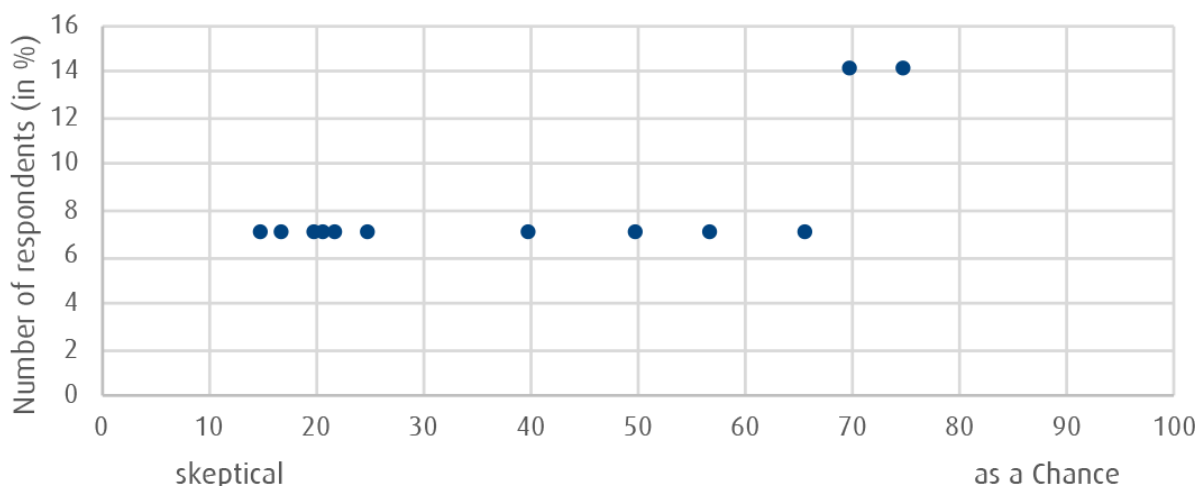


Figure 27: IR sentiment on the development of the ETF industry [Source: own survey]

The sentiment regarding the development of the ETF industry from an IR perspective is very diverse: the answers range from 15 to 75 (see figure 27), with the value 0 being seen as completely skeptical and the value 100 as an absolute chance for the IR work. 43% of the 14 respondents are critical of the development with values between 15 and 25. 29% see the trend as an opportunity with values between 50 and 70, and 14% are positive about future IR work with a value of 75. On average, the development is seen as neutral with a slightly skeptical tendency, with a median of 44.5.

Motivations for a rather skeptical attitude are, on the one hand, the increasing volatility. On the other hand, the focus would be too much on large, liquid indices. This artificially increases the pressure for M&A and growth. The rather neutral attitude comes from the conviction of the advantages of active investment strategies and from the statement that ETFs make up just 10% of open-end mutual funds in Germany and are therefore not seen as too threatening from an IR point of view. On the one hand, it is seen as an opportunity for IR work that ETFs promote interest in equity investments. On the other hand, active index targeting can be an opportunity to attract more investors, which can result in an opportunity for the overall IR work. In addition, although the tasks are becoming more complex, they are also becoming more exciting, which can also be seen as a chance for the future IR work.

At the end of the survey, an open input field is used to leave further ideas, suggestions or comments. One participant left the following comment: ETFs actively approach companies in the corporate governance area. There could be more meetings. In principle, however, ETFs are largely keeping a low profile.

4.4 Discussion of the results and recommendations

The following part first gives a summary of the current situation capturing the status quo and the sentiment of IR professionals before recommending measurements on how IR can prepare themselves and what the expectations of the development of IR work are in the future.

4.4.1 Status quo of the importance of ETFs

Importance of ETFs for IR

At the moment, ETFs are not seen as a major topic among IR experts and thus, the focus does not lie on passive investment products, which is also reflected in the average time spent on this topic. In average, less than 5% of the working time is spent on ETFs, but this percentage is expected to further increase in the future as the overall increasing development of passive investments is also forecasted to continue. The tendency is towards an average time spent on ETFs of 15%. The average 5% spent today are mostly tasks like understanding the market development and overall investment approach. Additionally, a small part of the time spent on ETFs is about analyzing in which indices and ETFs the company is listed in. There is usually no real active approach with regard to ETFs in IR departments. This is also reflected in the percentage (90%) of IR professionals which are not having an index targeting strategy (yet). From this it can be concluded that such an index strategy is not really important for the majority of IR experts and will not become a major topic in the future, as only one third would be willing to change this strategy in the future.

However, the situation is different for the topic of indices, which is much more present and therefore more important in today's IR departments. 80% of the respondents check the listing in indices and those, who do not analyze it yet, are likely to do it in the future. Additionally, a clear yes with regard to the future analysis of certain index criteria from an IR perspective is given. Moreover, the vast

majority states that IR is committed to achieve the fulfillment of those criteria in the company.

The fact that little working time is currently spent on ETF topics is also due to the fact that the range of passive investment products has become so diverse that it is difficult to maintain an overview of the product. Nowadays, there are more ETFs than shares available on the capital markets (Expert interview 1, 2021, see annex 3). To get an overview, intensive familiarization and tracking of different product types of passive investment opportunities is necessary. This in turn is associated with a large amount of work, which is currently not feasible for IR professionals due to the current low relevance of passive investment topics compared to other IR tasks. For this reason, the topic of ETFs is not yet important enough for IR departments to deal with it with such an intensity during working hours.

Despite of losing an overview, a certain sentiment of powerlessness with regard to the increasing passive investment industry is noticeable among IR experts. The impression occurs that a contact to ETF providers is kind of impossible. Therefore, it is hard to imagine for many IR professionals which activities will lead to an increase of time spent on passive topics.

Will the passive investment replace the active investment?

That the passive investment industry will continue to grow is indisputable. Until now, the growth of passive investments is unbroken and will further increase. Various drivers contribute to this development. On the one hand, pension money will further increase due to the aging structure of the world population and retirement provision becomes more important. On the other hand, due to the low interest rate environment, investments in shares, real assets and stock market products in general will remain a popular investment method. However, the likelihood that passive investments

will completely replace active investments will not happen. For this, the market is more active than one might think. "Only 20% of global equities are represented by index funds, including ETFs; large portions are not held by fund managers but rather by insurance companies and pension funds (Stevenson and Tuckwell, 2019, p.29)." Hence, as explained in chapter 2.1, the line between active and passive is very ambiguous, making a clear differentiation between active and passive nearly impossible. As described in chapter 2.2.3.2, smart-beta ETFs are not purely passive. Even an investment in a completely passive portfolio is not 100% of a passive nature, as the choice of the overall asset allocation and in which market to invest in, is still active. Another important aspect are the arbitrage opportunities arising from a further increase of the passive market (Drobetz, 2020, 9:34). In a 70% passive market, for example, there would be companies that are undervalued because 70% of the market would follow an existing market cap. This would generate numerous opportunities for active investors. Therefore, experts assume a self-regulating and self-correcting process. For market mechanism of efficient markets to work, investors who respond to new information that are influencing the share price and analyze companies in depth to look for new information and insights, are needed (Stevenson and Tuckwell, 2019, pp.29).

The role of ETF providers and proxy advisors

In view of the fact that the passive industry will continue to grow and there is already a feeling of powerlessness towards ETF providers and the overall passive industry, which will most probably further increase, there will be a call for regulations from the market. In case of a further increase of the power of ETF providers and proxy advisors, the market will claim regulations on transparency, as proxy advisors are already having an oligopolistic position in the market (Expert interview 3, 2021, see annex 3).

In 2019, between 15% and 40% of the shares of listed companies in the US were held passively (Yin and Barrientos, 2019) and those percentages are expected to further increase. If a higher portion of the company is held passively, this results in a higher portion of voting rights that are not exercised by the actual shareholder but rather by ETF providers, or in most cases, by a proxy advisor, who is acting on behalf of the ETF provider. Therefore, the question arises whether the election result at the AGM reflects to 100% the opinion of the shareholders. This concern arises because proxy advisors represent the majority and not the minority of opinions. An increase in the passively held share of companies would thus further strengthen the power position of ETF providers and proxy advisors. It is questionable how great the interest of ETF providers is in protecting shareholder rights in the interest of investors vis-à-vis the companies since passive investors lack the goal of exerting positive influence on the company in order to actively beat the return of the underlying benchmark. This is in contradiction to the increasingly important principle of active ownership engagement (Meyer and Urbahn, 2021, p.3).

One possible approach to stop this aggregation of power would be the following: ETF providers make it technically possible that the actual owners can exercise their voting rights. However, this raises the question of whether a private shareholder, e.g. an 85-year-old person, wants to vote about the remuneration of the board members at the AGM. The aspect that many private shareholders do not even want to exercise their voting rights but are happy if this is done for them by third parties, must be considered. The solution could be that ETF providers give shareholders the possibility, but not the obligation, to exercise their voting rights. In cases where those rights are not wished to be exercised, proxy advisors still vote for them. Overall, this disintermediation, that the intermediary slowly steps back and gives the control back to the small investors, could reduce the absolute

power of ETF providers and proxy advisors (Expert interview 3, 2021, see annex 3).

4.4.2 Recommendations on how IR can prepare itself

However, regulations for more transparency and to curb the power of passive investments are measures that primarily affect the entire market and cannot be influenced by IR. The question is what IR can do to prepare itself and the company for the impact of passive investments. First of all, it must be said that the best approach or one ultimate solution method to be perfectly prepared does not exist. There are too many different factors, such as the size of a company, that make it impossible to lump all IR departments together and give instructions for one "right" course of action. Nonetheless, depending on the individual situation of the company and the IR departments, there are various ways in which IR can prepare itself for such an upcoming impact. The following recommendations should be seen as an inspiration rather than an ultimate guidebook on how to be best prepared.

Overview of the percentage held by passive investors

A first approach is for the IR department to get an overview of the percentage of the part that is passively held. Currently, only half of the IR experts surveyed know how large this proportion is. With registered shares, a shareholder identification makes it possible to get the information about the percentage that is passively held on the company. ARUG II helped making these shareholder IDs simpler and less expensive for companies. Via such a shareholder identification, an increase in the passive shares was noticed by most of the companies (Expert interview 1, 2021, see annex 3). This proportion will continue to increase due to the general development of the passive market already mentioned above. Depending on the outcome, a decision can be made whether a change in certain actions is necessary. IR should critically

question whether the time spent on certain activities is spent wisely. If, for example, 80% of the shares are held by passive investors, the consideration should be whether less time spent on classic active investor targeting activities would be more useful. Focusing on other activities related to passive investors would also lead to a more efficient use of resources, such as human capacity. Less time on roadshows would not only free up time for IR, but also for the board, especially the CFO. With such a high proportion of passive investors, this freed-up time could, for example, be used for establishing contacts to those passive investors or for analyzing what information this target group in particular needs.

Active index targeting strategy

Setting up an active index targeting strategy is another approach, but, depending on the overall company strategy, it might be more important for some companies than for others. Especially for large cap companies it could become a topic in the future. Factors such as transparency and knowledge of indices and criteria can be key elements for the implementation of a successful index targeting strategy (Expert interview 3, 2021, see annex 3).

Analysis in which ETFs and indices the company is listed in

In general, knowledge in which ETFs the company is listed in, will become an important factor for IR departments. Currently, many companies only know in which indices they are listed, not in which ETFs. Anyhow, it is difficult to get this information as ETF providers do not publish them. To obtain the information if one is listed in an index, companies have to pay to receipt that information. At the moment, this is seen with low priority for many IR departments.

The situation is somewhat different with regard to indices. Companies in general know that the index affiliation depends on factors like free float.

Many companies therefore try to work towards indices, e.g. by revenues. However, it is likely that a change will occur where revenues and free float are not the main criteria to be included in an index. Revenues are forecasted to become a less important selection criteria for indices in the future and criteria connected to ESG are very likely to gain in importance. There is a relatively high likelihood that analyzing which criteria have to be fulfilled to get into certain indices will become a task for IR in the future. This is reflected by 90% of the respondents who can imagine that such an analysis turns into a part of IR work. In the future, a pure analysis of whether an index inclusion depends on ratings or other factors will no longer be sufficient. The consideration of how these rating results can specifically be improved and how the company could be brought into position will be a further necessary step in relation to indices. Besides finding out which criteria are needed, actively working towards achieving those criteria will be essential, which is likely to be done by IR. This is also reflected in the result of the survey, in which 85% of the respondents would advocate for the achievement of, for example ESG, criteria in the company.

Objectives of IR

The fact that IR is in a state of change and is undergoing a slow transformation can also be seen in the shift in relevance of specific IR targets. IR departments will focus on targets which will become increasingly important. The topic of an **equity story** and its placement on the capital market will be one of the most relevant goals for IR across all sectors. Story-telling and placing the equity story are not only part of an active IR approach, but are also directly linked to the passive investment industry. In the future, it will become increasingly important to select the topics included in the equity story in such a way that it automatically gets on the radar screen of ETF providers. AI is used to automatically screen equity stories of companies for certain keywords.

It is therefore of great relevance for IR to pay close attention to the wording and set-up of the equity story. IR must consider in advance which thematic ETFs the company should be included in and then choose the wording so that the desired thematic areas are included. Therefore, actively looking out which thematic ETFs would be relevant for the company and what the selection criteria are is another activity that will become important for IR. Besides the placing of the equity story, **increasing the awareness level** of the company and its shares as well as increasing the transparency level are main targets IR will have to focus on in the future. In addition, the **fulfillment of institutional proxy advisor requirements** will become more and more important. As proxy advisors not only advise companies on e.g. governance issues, but mainly shareholders on how to vote at the AGM, they can have a major (indirect) influence on the company. As described above, their position in the market is quite powerful. This IR objective is therefore also directly related to the passive investment industry, as proxy advisors advise not only active shareholders, but also passive ones, which mainly include ETF providers. Consequently, IR departments should regularly review the published requirements of reputable proxy advisors, e.g. on remuneration, to avoid non-compliance that may result in a negative reputation for the company.

Nevertheless, the target of achieving a **fair valuation** of the company will remain the highest priority, as it is directly linked to the image of the company and how it is seen and perceived from the outside, especially from stakeholders. As a good image and reputation is essential to attract new investors and to maintain existing clients, IR will continue to try to close valuation gaps in order to achieve a fair valuation.

Targeting and contact to passive investors

Due to the rise of the passive investment industry, the shares that are passively held in the company will also continue to increase. This in turn has a

direct impact on the shareholder structure and thus sooner or later also influences the contact to and targeting of investors. The extent to which passive investors are targeted by IR in the future also depends on the decision of the board of directors as to whether this is part of the company's strategic goals and thus in line with the overall strategy of the company (Expert interview 3, 2021, see annex 3). However, contact with passive investors currently plays no role for IR, which is mainly due to the non-existent possibility of establishing contact with ETF providers. 90% of the respondents do not have contact to passive investors, such as ETF providers and asset managers responsible for ETF products. However, half of them assume that such a contact will be important in the future.

ETF providers do not allow contact with firms and do not even talk to active fund managers of their own company because they do not want to have subjective factors influencing their algorithms. These created algorithms are programs that automatically execute orders of indices and products, which were ones created. These algorithms should not be influenced by humans and should be rather independent. Since buy and sell orders are partly automated by algorithms and sales and purchases are dependent on certain criteria, there can be a high fluctuation of orders. If certain KPIs are no longer met or specific criteria no longer fulfilled, invested shares are quickly withdrawn (Expert interview 1, 2021, see annex 3). This creates a high degree of uncertainty, also for IR. Unlike active investors who have consciously decided to invest in the company's shares and to whom a weak performance phase can be explicitly explained in 1o1 meetings, IR cannot exert any influence on the investment decision of passively held shares. Consequently, loyalty, as is often the case with private shareholders (see chapter 3.2.2), does not exist and cannot be relied on from an IR perspective. Building trust and maintaining a long-term relationship to shareholders on the part of IR is completely absent in the case of passive shareholders.

Contact to passive investors could, as already briefly mentioned above, be made possible via regulations. These could require ETF providers to allow a certain type of contact with companies, in particular with IR departments. Currently, the whole topic around ETFs and passive investors is seen as kind of a black box due to a lack of transparency and information as well as no possibility to get in touch with those experts. Therefore, providers of passive products could be obliged via regulations to provide and hanging out certain information, so that more transparency is ensured, not only for IR but for the entire brokerage.

However, it might take some time before such regulations and supervisory measures come into force. In the meantime, trying to get in contact with investors who do not trade purely passive vehicles could be an option for IR. Those professionals, who actively compose a basket based on self-defined criteria and who then select the company (see chapter 2.2.3.3 for active ETFs), are more willing to engage with IR. Such an engagement could provide IR with the opportunity to better understand the mechanisms of passive and passive-active investment products. Moreover, information on what kind of selection criteria mostly play a role not only for indices but in that case for active ETFs could be obtained. Thus, an engagement with non-ETF-based passive investors, using the buy-and-hold strategy, is more likely to happen since they are more open to interact with management. Once bought into an investment thesis, they tend to stay invested for the long run, resulting in a more stable share price (Yin and Barientos, 2019).

Targeting of active investors

Regardless of whether, and especially to what extent, targeting of passive investors will become a major task for IR in the future, targeting of active investors will still be relevant. A reduction in time intensity is only estimated by the minority (15%) of the respondents. In general, the way of reaching out to investors and staying in contact with

them has changed over the last years. Video conferences now make it possible to meet at relatively short notice. IR experts do not have to fly around the globe to meet investors for an update call. This allows investors to approach IR quite spontaneously and to request a meeting. The trend towards more video conferencing and virtual meetings has been accelerated by the Covid-19 crisis. In the future, it is assumed that contact to investors will remain more virtual and that less travel will be necessary than it was the case before the Covid-19 crisis. Yet, this does not mean that these contacts will become less important. Rather the opposite will be the case: the number of companies listed on stock exchanges increases worldwide, except for Germany, where a contrary movement can be observed. Resulting from this, more companies compete for investors and a decreasing number of active portfolio managers, trying to get their attention (Expert interview 1, 2021, see annex 3). In order to profit from trading liquidity, an improved targeting of active investors is necessary as the proportion of passive shareholders increases (Yin and Barientos, 2019). Some experts suspect that the time IR spends on classic investor targeting could even increase, as a decrease in the number of fund managers could mean more research effort for IR to find out which investors could be interesting for the company. However, this would be somewhat contrary to the original conviction that if investors are using their tools wisely and put in the "right" numbers into their systems, they will come across the companies that are relevant to them of their own accord (Expert interview 1, 2021, see annex 3). Regardless of whether active targeting becomes more time-consuming or not for the reasons just mentioned, intensive preparation for meetings with existing or potential investors will still be of utmost relevance for IR. The fact that classic investor targeting remains important is also reflected in the opinion of the respondents: according to the survey, a clear majority of 95% do not see the contact with actively managed funds or buy side analysts as being at risk. Nonetheless,

it is not impossible and even likely, depending on the composition of the company and the development of its shareholder structure, that active investor contact will decrease as the trend of passive investors will further increase.

Further task areas

Contact to analysts will remain important as they are multipliers (as described above in chapter 3.2.2), which are still needed (Expert interview 2, 2021, see annex 3). This opinion is also held by the majority of participants in the survey, who assume that the ETF industry has little to no influence on the contact to analyst.

In addition, little noticeable influence is also expected in the IR activities regarding **road-shows**, participation in conferences and presentation of the company as well as events for private shareholders. This can be directly linked to the active investor targeting, the relevance of which, as explained above, will most likely not decrease.

Moreover, the passive investment industry will have virtually no influence on the area of **reporting**, which is also reflected by the majority (63%) of respondents. Although this task area in particular is undergoing a change, this cannot be linked to and has therefore not been triggered by the passive investment industry. Annual reports and other financial statements are getting more and more standardized. Financial figures are automatically recorded, also due to ESEF. The annual report as one of the main marketing instruments to represent the company and to stand out against the competition will disappear (Expert interview 3, 2021, see annex 3). Its main function will not be a marketing but rather a reporting instrument, where the fulfillment of reporting standards is the key focus. Many companies, for example, do not print their annual reports any longer, also for environmental reasons. Due to the development trend towards more standardization, where machines will be able to interpret and evaluate the fig-

ures themselves, specialists will still be needed for certain tasks related to the reporting, such as to pour the correct figures into the systems, but this does not have to be done exclusively by IR (Expert interview 1, 2021, see annex 3). Reporting remains important but will be more automated.

It can be assumed that the **presentation** of the company **in databases** will be more noticeably influenced by the rise of the passive investment industry. More than half (55%) of the respondents expect a noticeable to considerable influence in this IR task area. A clean preparation and good presentation of company data in databases such as Bloomberg or Refinitiv will remain an important focus for IR. The importance will most likely even increase, as these databases are not only used by active portfolio managers, analysts and numerous investors, but also serve as a source base for indices, rankings and ETF providers to select companies. Due to the increasing automation, especially in the trading area and the rising application of AI, a clean presentation of company data is therefore of enormous relevance. These data must be regularly maintained and updated, which could become an important main focus of IR in the future.

It can also be assumed that the area of **corporate governance** will be noticeably impacted by the passive sector. This also reflects the assessment of around two thirds (67%) of the IR experts surveyed. Due to the fact that proxy advisors, who will become even more important with the increase of passive investors (see above), also issue corporate governance guidelines for companies, it will be even more important for companies to act compliantly and to follow those guidelines in the future. In general, not only regarding the passive investment industry, knowledge of legal regulations and laws as well as on ESG and corporate governance will be an indispensable key skill for IR professionals.

ESG has long since ceased to be just a trend or mainstream topic but will continue to gain enormously in importance. Thus, activities related to ESG will also continue to further develop, which has and will continue to have a direct influence on IR. Already today there are dedicated ESG IR managers who are specialized on ESG within the IR departments. In the future, however, every IR expert will have to be familiar with the topic, as he or she will have to be able to explain not only the financial but also the non-financial KPIs and the company's strategy with regard to ESG compliance to investors and stakeholders in meetings and at roadshows.

5. Summary and outlook

In the last part of the thesis, a summary is given, in which the research questions asked at the beginning are finally answered, followed by a short outlook for IR.

Will IR be influenced by the increasing passive investment industry?

Yes, the growing influence of the passive sector will not pass by IR without leaving a trace. However, a rapid turnaround of the IR department is unlikely to happen, it will be rather a gradual process. Just as the trend of passive investments did not suddenly appear overnight, but has developed slowly over the last twenty years, IR will also undergo a slow transformation. Nevertheless, this transformation would, to some extent, come naturally anyway. While the capital market has changed and developed rapidly in recent years, IR has not really changed over the last twenty years, so a development is long overdue.

Which task areas will be mostly impacted?

It is expected that the majority of IR activities will remain stable, at least in the next few years. Most of the parts, that will be changing, are not solely changing because of the passive investment industry but would be undergoing a change anyway. For example, ESG and with it the trend towards better ESG principles is becoming a new influencing factor for investment decisions. In relation to ESG, new tasks will arise as a result and regulatory changes will occur, which must be constantly readjusted in the future. Already existing IR activities will be further developing. It would also be conceivable that there will be a position like a dedicated digital marketing IR manager in addition to a dedicated ESG IR manager, who is mainly responsible for the IR website and social media (Expert interview 3, 2021, see annex 3). Increasing the presence in social media will become an inevitable goal for IR departments. Possible would also be a database analyst in the IR team, whose main focus is on data preparation and presentation in data bases.

Many activities regarding the passive investment industry should be done anyway by IR. For example, it should be a goal of IR to be as ESG compliant as possible, regardless of the development of the passive sector. In addition, targets such as achieving good ESG rankings or having a clear and structured database on Bloomberg or Refinitiv are further examples for IR activities that should be done not only because of the passive sector but in general (Expert interview 2, 2021, see annex 3).

Thereby, one does not have to exclude the other: on the contrary, a combination of the two approaches is possible in many areas of IR activities. In the case of ESG, for example, both an active and a passive approach can be used at the same time. The research on what the criteria of ETF providers for specific ETF products are, could be counted as an activity regarding the passive investment industry. An active element could be that IR actively promotes the implementation of those criteria within the company. This activity then automatically leads to getting into certain indices and on the radar screen of thematic ETFs. This example shows that the two approaches go hand in hand and are connected.

Even though the majority of IR activities will remain relatively stable for the time being, there are (a few) areas where the influence will be most noticeable. As already explained in detail in chapters 4.2 and 4.3, the areas of maintaining contact to investors, targeting of passive and active investors, as well as corporate governance, will be the main areas to change.

How can IR prepare itself for this impact?

There is no ultimate sample solution on how IR can best prepare for this impact. There are several possible courses of action, which, depending on the company's structure and overall strategy, can be considered as a course of action to a greater or

lesser extent. Consequently, an individual approach that is adapted to the respective company is necessary. IR must therefore decide for itself which measures it considers sensible and feasible. As a first step, it would be useful to analyze what percentage of the company is held passively and in which indices and ETFs the company is represented. Depending on the outcome of these analysis, setting up an active index targeting strategy and trying to achieve and meet certain index criteria are possibilities. Furthermore, the likelihood of getting on the radar screen of theme ETF providers can be increased by a selected formulation of the equity story. Moreover, trying to contact experts who do not only offer passive ETFs but also use active approaches could be another starting point. Nevertheless, the topics of ESG and maintenance of company data in databases should always be part of the strategy.

How severe will this impact be?

How strong the influence on the respective IR department will be depends on the company's structure. Overall, it can be said that large-cap companies are more likely to perceive the change since they automatically are more frequent part of indices, especially of large and liquid ones. So called mega caps in particular are often represented in indices and thus attract a lot of passive money. The larger the company, the more important passive investment will become. The situation is different for small-cap companies, where the number of active investors will remain the absolute majority. It is more difficult for small- and even mid-cap companies to get into liquid indices and to be recognized by ETF providers. Although the intensity of the influence will depend on the size of the company and consequently also on the index membership (e.g. if a company is listed in the DAX or SDAX), it will not depend on the sector, but will affect the entire economy.

This impact should not only be perceived as a threat but rather seen as an opportunity for IR: with passive investments, investments could become more objective because only numbers and KPIs count. Liar's tales or subjective perceptions no longer play a role here.

Will IR become superfluous?

Even though IR will be affected by the passive investment industry, it will not become superfluous. The trend towards more passive, automated processes without human contact being necessary, e.g. for investment decisions as automated algorithm interpret numbers which are summarized by AI, will further increase. Despite this increasing automation and standardization and the use of AI in many areas, personal, human contact will still be relevant in some places and cannot be replaced by a machine. For example, the service of getting the strategy and business model explained by a human instead of looking for all the information on the website, will still be demanded. In addition to the personal contact aspect, it must also be taken into account that IR is responsible for such a wide range of tasks (see chapter 3.3), where, as described earlier, not every area is equally affected by the trend towards more passive investments or standardization. For example, new regulations will continue to appear all the time and it will continue to be IR's responsibility to keep up to date in this regard. Fulfilling its advisory role to the CFO and the board of directors will also continue to be needed.

In summary, it can be said that IR will be influenced by the passive industry. However, it will not be tomorrow, but rather a slow process. Most of the influencing factors are not purely driven by the passive industry but would become important anyway. The degree of the impact is highly dependent on the company, so there is no ONE right way to guard against the influence from an IR perspective. Rather, an individual strategy should be used. Despite the influence of the ETF industry, IR will not become superfluous. Therefore, IR covers too many different tasks, which will continue to be needed regardless of the development of the passive investment industry. Since there will always be active investors and other stakeholders, IR will continue to act as a communication interface between the company and the financial community.

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List of annexes

Annex 1: Questionnaire

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit 11.8 (1/4)

Ist Investor Relations noch relevant?

Liebe/r Teilnehmer/in,

wie bereiten Sie sich aus IR Sicht optimal auf den Einfluss der wachsenden ETF-Branche vor?
Welche Chancen und Risiken sehen Sie für die IR Arbeit, wenn von einer weiteren Zunahme der ETF-Branche ausgegangen werden kann?
Die Umfrage dauert **maximal 10 Minuten** und läuft **bis zum 01.04.2021**.

Die Umfrage ist **anonym** und die von Ihnen abgefragten Daten werden mit höchster Vertraulichkeit behandelt.

Bei Interesse können Sie am Ende der Umfrage Ihre **E-Mail-Adresse angeben**, um eine Kopie meiner **Bachelor-Arbeit** zu erhalten.

Als kleiner Ansporn wird **unter den registrierten Teilnehmern** das Buch "The ultimate ETF Guidebook" verlost.

Ich bin gespannt auf Ihre Meinung & Ihre Einschätzungen!
Annika Erben, Bachelorandin International Management, HS Augsburg

[Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit 22.8 (2/4)

Fragen zu Ihrem Unternehmen

1. Indexzugehörigkeit

In welchem Index ist Ihr Unternehmen vertreten?

☐ DAX

☐ MDAX

☐ SDAX

☐ TecDAX

☐ Sonstige:

2. In welcher Branche ist Ihr Unternehmen tätig?

Treffen Sie Ihre Auswahl

▼

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

Arbeitszeit: Passive Investments (im Rahmen der Umfrage fortan ETFs)

29/1 (20/)

Natürlich verfolgen Sie als IR Beauftragter das Geschehen am Kapitalmarkt. Ein Thema, das sicher nicht an Ihnen vorbeigegangen ist, ist der Siegeszug passiver Anlagemöglichkeiten wie ETFs.

3. Wie viel Prozent Ihrer aktuellen Arbeitszeit beschäftigen Sie sich mit ETFs?

Aktuelle Arbeitszeit bzgl. ETFs:

0% 50% 100%

4. Schätzen Sie, dass dieser Anteil in Zukunft zunehmen wird?

☐ Ja ☐ Nein

5. Wenn ja, wie viel Prozent Ihrer Arbeitszeit werden Sie sich in Zukunft schätzungsweise mit ETFs beschäftigen?

Geschätzte, zukünftige Arbeitszeit bzgl. ETFs:

0% 50% 100%

6. Wenn Sie sich beruflich bereits mit ETFs beschäftigen, worin besteht Ihre Hauptaufgabe im Zusammenhang mit ETFs?

Aufgabe:

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

Indizes

44/1 (4/10)

Da ETFs insbesondere die Wertentwicklung eines Index nachbilden, wird es für Unternehmen immer wichtiger, in große, liquide Indizes aufgenommen zu werden, um somit auf den Radarschirm von ETF-Anbietern zu gelangen.

7. Verfolgen Sie aktiv, in welchen Indizes Ihre Firma gelistet ist?

☐ Ja ☐ Nein

8. Falls nein, könnten Sie sich vorstellen, dies zukünftig zu tun?

☐ Ja ☐ Nein

9. Verfolgen Sie eine aktive Index Targeting Strategie (aktive Strategie, um in bestimmte Indizes aufgenommen zu werden)?

☐ Ja ☐ Nein

10. Wenn ja, wie sieht diese aus?

Index Targeting Strategie:

11. Planen Sie zukünftig Veränderungen an Ihrer IR Strategie bzgl. Index Targeting vorzunehmen?

☐ Ja ☐ Nein

12. Würden Sie sich zukünftig im Unternehmen für das Erfüllen bestimmter Index-Kriterien, wie z.B. für ESG Indizes, einsetzen?

☐ Ja ☐ Nein

13. Könnten Sie sich vorstellen, zukünftig zu analysieren, welche Aufnahmekriterien für bestimmte Indizes gefordert sind?

☐ Ja ☐ Nein

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

Investorenkontakt 56% (20/36)

Durch die Zunahme an ETFs kann von einem weiteren Anstieg des Anteils, welchen ETF-Anbieter an Ihrem Unternehmen halten, ausgegangen werden.

14. Wissen Sie, wie viel Prozent Ihrer Aktien durch passive Investoren gehalten werden?

☐ Ja ☐ Nein

15. Was schätzen Sie, wie groß dieser Anteil ungefähr ist?

Anteil passiv gehaltener Aktien an Ihrem Unternehmen:

16. Haben Sie Kontakt bzw. stehen Sie in regelmäßigem Austausch zu ETF-Anbietern bzw. zu dem Teilbereich von Asset Managern, die für ETF-Produkte zuständig sind?

☐ Ja ☐ Nein

17. Gehen Sie davon aus, dass ein solcher, direkter Kontakt zukünftig wichtiger wird?

☐ Ja ☐ Nein

18. Wird klassisches Investor Targeting (z.B. der Kontakt zu aktiven Portfolio-Managern) Ihrer Meinung nach zukünftig weniger relevant und daher weniger Zeit in Anspruch nehmen?

☐ Ja ☐ Nein

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

IR Ziele

67% (6/9)

19. Unter Berücksichtigung der wachsenden ETF-Branche, wie relevant stufen Sie folgende IR Ziele zukünftig ein?

	Nicht relevant	Weniger relevant	Neutral	Relevant	Sehr relevant
Targeting passiver Investoren	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Platzieren der Equity Story am Kapitalmarkt	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outperformance des Marktes und der Peer Group	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Steigerung des Bekanntheitsgrades des Unternehmens und seiner Aktie	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Erreichen eines kontinuierlichen Anstiegs des Aktienkurses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Handelsliquidität der Aktie	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Erhöhung der Transparenz (z.B. durch ESG Kennzahlen)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Erfüllung von Anforderungen institutioneller Proxy Advisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

Einfluss und Aufgabenbereiche

70% (7/9)

20. Erwarten Sie, dass die wachsende ETF-Branche die IR Arbeit in größerem Maße beeinflussen wird?

☐ Ja ☐ Nein

21. Aufgabenbereiche

In welchen Aufgabenbereichen wird dieser Einfluss Ihrer Meinung nach Auswirkungen haben?

	Einfluss				
	keinen	gering	spürbar	mäßig	erheblich
Aktives Investor Targeting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roadshows & Investorengespräche	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Teilnahme an Konferenzen & Vorstellung des Unternehmens	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kontakt zu Analysten	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hauptversammlung	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Darstellung des Unternehmens in Datenbanken (wie z.B. in Bloomberg)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Events für Privataktionäre	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

Fazit 89% (8/9)

22. Expecten Sie, dass der Großteil der klassischen IR Arbeit überflüssig werden wird, wenn von einer weiteren Zunahme der ETF-Branche ausgegangen werden kann?

☐ Ja ☐ Nein

23. Warum? Warum nicht?

Textfeld

24. Sehen Sie insbesondere Tätigkeiten, wie die Kontaktpflege zu aktiv gemanagten Fonds und Buy Side Analysten, als gefährdet an?

☐ Ja ☐ Nein

25. Stehen Sie der Entwicklung der ETF-Branche aus IR Sicht eher skeptisch gegenüber oder sehen Sie diese eher als Chance für die IR Arbeit der Zukunft?

Sentiment ETF Entwicklung:

ETF Entwicklung

26. Was sind Ihre Beweggründe für Ihre Sichtweise bzgl. der Entwicklung der ETF-Branche?

Textfeld

27. Haben Sie generell noch weitere Ideen, Anregungen oder Kommentare zum Einfluss der ETF-Branche sowie der IR Arbeit im Allgemeinen?

[< Zurück](#) [Weiter >](#)

Umfrage: Einfluss der ETF-Branche auf die IR Arbeit

100% (31/31)

Vielen Dank für Ihre Teilnahme!

Die Teilnahme ist grundsätzlich anonym.
Wenn Sie an den **Ergebnissen** der Umfrage im Rahmen meiner **Bachelor-Arbeit** interessiert sind und an dem **Gewinnspiel** teilnehmen möchten, hinterlassen Sie bitte gerne **Ihre E-Mail-Adresse** in untenstehendem Eingabefeld.

Viele Grüße
Annika Erben

28. Bitte geben Sie bei Interesse an den Ergebnissen und an der Teilnahme der Verlosung ihre E-Mail-Adresse an:

Ihre E-Mail-Adresse:

[< Zurück](#) [Beenden >](#)

Annex 2: Results of questionnaire (Raw data)

Frage 1 - Indexzugehörigkeit

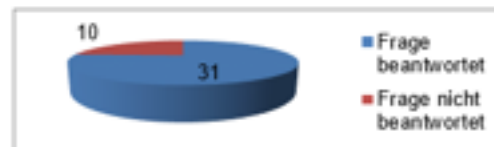
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lampoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	41	100.00%
Frage beantwortet	31	75.61%
Frage nicht beantwortet	10	24.39%



Ergebnisse

Optionen	Anzahl	Häufigkeit
DAX	5	16.13%
MDAX	6	19.35%
SDAX	10	32.26%
TecDAX	0	0.00%
Sonstige:	10	32.26%
Gesamt	31 Antwort	31 Teilnehmer

Ergebnis-Details für Eingabefeld von Sonstige:

Anzahl Antworten	10	Anzahl eindeutige	5
------------------	----	-------------------	---

Wert/Antwort	Anzahl	Häufigkeit
Basic Board	1	10.00%
NYSE	1	10.00%
Nasdaq	1	10.00%
Prime Standard	1	10.00%
SPI	2	20.00%
Gesamt	6	60.00%

Frage 2 - In welcher Branche ist Ihr Unternehmen tätig?

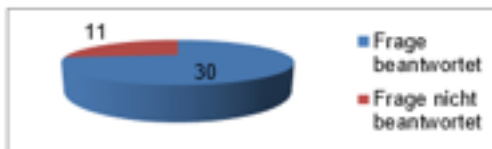
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	41	100.00%
Frage beantwortet	30	73.17%
Frage nicht beantwortet	11	26.83%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Automobil- und Fahrzeugbau	1	3.33%
Baugewerbe	0	0.00%
Chemie	1	3.33%
Dienstleistungen oder Beratung	2	6.67%
Energie- und Umweltwirtschaft	0	0.00%
Finanzen	3	10.00%
Gesundheit, Medizin & Pharmazie	0	0.00%
Immobilien	12	40.00%
Industrie- oder Produktion	4	13.33%
IT- oder Kommunikationstechnik	3	10.00%
Handel & Konsumgüter	0	0.00%
Lebensmittel	0	0.00%
Software	1	3.33%
Textil & Mode	0	0.00%
Tourismus & Freizeit	0	0.00%
Transport & Logistik	2	6.67%
Versicherung	0	0.00%
Andere	1	3.33%
Gesamt	30 Antwort	30 Teilnehmer

Frage 3 - Wie viel Prozent Ihrer aktuellen Arbeitszeit beschäftigen Sie sich mit ETFs?

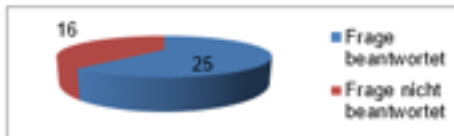
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	38	92.68%
Frage beantwortet	25	60.98%
Frage nicht beantwortet	16	39.02%



Ergebnis-Details für Wie viel Prozent Ihrer aktuellen Arbeitszeit beschäftigen Sie sich mit ETFs?

Mittelwert	12.44	Median	8
Varianz	265.93	Standardabweichung	16.31
Niedrigster Wert	0.00	Höchster Wert	70.00

Vert/Antwort	Anzahl	Häufigkeit
0	3	12.00%
1	2	8.00%
2	0	0.00%
3	1	4.00%
4	0	0.00%
5	6	24.00%
6	0	0.00%
7	0	0.00%
8	1	4.00%
9	1	4.00%
10	4	16.00%
11	2	8.00%
12	0	0.00%
13	0	0.00%
14	0	0.00%
15	0	0.00%
16	0	0.00%
17	0	0.00%
18	0	0.00%
19	0	0.00%
20	1	4.00%
21	0	0.00%
22	0	0.00%
23	0	0.00%
24	0	0.00%
25	0	0.00%
26	1	4.00%
27	0	0.00%
28	1	4.00%
29	0	0.00%
30	0	0.00%
31	0	0.00%
32	0	0.00%
33	0	0.00%
34	0	0.00%
35	0	0.00%
36	0	0.00%
37	0	0.00%
38	0	0.00%
39	0	0.00%
40	0	0.00%
41	0	0.00%
42	0	0.00%
43	0	0.00%
44	0	0.00%
45	0	0.00%
46	0	0.00%
47	0	0.00%
48	0	0.00%
49	0	0.00%
50	0	0.00%
51	0	0.00%
52	0	0.00%
53	1	4.00%
54	0	0.00%
55	0	0.00%
56	0	0.00%
57	0	0.00%
58	0	0.00%
59	0	0.00%
60	0	0.00%
61	0	0.00%
62	0	0.00%
63	0	0.00%
64	0	0.00%
65	0	0.00%
66	0	0.00%
67	0	0.00%
68	0	0.00%
69	0	0.00%
70	1	4.00%
71	0	0.00%
72	0	0.00%
73	0	0.00%
74	0	0.00%
75	0	0.00%
76	0	0.00%
77	0	0.00%
78	0	0.00%
79	0	0.00%
80	0	0.00%
81	0	0.00%
82	0	0.00%
83	0	0.00%
84	0	0.00%
85	0	0.00%
86	0	0.00%
87	0	0.00%
88	0	0.00%
89	0	0.00%
90	0	0.00%
91	0	0.00%
92	0	0.00%
93	0	0.00%
94	0	0.00%
95	0	0.00%
96	0	0.00%
97	0	0.00%
98	0	0.00%
99	0	0.00%
100	0	0.00%
Gesamt	25	60.98%

Frage 4 - Schätzen Sie, dass dieser Anteil in Zukunft zunehmen wird?

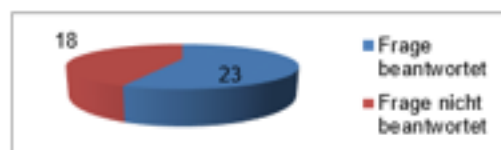
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Erstellt mit IamaPoll | <https://www.iama-poll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	38	92.68%
Frage beantwortet	23	56.10%
Frage nicht beantwortet	18	43.90%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	15	65.22%
Nein	8	34.78%
Gesamt	23 Antwort	23 Teilnehmer

Frage 5 - Wenn ja, wie viel Prozent Ihrer Arbeitszeit werden Sie sich in Zukunft schätzungsweise mit ETFs beschäftigen?

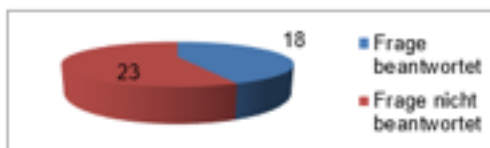
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LemaPoll | <https://www.lemapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	38	92.68%
Frage beantwortet	18	43.90%
Frage nicht beantwortet	23	56.10%



Ergebnis-Details für Wenn ja, wie viel Prozent Ihrer Arbeitszeit werden Sie sich in Zukunft schätzungsweise mit ETFs beschäftigen?

Mittelwert	12.17	Median	14.5
Varianz	65.14	Standardabweichung	8.07
Niedrigster Wert	0.00	Höchster Wert	27.00

Wert/Antwort	Anzahl	Häufigkeit
0	3	16.67%
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	1	5.56%
5	2	11.11%
6	0	0.00%
7	0	0.00%
8	0	0.00%
9	0	0.00%
10	1	5.56%
11	0	0.00%
12	0	0.00%
13	0	0.00%
14	2	11.11%
15	5	27.78%
16	0	0.00%
17	0	0.00%
18	0	0.00%
19	0	0.00%
20	2	11.11%
21	0	0.00%
22	0	0.00%
23	0	0.00%
24	0	0.00%
25	1	5.56%
26	0	0.00%
27	1	5.56%
28	0	0.00%
29	0	0.00%
30	0	0.00%
31	0	0.00%
32	0	0.00%
33	0	0.00%
34	0	0.00%
35	0	0.00%
36	0	0.00%
37	0	0.00%
38	0	0.00%
39	0	0.00%
40	0	0.00%
41	0	0.00%
42	0	0.00%
43	0	0.00%
44	0	0.00%
45	0	0.00%
46	0	0.00%
47	0	0.00%
48	0	0.00%
49	0	0.00%
50	0	0.00%
51	0	0.00%
52	0	0.00%
53	0	0.00%
54	0	0.00%
55	0	0.00%
56	0	0.00%
57	0	0.00%
58	0	0.00%
59	0	0.00%
60	0	0.00%
61	0	0.00%
62	0	0.00%
63	0	0.00%
64	0	0.00%
65	0	0.00%
66	0	0.00%
67	0	0.00%
68	0	0.00%
69	0	0.00%
70	0	0.00%
71	0	0.00%
72	0	0.00%
73	0	0.00%
74	0	0.00%
75	0	0.00%
76	0	0.00%
77	0	0.00%
78	0	0.00%
79	0	0.00%
80	0	0.00%
81	0	0.00%
82	0	0.00%
83	0	0.00%
84	0	0.00%
85	0	0.00%
86	0	0.00%
87	0	0.00%
88	0	0.00%
89	0	0.00%
90	0	0.00%
91	0	0.00%
92	0	0.00%
93	0	0.00%
94	0	0.00%
95	0	0.00%
96	0	0.00%
97	0	0.00%
98	0	0.00%
99	0	0.00%
100	0	0.00%
Gesamt	18	43.90%

Frage 6 - Wenn Sie sich beruflich bereits mit ETFs beschäftigen, worin besteht Ihre Hauptaufgabe im Zusammenhang mit ETFs?

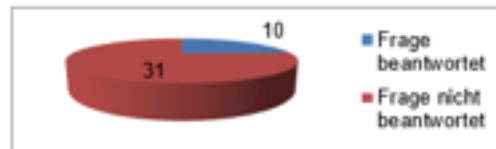
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LemaPoll | <https://www.lemapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	38	92.68%
Frage beantwortet	10	24.39%
Frage nicht beantwortet	31	75.61%



Ergebnis-Details für Wenn Sie sich beruflich bereits mit ETFs beschäftigen, worin besteht Ihre Hauptaufgabe im Zusammenhang mit ETFs?

Anzahl Antworten: 10 Anzahl eindeutige: 10

Wert/Antwort	Anzahl	Häufigkeit
Beobachtung der Nachrichten	1	10.00%
Hauptaufgabe ist klassische IR	1	10.00%
Identifikation in welchen ETFs	1	10.00%
Informationsbedarf	1	10.00%
Monitoring der von ETFs	1	10.00%
Marktbewegungen verstehen	1	10.00%
Nachverfolgen der Entwicklungen	1	10.00%
Verständnis hinsichtlich	1	10.00%
Verstehen der Implikationen	1	10.00%
Wirkungsweise auf IR	1	10.00%
Gesamt	10	100.00%



Answers to question 6:

If you are already professionally involved in ETFs, what is your main task?

Monitoring the news situation

Main tasks is classic IR work for a company, on the sidelines especially with ETFs

Identification of which ETFs and indices the company is included in, identification of which potential ETFs there are that would be potential buyers of the company's shares

Satisfy information needs

Monitoring the shares held by ETFs

Understand market movements

Tracking performance against the real index

Understanding investment approach

Understanding the implications for the business / company

Impact on IR

Frage 7 - Verfolgen Sie aktiv, in welchen Indizes Ihre Firma gelistet ist?

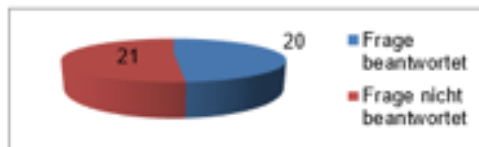
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	16	80.00%
Nein	4	20.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 8 - Falls nein, könnten Sie sich vorstellen, dies zukünftig zu tun?

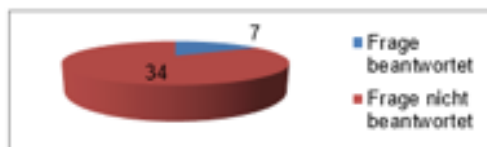
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	7	17.07%
Frage nicht beantwortet	34	82.93%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	6	85.71%
Nein	1	14.29%
Gesamt	7 Antwort	7 Teilnehmer

Frage 9 - Verfolgen Sie eine aktive Index Targeting Strategie (aktive Strategie, um in bestimmte Indizes aufgenommen zu werden)

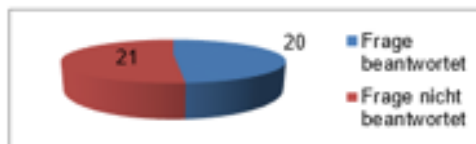
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	2	10.00%
Nein	18	90.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 10 - Wenn ja, wie sieht diese aus?

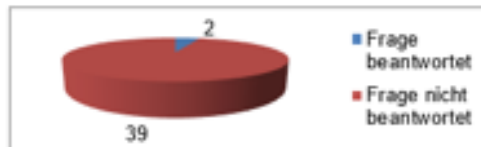
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	2	4.88%
Frage nicht beantwortet	39	95.12%



Ergebnis-Details für Wenn ja, wie sieht diese aus?

Anzahl Antworten	2	Anzahl eindeutige	2
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Wert/Antwort	Anzahl	Häufigkeit
Es ist eher ein Versuch	1	50.00%
Liquidität der Aktie ist	1	50.00%
Gesamt	2	100.00%



Frage 11 - Planen Sie zukünftig Veränderungen an Ihrer IR Strategie bzgl. Index Targeting vorzunehmen?

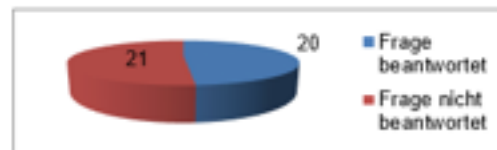
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	7	35.00%
Nein	13	65.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 12 - Würden Sie sich zukünftig im Unternehmen für das Erfüllen bestimmter Index-Kriterien, wie z.B. für ESG Indizes, einsetzen?

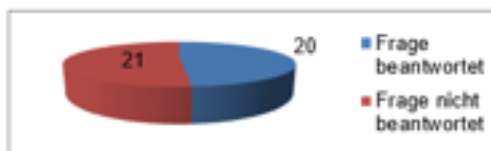
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LemaPoll | <https://www.lemapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	17	85.00%
Nein	3	15.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 13 - Könnten Sie sich vorstellen, zukünftig zu analysieren, welche Aufnahmekriterien für bestimmte Indizes gefordert sind?

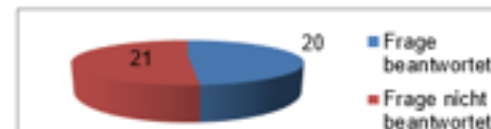
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LemaPoll | <https://www.lemapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	30	73.17%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	18	90.00%
Nein	2	10.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 14 - Wissen Sie, wie viel Prozent Ihrer Aktien durch passive Investoren gehalten werden?

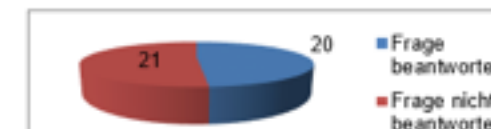
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LemaPoll | <https://www.lemapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	28	68.29%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	10	50.00%
Nein	10	50.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 15 - Was schätzen Sie, wie groß dieser Anteil ungefähr ist?

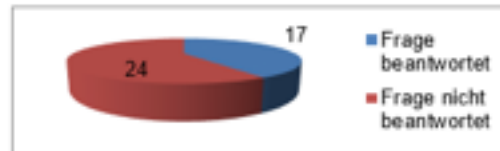
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LemaPoll | <https://www.lemapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	28	68.29%
Frage beantwortet	17	41.46%
Frage nicht beantwortet	24	58.54%



Ergebnis-Details für Was schätzen Sie, wie groß dieser Anteil ungefähr ist?

Mittelwert	11.65	Median	10
Varianz	65.17	Standardabweichung	8.07
Niedrigster Wert	0.00	Höchster Wert	30.00

Wert/Antwort	Anzahl	Läufigkeit
0	1	5.00%
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	3	17.65%
6	1	5.00%
7	0	0.00%
8	2	11.76%
9	1	5.00%
10	4	23.53%
11	0	0.00%
12	1	5.00%
13	0	0.00%
14	0	0.00%
15	0	0.00%
16	0	0.00%
17	0	0.00%
18	0	0.00%
19	0	0.00%
20	1	5.00%
21	0	0.00%
22	0	0.00%
23	0	0.00%
24	0	0.00%
25	2	11.76%
26	0	0.00%
27	0	0.00%
28	0	0.00%
29	0	0.00%
30	1	5.00%
31	0	0.00%
32	0	0.00%
33	0	0.00%
34	0	0.00%
35	0	0.00%
36	0	0.00%
37	0	0.00%
38	0	0.00%
39	0	0.00%
40	0	0.00%
41	0	0.00%
42	0	0.00%
43	0	0.00%
44	0	0.00%
45	0	0.00%
46	0	0.00%
47	0	0.00%
48	0	0.00%
49	0	0.00%
50	0	0.00%
51	0	0.00%
52	0	0.00%
53	0	0.00%
54	0	0.00%
55	0	0.00%
56	0	0.00%
57	0	0.00%
58	0	0.00%
59	0	0.00%
60	0	0.00%
61	0	0.00%
62	0	0.00%
63	0	0.00%
64	0	0.00%
65	0	0.00%
66	0	0.00%
67	0	0.00%
68	0	0.00%
69	0	0.00%
70	0	0.00%
71	0	0.00%
72	0	0.00%
73	0	0.00%
74	0	0.00%
75	0	0.00%
76	0	0.00%
77	0	0.00%
78	0	0.00%
79	0	0.00%
80	0	0.00%
81	0	0.00%
82	0	0.00%
83	0	0.00%
84	0	0.00%
85	0	0.00%
86	0	0.00%
87	0	0.00%
88	0	0.00%
89	0	0.00%
90	0	0.00%
91	0	0.00%
92	0	0.00%
93	0	0.00%
94	0	0.00%
95	0	0.00%
96	0	0.00%
97	0	0.00%
98	0	0.00%
99	0	0.00%
100	0	0.00%
Gesamt	17	41.46%

Frage 16 - Haben Sie Kontakt bzw. stehen Sie in regelmäßigem Austausch zu ETF-Anbietern bzw. zu dem Teilbereich von Asset Managern, die für ETF-Produkte zuständig sind?

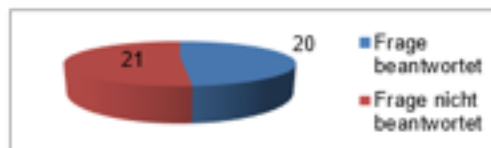
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	28	68.29%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	2	10.00%
Nein	18	90.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 17 - Gehen Sie davon aus, dass ein solcher, direkter Kontakt zukünftig wichtiger wird?

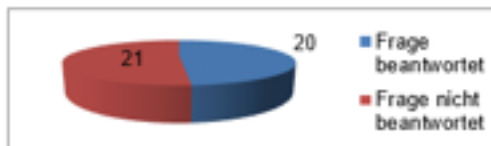
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Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	28	68.29%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	10	50.00%
Nein	10	50.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 18 - Wird klassisches Investor Targeting (z.B. der Kontakt zu aktiven Portfolio-Managern) Ihrer Meinung nach zukünftig weniger relevant und daher weniger Zeit in Anspruch nehmen?

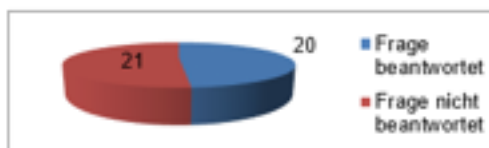
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

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Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	28	68.29%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	3	15.00%
Nein	17	85.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 19 - Unter Berücksichtigung der wachsenden ETF-Branche, wie relevant stufen Sie folgende IR Ziele zukünftig ein?

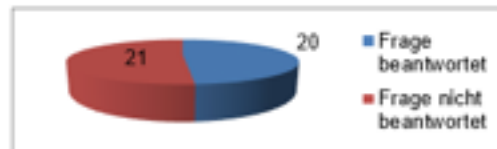
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	28	68.29%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse (Spalten 1-5)

Häufigkeit in %	Nicht rele	Weniger	Neutral	Relevant	Sehr rele	Gesamt
Targeting passiver Investoren	10.53%	26.32%	15.79%	36.84%	10.53%	19
Platzieren der Equity Story am	0.00%	0.00%	5.00%	25.00%	70.00%	20
Outperformance des Marktes ur	5.26%	10.53%	15.79%	57.89%	10.53%	19
Steigerung des Bekanntheitsgra	0.00%	5.00%	15.00%	30.00%	50.00%	20
Erreichen eines kontinuierlichen	5.00%	15.00%	50.00%	20.00%	10.00%	20
Handelsliquidität der Aktie	0.00%	0.00%	20.00%	55.00%	25.00%	20
Erhöhung der Transparenz (z.B.	0.00%	0.00%	10.00%	45.00%	45.00%	20
Erfüllung von Anforderungen inst	0.00%	5.00%	5.00%	70.00%	20.00%	20

Anzahl Antworten	Nicht rele	Weniger	Neutral	Relevant	Sehr rele	Gesamt
Targeting passiver Investoren	2	5	3	7	2	19
Platzieren der Equity Story am	0	0	1	5	14	20
Outperformance des Marktes ur	1	2	3	11	2	19
Steigerung des Bekanntheitsgra	0	1	3	6	10	20
Erreichen eines kontinuierlichen	1	3	10	4	2	20
Handelsliquidität der Aktie	0	0	4	11	5	20
Erhöhung der Transparenz (z.B.	0	0	2	9	9	20
Erfüllung von Anforderungen inst	0	1	1	14	4	20

Frage 20 - Erwarten Sie, dass die wachsende ETF-Branche die IR Arbeit in größerem Maße beeinflussen wird?

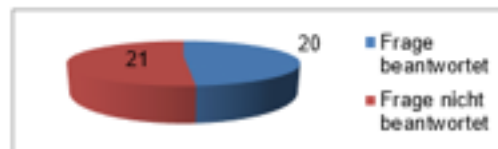
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	10	50.00%
Nein	10	50.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 21 - Aufgabenbereiche

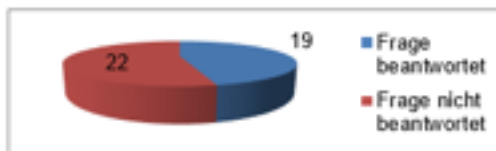
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lampoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	19	46.34%
Frage nicht beantwortet	22	53.66%



Ergebnisse Einfluss (Spalten 1-5)

Häufigkeit in %	keinen	gering	spürbar	mäßig	erheblich	Gesamt
Aktives Investor Targeting	10.53%	36.84%	26.32%	21.05%	5.26%	19
Roadshows & Investorengespräche	10.53%	42.11%	15.79%	15.79%	15.79%	19
Teilnahme an Konferenzen & Messen	10.53%	47.37%	10.53%	21.05%	10.53%	19
Kontakt zu Analysten	15.79%	42.11%	10.53%	15.79%	15.79%	19
Hauptversammlung	10.53%	36.84%	36.84%	5.26%	10.53%	19
Reporting	21.05%	42.11%	15.79%	10.53%	10.53%	19
Corporate Governance	21.05%	10.53%	15.79%	36.84%	15.79%	19
Darstellung des Unternehmens	10.53%	36.84%	15.79%	26.32%	10.53%	19
Events für Privataktionäre	31.58%	57.89%	5.26%	0.00%	5.26%	19

Anzahl Antworten	keinen	gering	spürbar	mäßig	erheblich	Gesamt
Aktives Investor Targeting	2	7	5	4	1	19
Roadshows & Investorengespräche	2	8	3	3	3	19
Teilnahme an Konferenzen & Messen	2	9	2	4	2	19
Kontakt zu Analysten	3	8	2	3	3	19
Hauptversammlung	2	7	7	1	2	19
Reporting	4	8	3	2	2	19
Corporate Governance	4	2	3	7	3	19
Darstellung des Unternehmens	2	7	3	5	2	19
Events für Privataktionäre	6	11	1	0	1	19

Frage 22 - Erwarten Sie, dass der Großteil der klassischen IR Arbeit überflüssig werden wird, wenn von einer weiteren Zunahme der ETF-Branche ausgegangen werden kann?

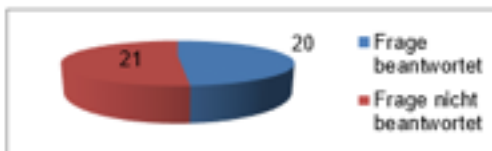
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lampoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	2	10.00%
Nein	18	90.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 23 - Warum? Warum nicht?

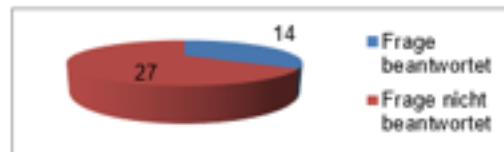
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Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamaPoll | <https://www.lamapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	14	34.15%
Frage nicht beantwortet	27	65.85%



Ergebnis-Details für Warum? Warum nicht?

Anzahl Antworten	14	Anzahl eindeutige	14
------------------	----	-------------------	----

Wert/Antwort	Anzahl	Häufigkeit
Aktives Management	1	7.14%
Aktive Investment-En	1	7.14%
Bei zunehmenden ET	1	7.14%
Börsenpflichten sind	1	7.14%
Die Aktienperformanc	1	7.14%
Die individuelle Positi	1	7.14%
Es wird sicher eine V	1	7.14%
Es wird weiterhin akt	1	7.14%
ETFs interessieren s	1	7.14%
Grundfunktionen wie	1	7.14%
IR auf Basis von Einz	1	7.14%
IR Arbeit wird auch k	1	7.14%
Klassische IR Arbeit	1	7.14%
Man wird immer Ans	1	7.14%
Gesamt	14	100.00%

Answer 23: Do you expect that the majority of traditional IR work will become redundant if the ETF industry can be expected to continue to grow? Why? Why not?

Active management remains necessary and is even becoming more attractive again as the share of passive investments in the overall market increases, as this can lead to misallocations and exaggerations.

Active investment decisions remain the majority

With increasing ETF investments, a large part of the funds will first flow to the large-cap companies before ETFs then also reach a large part of the smaller companies and make active-managed portfolios the exception.

Stock exchange obligations still have to be fulfilled.

Stock performance is determined by active investors.

The individual positioning of the company is essential: how does my company differ from others? This task is not rendered superfluous by anonymizing in ETFs.

There will certainly be a change; in my opinion, the equity story, for example, will remain relevant for smart-beta ETFs. Not everything will depend on indices, there will also be primarily thematic ETFs. Therefore, actually an alignment of passive products with actively managed products.

There will still be active investors.

ETFs are not interested in IR, stock pickers will remain.

Basic functions such as creating transparency and bridging the gap to the capital market will remain.

IR based on individual shareholders remains a very important instrument.

IR work will continue to be of high importance, especially due to the high proportion of active institutional and private investors.

Classic IR work will remain, with a possible change in emphasis.

There will always be a need for IR contacts.

Frage 24 - Sehen Sie insbesondere Tätigkeiten, wie die Kontaktpflege zu aktiv gemanagten Fonds und Buy Side

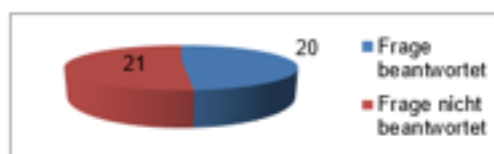
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lampoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	20	48.78%
Frage nicht beantwortet	21	51.22%



Ergebnisse

Optionen	Anzahl	Häufigkeit
Ja	1	5.00%
Nein	19	95.00%
Gesamt	20 Antwort	20 Teilnehmer

Frage 25 - Stehen Sie der Entwicklung der ETF-Branche aus IR Sicht eher skeptisch gegenüber oder sehen Sie diese eher als Chance für die IR Arbeit der Zukunft?

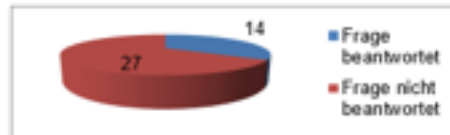
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss der ETF-Branche auf die Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LاناPoll : <https://www.lanapoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	14	34.15%
Frage nicht beantwortet	27	65.85%



Ergebnis-Details für Stehen Sie der Entwicklung der ETF-Branche aus IR Sicht eher skeptisch gegenüber

Mittelwert	44.50	Median	45
Varianz	535.39	Standardabweichung	23.14
Niedrigster Wert	15.00	Höchster Wert	75.00

Wert/Antwort	Anzahl	häufigkeit
0	0	0.00%
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	0	0.00%
7	0	0.00%
8	0	0.00%
9	0	0.00%
10	0	0.00%
11	0	0.00%
12	0	0.00%
13	0	0.00%
14	0	0.00%
15	1	7.14%
16	0	0.00%
17	1	7.14%
18	0	0.00%
19	0	0.00%
20	1	7.14%
21	1	7.14%
22	1	7.14%
23	0	0.00%
24	0	0.00%
25	1	7.14%
26	0	0.00%
27	0	0.00%
28	0	0.00%
29	0	0.00%
30	0	0.00%
31	0	0.00%
32	0	0.00%
33	0	0.00%
34	0	0.00%
35	0	0.00%
36	0	0.00%
37	0	0.00%
38	0	0.00%
39	0	0.00%
40	1	7.14%
41	0	0.00%
42	0	0.00%
43	0	0.00%
44	0	0.00%
45	0	0.00%
46	0	0.00%
47	0	0.00%
48	0	0.00%
49	0	0.00%
50	1	7.14%
51	0	0.00%
52	0	0.00%
53	0	0.00%
54	0	0.00%
55	0	0.00%
56	0	0.00%
57	1	7.14%
58	0	0.00%
59	0	0.00%
60	0	0.00%
61	0	0.00%
62	0	0.00%
63	0	0.00%
64	0	0.00%
65	0	0.00%
66	1	7.14%
67	0	0.00%
68	0	0.00%
69	0	0.00%
70	2	14.29%
71	0	0.00%
72	0	0.00%
73	0	0.00%
74	0	0.00%
75	2	14.29%
76	0	0.00%
77	0	0.00%
78	0	0.00%
79	0	0.00%
80	0	0.00%
81	0	0.00%
82	0	0.00%
83	0	0.00%
84	0	0.00%
85	0	0.00%
86	0	0.00%
87	0	0.00%
88	0	0.00%
89	0	0.00%
90	0	0.00%
91	0	0.00%
92	0	0.00%
93	0	0.00%
94	0	0.00%
95	0	0.00%
96	0	0.00%
97	0	0.00%
98	0	0.00%
99	0	0.00%
100	0	0.00%
Gesamt	14	34.15%



Answer to question 26: what are your motivations for your view on the development of the ETF industry from an IR perspective?

Tasks become more complex and therefore more exciting
Active index targeting as an opportunity to attract more investors
Neutral from IR point of view, rather skeptical from investor point of view
ETFs promote interest in equity investments
ETFs account for just 10% of open-end mutual funds in Germany
I still believe in the advantage of active investment vehicles
No tendency at the moment
One has to adapt to the changes and derive the right conclusions for one's own fields of action
Too much focus on large, liquid indices and correspondingly on large, liquid issuers. The pressure for M&A and growth is artificially increased.
Impact on IR

Frage 27 - Haben Sie generell noch weitere Ideen, Anregungen oder Kommentare zum Einfluss der ETF-Branche sowie der IR Arbeit im Allgemeinen?

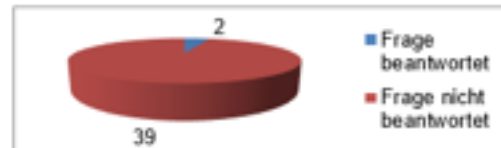
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lampoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	27	65.85%
Frage beantwortet	2	4.88%
Frage nicht beantwortet	39	95.12%



Ergebnis-Details für Haben Sie generell noch weitere Ideen, Anregungen oder Kommentare zum Einfluss der ETF-Branche sowie der IR Arbeit im Allgemeinen?

Anzahl Antworten: 2 | Anzahl eindeutige: 2

Wert/Antwort	Anzahl	Häufigkeit
ETF gehen aktiv auf	1	50.00%
n/a	1	50.00%
Gesamt	2	100.00%

Frage 28 - Bitte geben Sie bei Interesse an den Ergebnissen und an der Teilnahme der Verlosung Ihre E-Mail-Adresse an:

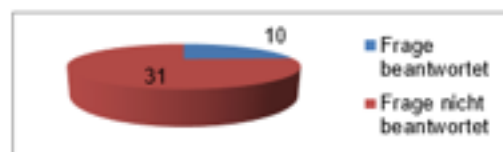
Stand: 03. Apr. 2021, 16:15 Uhr, Umfrage "Einfluss-der-ETF-Branche-auf-die-Investor-Relations-Arbeit"

Anzahl ausgewerteter Teilnehmer: 41 (alle Teilnehmer)

Erstellt mit LamsPoll | <https://www.lampoll.de>

Statusdaten

von 41 Teilnehmer	Anzahl	Prozent
Frage gesehen	26	63.41%
Frage beantwortet	10	24.39%
Frage nicht beantwortet	31	75.61%



Annex 3: Transcript of interviews

Experten-Interview 1

Datum: 25. 02. 2021

Ort: Telefoninterview

Dauer: 32:50 min

I: Interviewender, B: Befragte Person

I: Beschäftigen Sie sich beruflich mit ETFs? Ist das bei Ihnen und Ihrem IR Team aktuell überhaupt schon ein Thema, ETFs / passive Investmentmöglichkeiten?

B: Beschäftigen ist wahrscheinlich übertrieben, wir wissen davon und wir beobachten unser Aktienregister, aber wir haben Namensaktien und damit kann man dann die jeweiligen Positionen den ETFs dann auch weitgehendst zuordnen, gerade weil wir dieses Jahr auch eine Shareholder ID machen, so gesehen ist die Antwort ja, wir beschäftigen uns auch beruflich damit, allerdings nicht so intensiv, dass dies in Prozentzahlen ausgedrückt werden könnte.

I: Ok, und würden Sie einschätzen, dass, wenn Sie jetzt sagen, Sie beschäftigen sich minimal damit, dass es in den nächsten Jahren allmählich ansteigen wird der Anteil oder würden Sie sagen „nein, Sie könnten sich auch vorstellen, dass es in fünf Jahren genauso den gleichen Arbeitsumfang hat wie jetzt?

B: Ja, das wird wahrscheinlich schon ein bisschen ansteigen, auch aus den auch von Ihnen genannten Gründen, dass das immer bedeutender werden wird und dass man wahrscheinlich andere, modifizierte Wege der Zahlenkommunikation finden muss und somit wird das ansteigen.

I: Denken Sie, dass es sehr stark ansteigen wird oder eine von vielen IR Aufgaben bleiben wird, aber jetzt nie so den Hauptfokus erreichen wird?

B: Ja das ist ein bisschen komisch mit der Kommunikation das einzuschätzen, weil man mit diesem passiven bisher den Eindruck hat, dass man nicht groß kommunizieren kann. Und von daher kann ich mir derzeit schwer vorstellen, was dann der

große, zeitraubende Anteil sein kann. Ich habe die ganze Zeit 5% im Hinterkopf, ja, dass es vielleicht mal 5% der Arbeitszeit erreicht, wenn es jetzt vielleicht 1% oder 2% sind.

I: Ok, ja. Dann würde ich jetzt ein bisschen auf Indizes eingehen, also dadurch, dass ETFs auch häufig die Wertentwicklung von einem Index nachbilden, ist es ja auch gerade für manche Unternehmen immer wichtiger, dass man aktiv versucht in diese Indizes aufgenommen zu werden, v.a. in sehr liquide Indizes und dadurch würde man ja auch automatisch auf den Radarschirm von diesen ETF-Anbietern gelangen, die ja die Indizes nachbilden. Und da wollte ich fragen, ob Sie schon einmal verfolgt haben, in welchen Indizes Ihre Firma gelistet ist?

B: Ja, das auf jeden Fall. Und auch die Einführung in das Thema und auch die Frage eben war absolut korrekt, das ist sehr wichtig die Index-Zugehörigkeit möglichst viele da abzudecken und das ist auch eins der Kernthemen was wir bei uns beobachten. Die Indexrankings und ob man da auch Gefahr läuft, irgendwo an Rankingplätzen zu verlieren, so dass man irgendwann vielleicht gefährdet ist. Bei einem Rauswurf aus einem Index z.B. ist das dann schon auf jeden Fall beachtenswert. Darüber hinaus bilden die ETF-Anbieter nicht nur Indizes nach, sondern konstruieren ja auch ihre eigenen Produkte, von eigenen Konstruktionen, die dann irgendwie doppelt gehebelte Faktorzerifikate oder Themen-ETFs, die dann wie Zertifikate funktionieren, aber immer noch ETF genannt werden, weil sie dann in dieser Form an die Börse gebracht werden. Aber da gibt es auch schon von den Indizes losgelöste Konstruktionen, die man gar nicht mehr überblicken kann, habe ich den

Eindruck, weil es gibt ja inzwischen, dass wissen Sie wahrscheinlich, auf der Welt mehr ETFs als Aktien und das ist quasi auch das Resultat dieser neuen Konstruktionen, die losgelöst sind von den traditionellen Indizes.

I: Würden Sie sagen, dass Sie aus IR Sicht eine aktive Index Targeting Strategie auch tatsächlich verfolgen, oder beschränkt sich das quasi da drauf, dass Sie versuchen, irgendwie einen Überblick zu bekommen, wo Sie generell überhaupt gelistet sind, in welchen Indizes, auch von welchen ETF-Anbietern?

B: Sowohl als auch. Also letzteres ist der überwiegende Teil, dass man überhaupt erstmal schaut, woran liegt das und was passiert da. Das bekommt man teilweise sehr deutlich mit. Als wir in den MDAX aufgestiegen sind, hatte man bei uns im Aktienregister mit einer, für unsere Verhältnisse, extrem großen Position einen MDAX ETF gefunden in unserem Aktienregister, weil die dann kaufen mussten. Also das beobachten wir und schauen uns an, wo wir da gelistet sind. Jetzt gerade letzte Woche habe ich etwas gefunden, dass wir auch in einem ESG-ETF enthalten sind, das sind dann immer so Überraschungen, ehrlicherweise. Und was das konkrete Daraufhin Arbeiten betrifft auf Indizes, ja auch das machen wir / haben wir gemacht in der alten Welt. Jetzt wird die Index-Welt gerade ein bisschen neu aufgesetzt. Wo man noch dafür sorgen konnte, dass auch die Umsätze an der Börse, die dann damals noch entscheidend waren oder aktuell noch entscheidend sind für ein paar Monate. Heute gibt es glaube ich die erste Änderung, die eingeführt wird von der Tochter der Deutschen Börse, Contigo, dass die Umsätze keine Bedeutung mehr haben. Aber das war damals auf jeden Fall ein Thema und aktuell kann man beobachten an der Börse bei dem BVB Dortmund, dass die gerade auch sowas machen, im Hinblick auf die Marktkapitalisierung. Und das fällt mir dann schon auf, weil ich dieses Thema kenne, nicht nur für unser Unternehmen, aber wenn man dann sieht,

dass dann bei Dortmund zwei Aktionäre wenige Tausend Aktien verkaufen, also das sind Transaktionen von unter 30.000€ gewesen. Da gab es sogar noch Pressemitteilungen zu, können Sie sich mal anschauen, ist auch im IR Club. Also da habe ich letztens einen kleinen Kommentar dazu geschrieben und diese ganzen Meldungen von Dortmund auch verlinkt, weil die da mit unter 30.000€ Transaktionen mit einer Pressemitteilung gesagt haben, wir haben jetzt einen größeren Freefloat. Also die haben sich quasi offiziell über einen Verkäufer gefreut. Und wenn man dann das Index-Ranking von Dortmund anschaut, sieht man genau, die wollen im SDAX bleiben, sonst wären die eigentlich jetzt rausgeflogen. Und dann ist diese 5% Schwelle der Marktkapitalisierung und Freefloat schon entscheidend. Und da kann man auch ein bisschen, ich will jetzt nicht sagen tricksen, aber das hinbewegen und das haben sicherlich einige im Auge. Bei uns ist es derzeit nicht relevant, weil wir da im guten Mittelfeld unseres Indizes gelistet sind, also im Mittelfeld des SDAX. Aber das ist immer mal wieder eine Überlegung und da frage ich mich, ob das nicht sogar eine Marktmanipulation ist oder ob die Regeln falsch sind von der Börse, ob die 5% Schwelle dann ausreicht und die dann auch noch sagen, nein wir verkaufen jetzt nichts mehr. Mit unseren 4.99% sind wir jetzt zufrieden, aber das ist irgendwie komisch. Aber das ist ein weites Feld, wahrscheinlich jetzt nicht Ihre Frage, aber ja, das wird beobachtet, was man so machen kann.

I: also das mit dem Dortmund klingt sehr interessant, das werde ich mir im Nachgang anschauen.

B: ja das war gerade im Februar jetzt haben die das mehrfach gemacht. Einmal war der Verkäufer der 1und1 Chef und eine Woche später war es die Puma SE, die dann auch wenige tausende Aktien verkauft hat und gesagt hat, wir verkaufen keine weiteren Aktien mehr. Also das sieht ganz klar nach einer abgesprochenen Aktion aus und die waren auf dem drittletzten Platz im SDAX und wären wahrscheinlich rausgeflogen. Und jetzt

haben Sie zweimal 5% mehr Freefloat, das wird sie auf lange Zeit im SDAX sichern.

I: Wirklich sehr interessant. Also würden Sie auch sagen, dass es generell für IR Abteilungen, diese Analyse zu betreiben, in welchen Indizes man gelistet ist und auch eventuell zu schauen, in welchen Indizes die Peer Group vertreten ist, dass das ein immer wichtigerer Anteil wird und auch das man zukünftig teils versucht, Sie haben ja auch schon ESG angesprochen. ESG wird ja auch generell immer ein größeres Thema und dadurch ist es ja auch nicht verwunderlich, dass auch gerade ESG ETFs starke Wachstumsraten haben. Dass das auch ein Thema wird, dass man im Unternehmen bewusst versucht, bestimmte ESG Kriterien zu erfüllen um auch besser in ESG Indizes aufgenommen zu werden oder auch besser in ESG Rankings abzuschneiden?

B: Genau, das auf jeden Fall. Solche Spezialthemen, oder das ist ja kein Spezialthema mehr, ist ja inzwischen ein Mainstream Thema, aber es gibt auch diese thematischen ETFs und sektorspezifischen Indizes und auch darauf aufbauende ETFs. Und das sind so Sachen, wo man dann auch noch drauf achtet. Aber das sind die verschiedenen Welten, also nicht nur die börseneigenen, sondern auch die internationalen Indizes, von denen man teilweise gar nichts weiß, wo man dann gelistet ist. Was von Vorteil ist, es sei denn es gibt dann auch Shorts auf diese Konstruktion.

I: Ein großer Aspekt von IR ist ja der Kontakt zu den Investoren und haben Sie da schon mal einen Überblick bekommen können, wie viel Prozent Ihrer Aktien passiv gehalten werden oder gab es da bis jetzt noch gar keine Möglichkeit, das überhaupt herauszufinden?

B: Doch, das können wir. Wir haben wie gesagt Namensaktien und wir machen einmal im Jahr diese Shareholder Identification und da wissen wir, zumindest an einem Stichtag oder für ein gewisses Zeitfenster ziemlich genau, wie viel Prozent passiv und wie viel Prozent aktiv gemanagte

Aktien sind oder Portfolien. Aber ich habe die Zahl gerade nicht im Kopf, also das ist auf jeden Fall ein steigender Anteil und ein sehr großer, das geht Richtung 50% und mehr.

I: Stehen Sie aktuell in Kontakt zu den ETF-Anbietern oder zu den passiven Investoren, die Anteile an Ihrem Unternehmen halten?

B: Nein, das ist ein ganz klares nein und ich erinnere mich da immer wieder gerne an ein Meeting mit BlackRock. BlackRock hat bei uns und bei vielen anderen, eigentlich allen Unternehmen der Welt, Aktien und Anteile und die sie sind sogar short bei uns auch, also eine Abteilung von BlackRock hat auch die Aktie von uns geshortet und der größte Anteil dieser BlackRock Investments sind passive ETF Geschichten. Und dann bei dem Fondmanager, der aktiv managet, haben wir dann auch mal zu erkennen gegeben, dass wir darauf bestehen, also wie viele andere, und dann wissen wollten, wer hält diese Aktien. Obwohl BlackRock so eine große Position hat und dann hat er gesagt, ja, die meisten Unternehmen, ich habe diese Aktien. Aber das sind alles meine Kollegen oder die Algorithmen. Es gibt ja diese Programme, die die Indizes und Produkte, die einmal aufgesetzt und programmiert werden, einfach vollstrecken und dann die Orders automatisiert ausführen. Also das sind Leute, an die ich, wir sind da noch nie an die herangekommen. Und mir hat mal ein Frankfurter Fondmanager auch eine Story erzählt, hat gesagt, wir haben jetzt ein paar hunderttausend Aktien von euch gekauft, das war aber nicht ich. Und dann haben wir gesagt, ja wer denn sonst? Ja meine Kollegen von den Fonds. Dann hat er gesagt, er hätte mit denen in der Mittagspause das Gespräch gesucht und dann hätten die ihm gesagt, nee wir wollen nicht mit dir reden. Wir wollen das unbeeinflusst unsere Programmierung da machen, dass der Algorithmus ohne diesen Einfluss des Menschen und du schon gar nicht, weil du die kennst haben sie gesagt, das genau wollen wir ausschließen, diesen Faktor. Diesen subjektiven Faktor, sondern die wollen nur objektiv die

Entscheidungen treffen. Und dann hat er mir auch angekündigt, der Fondmanager, dass die Kollegen auch ganz schnell wieder raus sein können. Das ist dann irgendwann auch passiert, weil dann irgendwann irgendwelche Kennzahlen nicht mehr erfüllt werden. Und deswegen, die Antwort ist ganz klar nein. Ich habe noch keinen Weg gesehen bzw. gehabt, mit den passiven Investoren oder mit dem Fond oder mit den Anbietergesellschaften der ETFs zu sprechen.

I: Würden Sie das generell eher als beunruhigend sehen oder eher als eine positivere Entwicklung, dass immer mehr, Sie haben ja auch gesagt, dass der Anteil immer ungefähr jedes Jahr ein bisschen ansteigt, der Anteil der passiv gehalten wird, wenn man sich jetzt vorstellt, dass der Anteil weiter ansteigt und man aber nicht so direkten Kontakt zu den Investoren aufbauen kann wie Sie ja gerade eben beschrieben haben, finden Sie das eher so vom Gefühl beunruhigend oder denken Sie, dass könnte auch eine positive Entwicklung sein?

B: Da bin ich sehr eindeutig, ich weiß, dass da viele meiner Kollegen / Kolleginnen anders denken, ich bin da für den Beruf Investor Relations sehr pessimistisch. Weil die Entwicklung wird so weitergehen, und wird dann, ich habe die 5% genannt, das war eine einfache Schätzung, wie viel das von der Arbeitszeit ausmacht, aber wenn man sieht, dass die Handelsaktivitäten an der Börse in Amerika inzwischen schon bei 70% passiven Investoren liegen oder von diesen verursacht werden und wenn wir in Deutschland 50% der Handelsaktivitäten ungefähr bei passiven haben und das auch ein wachsender Trend ist, dann wird das irgendwann auch die Investor Relations Arbeit deutlich über 5% beeinflussen. Vielleicht habe ich mich da auch verschätzt und vielleicht ist es auch bei anderen mehr. Aber für die Profession Investor Relations ist das meiner Meinung nach beängstigend, weil dann steht immer weniger zur Verfügung, die aktives Fondmanagement betreiben. Und dann kommen noch dazu diese Studien, die

immer wieder zeigen, dass viele es in den wenigsten Fällen besser machen als die passiven und dann auch noch zu höheren Gebühren, also das spricht für den Anleger, der das Kreuzchen machen muss beim Anlageberater nicht für die aktiv gemanagten Fonds – leider- und dann gibt es immer weniger von diesen aktiven Managern, aber die Unternehmensanzahl, ja gut, die fällt auch ein bisschen, also die IR Kollegschaft ist ja auch deutlich minimiert worden in den letzten zehn Jahren durch eine geringe Anzahl börsennotierter Unternehmen, aber auf jeden Fall mehr Unternehmen auf der ganzen Welt prügeln sich dann um die Investorenaufmerksamkeit der wenigen aktiven Investoren und das ist dann auch für Unternehmen in Zukunft schwieriger. Das mag dann vielleicht gerechter sein, weil nur noch die Zahlen entscheiden, und nicht mehr irgendwelche Lügengeschichten wie bei Wirecard als Beispiel oder irgendwelche Sachen, die nicht ganz super sauber sind oder einfach nur eine Fehleinschätzung, dass man das Lächeln des Vorstands oder der Vorständin missinterpretiert hat oder überinterpretiert hat und da zu viel Vertrauen reingesteckt hat, losgelöst von den eigentlich schlechten Zahlen. Also das wird ein bisschen objektiviert wahrscheinlich durch diesen Trend, das könnte man auch als positives raussehen. Aber für die Profession ist das bescheiden.

I: Würden Sie dann als logische Konsequenz auch sagen, dass, was man momentan ja noch sehr viel betreibt, dieses typische Investor Targeting, dass man auf Roadshows geht, dass man 101s hat, dass man bewusst Investorengespräche sucht und durchführt, wenn es immer weniger aktive Portfolio-Manager und Buy-Side Analysten geben wird, würden Sie dann auch sagen, dass diese Tätigkeit weniger wichtig wird und weniger Zeit in Anspruch nehmen wird zukünftig irgendwann?

B: Ja umgekehrt wahrscheinlich, dass man das Targeting tatsächlich hochfahren muss, um die zu finden, die für einen als Investor interessant sein

könnten. Zumal dann auch noch andere Entwicklungen am Markt stattfinden, die dazu führen, dass man das eher selbst machen muss. EFIT II als Überthema, also dass auch die Anbieter von Corporate Access in vermittelnder Aktion die Intermediäre weniger werden und dann auch noch die ganze Entwicklung durch Corona, dass man sehr viel direkter miteinander kommuniziert. Seit einem Jahr die Investoren auf die Companies direkt stärker zukommen als sie es davor gemacht haben und mal eben kurz einen Video Call wünschen. Das kann man natürlich auch umgekehrt machen, weil es so einfach ist, weil jetzt jeder dran gewöhnt ist an diese Video Meetings. Sind vielleicht nicht optimal für jede Situation, aber sind doch sehr bequem und unterstützen das Targeting. Also man muss nicht mehr einfach auf gut Glück zum ersten Meeting nach Singapur fliegen, sondern man kann da auch das erste, nötige zusammenfassen per Video Call, abtesten, von daher ist das Targeting schon interessant. Also wird an Bedeutung gewinnen. Ich bin kein Freund von Targeting, muss ich ganz klar sagen, gerade visuell nicht und wenn die Investoren clever genug sind, ihre Tools zu bedienen und auf die Unternehmen selbst zu stoßen, wenn sie gute Zahlen eingespeist haben in die Systeme, also wenn die operativen Ergebnisse stimmen, wird man gefunden. Das ist meine Ur-Überzeugung. Aber trotzdem bin ich der Meinung, dass Targeting in diesem Umfeld und mit dieser Entwicklung wichtiger wird. Auch wenn die Aufgabe an sich nicht leichter wird an sich, weil das viele tausende von Unternehmen weltweit machen. Deutschland ist zwar ein schrumpfender Markt von der Anzahl der Unternehmen her, aber das ist eine relativ einmalige Sache auf der ganzen Welt sieht es anders aus mit der Entwicklung, da wird es eher mehr Unternehmen an der Börse, die sich dann um das Investoreninteresse wie gesagt schlagen / konkurrieren.

I: Würden Sie zusammenfassend sagen, dass IR trotzdem nicht überflüssig werden wird, weil man auch so etwas wie Investor Targeting nach wie

vor betreiben muss. Zwar wahrscheinlich intensiver und mit weniger Erfolg für die Bandbreite von Investoren, aber dass man in Zukunft IR noch benötigen wird?

B: Ja, also IR wird man benötigen, das denke ich auf jeden Fall. Nur es wird sich verändern und dieser aktive Investorenkontakt, der wird wahrscheinlich abnehmen, auch wenn Targeting wichtiger wird, ist einfach der andere Trend der passiven Investoren stärker. Aber IR bekommt ja durch die Regulierung genug andere Felder, die den Beruf nicht überflüssig machen werden. Aber er wird sich ändern der Beruf. Also dieses unterwegs sein, aus Sicherheitsgründen, gesundheitlichen Risiken heraus wird sich ändern oder hat sich schon geändert, und auch die Bequemlichkeit und Kostenersparnis und Umweltfreundlichkeit des virtuellen Meetings wird auch den Beruf verändern. Also ich bin noch nicht ganz sicher in welche Richtung, also ob das dann mehr Generalistentum erzeugt oder tatsächlich mehr Spezialisten innerhalb der IR Abteilung, dass es dann verschiedene Fachgebiete gibt. Ich glaube eher, es wird insgesamt betrachtet negativ, also die Bedeutung wird zurückgehen innerhalb des Unternehmens von IR, meiner Meinung nach. Aber das ist unabhängig von, da ist diese ETF / passive Geschichte nur ein Ausschlag.

I: Aber denken Sie, dass auch andere Bereiche beeinflusst werden? Also wie Sie gesagt haben, IR ist ja für zahlreiche Tätigkeiten zuständig und Aufgaben, so etwas wie Corporate Governance, Reporting und Hauptversammlung wird ja nach wie vor für Unternehmen Pflicht sein. Denken Sie, dass auch solche Aufgabenbereiche beeinflusst werden oder bleiben diese einfach unbeeinflusst von dieser passiven Industrie weiter die Tätigkeiten ausgeführt werden?

B: Naja, also die Regulierung schlägt in verschiedenen Gebieten zu. Und da ist dann auch, ein gutes Beispiel ist tatsächlich ESG. Aber da geht es dann eher darum, das Reporting oder die Zahlen aufzubereiten und auch in die Systeme einzupflegen. Und da muss man auch immer abwarten,

wie jetzt die ganzen Taxonomie Themen wie ESEF und so was, was das für Auswirkungen hat auf den Kapitalmarkt. Aber es klingt für mich jetzt mal so, ja man muss die Daten aufbereiten und sammeln und berichten. Das finde ich jetzt aber keine so hochtrabende, hochqualifizierte IR Arbeit. Das ist Spezialisten-Arbeit, auf jeden Fall, ja also da diese Zahlen zu verstehen, zu interpretieren, aufzubereiten und alles, das will ich gar nicht runterspielen, aber das ist keine ur-eigene IR Arbeit. Und dann habe ich die starke Vermutung, da das ja alles Richtung Standardisierung geht und Taxonomie, dass das nicht von Menschen gemacht wird, sondern dass das maschinenlesbar natürlich ist, wie es ja auch sein soll, und dass dann auch Maschinen die Auswertung machen. Und man nicht irgendwie im Gespräch, genauso wenig wie im IR Bereich, was das rein Operative betrifft, auch solche Themen wie ESG nicht bespricht. Sondern sich auch dafür passive Lösungen finden werden. Also passiv in dem Sinne, dass man keinen menschlichen Kontakt benötigt, sondern dass das alles automatisiert von Algorithmen ausgewertet wird und von künstlicher Intelligenz zusammengetragen wird und dann für die Anlageentscheidung weltweit aufbereitet wird. Aber das ist keine IR Aufgabe. Von daher, ja, das Reporting bleibt wichtig, aber irgendwann, es wird immer mehr automatisiert. Also genauso wie ein Produktionsunternehmen immer mehr automatisiert werden kann. Ob das dann am Ende sinnvoll ist, ist die andere Frage, also man könnte auch eine Rezeption im Hotel abschaffen und nur noch einen Automaten hinstellen, der den Schlüssel rausgibt. Das ist am Ende dann aber nicht sinnvoll und so etwas wird es dann wahrscheinlich auch im IR Bereich geben. Ja, man könnte es von der Webseite ziehen, aber man lässt sich das dann lieber doch noch mal von einem menschlichen Kontakt dann vortragen / präsentieren, die Strategie erläutern. Solche Themen werden wahrscheinlich immer übrigbleiben. Auch wenn es ein bisschen spekulativ ist. Aber ich denke schon, dass so strategische Themen, wie tickt der oder die CEO, dass das letztendlich dann

doch für manche, einen Teil des Kapitalmarkts, von Bedeutung ist.

Experten-Interview 2

Datum: 25. 02. 2021

Ort: Telefoninterview

Dauer: 32:50 min

I: Interviewender, B: Befragte Person

I: Sie haben ja bestimmt als IR Professional seit Jahren den Trend von ETFs und anderen passiven Investmentmöglichkeiten, da gibt es ja mittlerweile auch ganz verschiedene Arten von ETFs, die teils auch aktive Module enthalten, aber ist das bei Ihnen beruflich oder bei Ihnen im IR Team allgemein ein Thema, dass man sich mit ETFs beschäftigt und auch auseinandersetzt?

B: Ja ist es oder war es immer wieder. Wir haben den Index gewechselt, vom SDAX in den MDAX aufgestiegen, und im Rahmen dessen erwartet man natürlich Effekte der Umschichtung, auch entsprechend der Index ETFs. Also das haben wir erwartet. Da gab es auch gestiegene oder erhöhte Volumina deswegen, aber dass wir da aktiv irgendetwas darüber hinaus machen würden, sehe ich nicht im Moment.

I: Schätzen Sie ein, dass das zukünftig ein Thema werden könnte, dass man im täglichen, also nicht direkt täglich aber dass man in Aufgabenbereichen von IR zukünftig sagen könnte, dass in die Richtung ETFs Zeit in Anspruch nehmen werden?

B: Schwierig, es ist die Frage, wie will man denn dort angreifen? Man muss sich ja dann die entsprechenden Themen anschauen, die von ETFs abgedeckt werden und dann schauen, ob man gezielt in diese Themen hinein kommuniziert, um dann den entsprechenden Effekt auszulösen. Mehr als diesen indirekten Approach sehe ich ehrlich gesagt nicht und darum würde ich es darauf beschränken. Wenn es spezielle ESG Fonds gibt oder ESG ETFs, dann versuche ich natürlich mit meiner ESG Policy oder mit meiner Strategie entsprechend diese zu bedienen. Aber da sich jetzt irgendeinen, man kann ja auch auf keinen ETF Anbieter zu gehen. Man kann sich nur anschauen, welche ETF gibt es und schauen, dass man versucht, die Themen abzudecken. Das ist das einzige.

I: Haben Sie auch schon mal, wie gesagt, Indizes sind ja ein großes Thema von ETFs, weil ja viele ETFs diese Indizes nachbilden und wenn man jetzt z.B. wie Sie im MDAX gemeldet ist, dann muss man sich bei einem ETF, der den MDAX nachbildet, nicht aktiv darum bemühen als Unternehmen, weil man ja automatisch in dem Index gelistet ist. Aber wie Sie ja schon angesprochen haben, gibt es ja auch spezielle Themen-ETFs, die ja dann bestimmte Branchen und Themen abdecken. Haben Sie da schon einmal aktiv geschaut, was da die Kriterien sind und dass man dann versucht mit diesem indirekten Approach den Fokus so zu legen, dass die Kriterien erfüllt werden und dass man dann eben automatisch in die Themen reinkommt?

B: Nein noch nicht, haben wir noch nicht gemacht.

I: Könnten Sie sich vorstellen, dass das zukünftig eventuell ein Thema werden könnte?

B: Sehe ich im Moment noch nicht, theoretisch ja aber im Moment sehe ich das als niedrig priorisiert an.

I: Haben Sie schon einmal aktiv verfolgt, in welchen Indizes Sie aktuell gelistet sind?

B: In welchen Indizes ja, das haben wir schon. Aber in welchen ETFs jetzt nicht wirklich.

I: Es ist ja auch häufig ziemlich schwer, an die Daten von den ETF Anbietern heranzukommen, die veröffentlichen ja auch nicht einfach Daten auf ihrer Homepage. Könnten Sie sich vorstellen, dass man eventuell als IR Abteilung zukünftig auch Geld dafür ausgibt, für diese Informationen von den ETF Dienstleistern Informationen erhält gegen Geld, in welchen ETFs man überhaupt gelistet ist? Also dass IR Abteilungen in Zukunft bereit wären, Geld auszugeben?

B: Sehe ich im Moment auch noch nicht, aber ausschließen möchte ich es auch nicht, also kann schon sein, ja. Theoretisch ja.

I: Der Kontakt zu Investoren ist einer der Hauptfokusse von IR und haben Sie da schon einmal eine Möglichkeit gehabt, einen Überblick zu bekommen, wie groß der Anteil von Aktien ist, der passiv an Ihrem Unternehmen gehalten wird?

B: Nein, habe ich nicht aktiv geprüft.

I: Denken Sie, dass das zukünftig zur Sprache kommen wird oder dass man zukünftig versucht, dass herauszufinden? Dass es überhaupt wichtig ist,

B: Wenn der Aufwand vertretbar ist, wäre es sicherlich eine interessante Information, aber aktiv jetzt wirklich da einen großen Fokus drauf zu setzen, würde ich nicht sehen. Niedrige Priorität. Nicht im Moment.

I: Wenn immer mehr ETF Anbieter einen Anteil am Unternehmen halten, denken Sie, dass da auch ein bisschen das Investor Targeting auch darauf abzielen könnte, dass man auch versucht, Kontakt zu diesen ETF Anbietern aufzubauen?

B: Kann ich mir nicht vorstellen, denn am Ende des Tages sind die ja normalerweise nicht wirklich an aktivem Kontakt interessiert. Es sei denn, es sind ETFs, die aktiv zusammengestellt werden. Die jetzt nicht bestehende Baskets oder bestehende Branchen abdecken oder Indizes, sondern tatsächlich eine Gruppe von Unternehmen nach eigenen Kriterien zusammenstellt. Dann könnte es interessant sein, aber alles andere, was wirklich passiv gemacht wird, das ist vergebene Liebesmühe würde ich sagen.

I: Würden Sie daraus ergebend auch sagen, dass dieses klassische Investortargeting, was ja aktuell von IR betrieben wird, sich dann auch gar nicht großartig ändern wird, weil man eben gar nicht richtig an die ETF Anbieter rankommt und nach wie vor natürlich Investor Targeting betreiben

muss, also dass es relativ unbeeinträchtigt sein wird?

B: Ja, so sehe ich das, genau.

I: Denken Sie, dass bei diesen klassischen Investor Targetings sind ja alle möglichen Typen von Investoren mit involviert, sehen Sie da irgendeine Tendenz, dass da z.B. aktive Portfoliomanager oder Buy-Side-Analysten, dass man zu diesen weniger Kontakt haben wird oder dass dies nach wie vor gleichbleiben wird?

B: Ich denke, es wird gleichbleiben. Die Frage ist, ob die Anzahl der aktiven Portfoliomanager gleichbleiben wird. Von unserer Seite aus wird der Kontakt gleich intensiv verfolgt und dementsprechend auch hoffentlich gleichbleiben.

I: Wenn man jetzt so ein bisschen im Hinblick auf die IR-Ziele schaut und auf die Aufgabenbereiche: man versucht ja immer eine gewisse Outperformance im Markt zu erreichen und orientiert sich da auch immer an einer Peer-Group und ist ja auch darum bemüht, dass der Aktienkurs kontinuierlich ansteigt und wenn man jetzt pauschal sagen würde: „ok, immer mehr Leute investieren passiv und sind gar nicht mehr an einer Outperformance des einzelnen Unternehmens interessiert, sondern wollen einfach nur den Durchschnitt des Marktes kaufen. Denken Sie, dass dies auch das Ziel von IR verändern könnte, dass man da auch gar nicht mehr so viel Wert darauf legt, dass man als einzelnes Unternehmen so heraussticht oder eine gute Leistung abliefert?

B: Also ehrlich gesagt glaube ich das nicht, dass es so weit kommen wird, denn dann gibt es kein Differenzierungsmerkmal mehr. Das kann man als Beimischung machen, aber nur passiv, wie differenziere ich mich dann von meinem Wettbewerber aus, als vielleicht durch Cost. Also ehrlich gesagt sehe ich das in dem extremen Format nicht. Und ich glaube auch nicht, dass sich die IR Zielsetzung, dass es jetzt nicht unbedingt ein stetig steigender Aktienkurs -da widerspreche ich- ich sage eher mal eine faire Bewertung. Denn Aktienkurse kön-

nen je nach Unternehmensentwicklung auch mal hoch oder runter gehen, das ist ja nicht nur eine Einbahnstraße, deswegen denke ich, wird weiterhin das Ziel sein, dass man am Ende von außen so gesehen wird, dass einem entsprechend einer Bewertung, die man als fair empfindet, zugebilligt wird. Und das, denke ich, ist das Primärziel von IR, dass dies eine mögliche Bewertungslücke schließt und durch aktive IR Arbeit für eine, hoffentlich faire, Bewertung sorgt.

I: Denken Sie, dass wird sich ja jetzt so anhören, dass man nach wie vor versucht aktiv die faire Bewertung zu erreichen

B: ja

I: und dass dann eben viele Aufgaben nach wie vor ungefähr so aussehen werden in der Zukunft wie sie es aktuell tun, wie z.B. eben gesagt, dass klassische Investor Targeting

B: ja

I: Sehen Sie da irgendwelche Aufgabenbereiche überhaupt in Gefahr durch den passiven Trend oder sagen Sie „nein, wird von meinem Bauchgefühl eher so bleiben wie es aktuell ist“?

B: Also im Bereich IR sehe ich tatsächlich noch keine Gefahr. Wie es später werden würde, wenn tatsächlich der Großteil der Investoren nur noch ETFs machen würden, dann wäre das wahrscheinlich anders, aber ehrlich gesagt sehe ich das nicht. Also von daher sehe ich die Aufgaben weitestgehend stabil.

I: Sehen Sie Bereiche, wo Sie sagen, da könnten Sie sich vorstellen, dass da noch einmal neue Aufgaben zu den bestehenden schon dazukommen?

B: Ja, ich meine auf jeden Fall. Stichwort ESG. Das ändert den ganzen Aufgabenbereich natürlich. Oder regulatorische Veränderungen. Die finden auch ständig statt, so dass man dann sich, oder so Rechnungslegung, Berichterstattung über ESEF z.B., das sind alles Dinge, die natürlich das Aufgabenspektrum verändern. Ständig verändern,

was nicht aufhört. Und darauf muss man sich weiterhin einrichten, aber sonst, bis auf dieses Großthema ESG sehe ich jetzt keinen direkten Einflussfaktor.

I: bzgl. ESG: würden Sie da auch sagen, dass Sie einen aktiven und passiven Approach sehen. Also z.B. passiv, wie wir vorhin auch schon darüber geredet hatten, dass man da über diese speziellen Themen schaut, was sind auch Kriterien von ETF Anbietern, dass man auch aktiv als IR dafür wirbt, dass man bestimmte, auch ESG Kriterien, aktiv versucht zu erfüllen,

B: Das definitiv ja

I: dass man dann auch reinkommt.

B: Das definitiv auf jeden Fall ja. Aber jetzt nicht nur wegen der ETFs, sondern grundsätzlich – ja. Also das betrifft sowohl aktives Management als auch passives Management der Investitionen. Also definitiv versucht man herauszufinden: ok, wo liegen die Kriterien, wie kann ich mich in Position bringen. Läuft das über Rating oder andere Dinge. Wie kann ich diese Ratings gezielt verbessern. Solche Dinge spielen da auf jeden Fall eine Rolle.

I: Ok. Und würden Sie dann auch sagen, dass auch die Beziehung zu Analysten nach wie vor gleich wichtig bleibt. Also Analysten, die die Firma aktiv covern, dass der Bezug zu denen nach wie vor ein wichtiger Bestandteil bleiben wird?

B: Ja klar, definitiv! Das sind die Multiplikatoren, die man braucht.

I: Viele ETF Anbieter haben ja auch Zugriff auf große Datenbanken wie Thomson Reuters oder Bloomberg. Könnten Sie sich da vorstellen, dass man da auch ein bisschen als IR Abteilung Fokus darauflegt, dass man die Daten dort sauber dargestellt bekommt, dass sie eben auch für ETF Anbieter leichter zu scannen sind?

B: Ja, das gilt jetzt aber nicht nur in Bezug auf ETF Anbieter. Darauf würde ich immer versuchen zu achten. Definitiv ja.

I: Also wäre so ein bisschen ihr Fazit, dass es schon einen kleinen Einfluss gibt, aber das sich nicht direkt ein großer Umbruch für IR anbahnen wird. Weil eben auch viele Sachen automatisch ein bisschen aktiv und passiv einhergehen, wie jetzt z.B. ESG oder das mit den Datenbanken, dass man das nicht nur aus reinem passivem Fokus macht

B: Genau.

I: Sondern sowieso machen würde und dann auch passiv davon profitieren kann, wenn man das richtig pflegt.

B: Genau, so würde ich das sehen. Also keinen ETF spezifischen Approach, sondern einen western spezifischen Approach, der ggf. positiven Einfluss auf die ETF Entwicklung hat, ja.

I: Ok. Also würden Sie dann auch diese Entwicklung der ETF Branche auch nicht so skeptisch sehen, weil Sie da jetzt nicht den großen Über-Run auf IR sehen.

B: Nein, von IR Sicht jetzt nicht, nee. Wenn ich Fondmanager wäre, dann würde ich das vielleicht anders sehen, aber aus IR Sicht jetzt tatsächlich nicht.

Experten-Interview 3

Datum: 25. 03. 2021

Ort: Videocall

I: Interviewender, B: Befragte Person

I: Wie sieht eine aktive Index Targeting Strategie? Wie muss diese aufgebaut sein, um erfolgreich zu sein?

B: Eine gute Index Strategie sollte transparent sein, wissen, welche Indizes es gibt und wie wichtig diese sind, also wie viel ETF Geld diesen folgt. Danach muss analysiert werden, ob es überhaupt die Möglichkeit gibt, in diese reinzukommen, also wenn man z.B. nach der Marktkapitalisierung ausgewählt wird, kann man als IR wenig machen, nur indirekt über Steigerung des Aktienkurses oder über eine Kapitalerhöhung könnte versucht werden, diese nach oben zu bringen. Wenn es allerdings andere Kriterien gibt, über Rankings oder ESG Themen, dann kann man sich aktiv darum bemühen.

I: Wird es zukünftig wichtig für IR Abteilungen sein, eine solche Strategie zu haben?

B: Hängt von dem strategischen Ziel des Unternehmens und auch von der Gesellschaft ab, wenn das Ziel des Unternehmens ist, mit einem strukturellen Discount zu handeln, dann sollte sich das Unternehmen schon darum kümmern, eine Index Strategie zu haben. Für große Unternehmen eher wichtig, da kleine Firmen nicht die Cash-Flows bestimmen, daher können diese es tun, aber es ist nicht so relevant wie für die großen. Für kleine IR Abteilungen wird es aber eher ein nice to have werden, da eine solche Strategie sehr aufwendig (Zeit + Kosten) ist und dann eventuell auch ein externer Anbieter dies übernehmen kann, man die Strategie ggf. outsourced.

I: Wird das Targeting passiver Investoren eine IR Aufgabe werden?

B: Nein noch nicht, haben wir noch nicht gemacht.

I: Könnten Sie sich vorstellen, dass das zukünftig eventuell ein Thema werden könnte?

B: Ja, im Grunde ist dieses Targeting nicht anders als das aktive: wer kennt mich noch nicht? Wenn sorgfältig durchgeführt, können auch andere Abteilungen mit einbezogen werden, um Kriterien zu erfüllen / umzusetzen. Im Endeffekt ist es aber auch eine Entscheidung des Vorstandes, ob dies ein strategisches Ziel für das Unternehmen wird.

I: Ist es überhaupt wichtig, als Unternehmen zu wissen, wie viel Prozent der Aktien durch passive Investoren gehalten werden?

B: Ja, dies ist relevant, da IR Aktivitäten davon abhängig sind. Wenn bspw. 80% passiv gehalten werden, sollte der Fokus eventuell nicht mehr auf der Teilnahme von Roadshows und Konferenzen liegen, sondern überlegt werden, was wichtiger ist, wie die Zeit von IR + Vorstand sinnvoller beansprucht werden kann. Z.B. könnte der Fokus Richtung Nachhaltigkeitsrankings oder Momentum ETFs shiften, wenn man gerade stark wächst. Immer in Abhängigkeit davon, wo die Macht des Kapitals liegt und wo der Einfluss der Investoren liegt.

I: Für wie wahrscheinlich ist es, einen Kontakt zu ETF Anbietern bzw. zu Asset-Managern aufbauen zu können?

B: Momentan ist es nicht wirklich möglich, Kontakt zu diesen aufzubauen, aber wenn sie weiterhin wichtiger werden und deren Einfluss weiterhin ansteigt, also die Macht zunimmt, dann wird der Ruf nach einer Regulierung dieser Black Box vom Markt her kommen und der Ruf nach Transparenz. Dadurch könnte ETF Anbieter dann indirekt vorgeschrieben werden, einen gewissen Grad an Transparenz zu schaffen und eventuell auch Kontakt zu Firma möglich machen zu müssen.

I: Wird klassisches Investor Targeting (aktive Portfolio Manager / Buy Side Analysten) zukünftig

ftig weniger relevant und daher weniger Zeit in Anspruch nehmen?

B: Aktives Targeting wird relevant bleiben, aber weniger Zeit in Anspruch nehmen, abhängig von den Beziehungen von dem Unternehmen. ETF geben ihre Stimmen an Proxy Advisor ab. Zukünftig könnte es sein, dass man anstatt Kontakt zu Portfolio Managern Kontakt zu Governance Abteilungen hat.

I: Wie ist das Sentiment bzgl. der Entwicklung, dass zukünftig immer mehr Anteile des Unternehmens passiv gehalten werden?

B: Eine Machtaggregation ist immer negativ. Momentan gibt es zu wenig und dafür zu mächtige Proxy Advisors (Oligopol). Bei einer Zentralisierung bzw. einem Fokus auf wenige Spieler wird der Markt in ein Korsett gedrückt und das Individuelle hat keinen Platz mehr. Aber eine Möglichkeit, die auch BlackRock schon überlegt bzw. eingeräumt hat ist es, dass die Kunden und nicht der ETF Anbieter abstimmen sollen. BlackRock versucht es seinen Kunden technisch zu ermöglichen, dass diese selbst abstimmen können. Das könnte zu einer Disintermediation führen: der Mittelsmann zieht sich immer mehr zurück und gibt die Macht an den Kleinanleger weiter und entscheidet nicht mehr für diesen. Aber ist das überhaupt gewollt? Will Oma Piepental das überhaupt? Verfügen die Anleger über das nötige Wissen bzw. wollen sie überhaupt über einen Vergütungsbericht abstimmen? Eine Möglichkeit für Zukunft könnte sein, dass ETF Anbieter / Verwalter ihren Kunden, die in bestimmte Produkte investiert haben und indirekt die Anteile an dem Unternehmen halten, anbieten, dass diese selbst entscheiden können. In dem Fall, dass dies von Seiten der Anleger nicht gewünscht ist, übernimmt es nach wie vor der Anbieter oder überlässt es einem Proxy Advisor.

I: Wird es Aufgaben geben, die in Zukunft von IR nicht mehr nötig sein werden?

B: Story Telling und die Equity Story wird wichtiger werden. Der Geschäftsbericht und finanzielle

Kennzahlen werden immer mehr standardisiert werden, der GB als Aushängeschild und Marketinginstrument wird wegfallen. Firma werden nicht mehr so stark versuchen, sich über diesen von der Konkurrenz abzuheben, da die Zahlen automatisch erfasst werden (ESEF). Wobei viele IR Abteilungen auch gar nicht am GB beteiligt sind, sondern sich nur um Präsentationen und RS kümmern. ESG / Governance und Rechtswissen wird wichtiger werden. Roadshow Aktivitäten werden abnehmen und Datenbanken wichtiger werden. Die individuelle Überzeugungsarbeit einen individuellen Investoren zu überzeugen wird ebenfalls abnehmen.

I: Wird es neue Aufgaben für IR Abteilungen geben, die aus dem Einfluss der passiven Investment-Industrie heraus resultieren?

B: Auf jeden Fall werden sich Aufgaben weiterentwickeln, v.a. ESG. Artificial Intelligence and Technologie wird wichtig werden und für IR Abteilungen könnte es relevant werden, dass diese die Themen verstehen und pflegen können. Es könnte sein, dass es neben einem dedicated ESG IR Manager auch so etwas wie einen dedicated digital Marketing IR Manager geben wird, der sich um social Media, Sustainalytics, Datenbanken etc. kümmert und diese pflegt, ein database Analyst.

I: Wird die IR Branche stark beeinflusst werden? Oder wird sich größtenteils an den Aufgaben von IR nichts ändern und es zu keinem Umbruch kommen?

B: Abrupt nicht, wenn wird es ein schleichender Trend werden. Der Trend des passiven Investments war auch schleichend über Jahre hinweg, ist aber nach wie vor ungebrochen. Pensionsgelder werden weiterhin steigen, es wird immer wichtig im Alter vorzusorgen und eine Altersvorsorge zu betreiben. Dazu kommt, dass Aktien / real Assets beliebt bleiben werden, da es auch in absehbarer Zukunft keine Zinsen geben wird, das Niedrigzinsumfeld bleibt bestehen. Aber IR wird sich ändern: das IR Geschäft hat sich in den letzten 20 Jahren nicht geändert und blieb unverändert

aber der Kapitalmarkt hat sich sehr geändert in dieser Zeit. Für große Unternehmen, die automatisch auch häufiger in die großen Indizes aufgenommen werden, wird es eher wichtig werden. Sie werden eher Änderungen spüren, je größer, desto wichtiger. Bei small cap Unternehmen wird die Anzahl der aktiven Investoren noch deutlich in der Überzahl bleiben, einfach, weil es für sie schwieriger ist, in Indizes zu kommen und auf den Radarschirm von ETF Anbietern zu gelangen.

Über die Autorin



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Annika Erben arbeitet seit Juli 2020 im Bereich Investor Relations der PATRIZIA AG in Augsburg. Nach einem sechsmonatigen Praktikum ist sie seit Januar 2021 als Werkstudentin tätig und schrieb während dieser Zeit unterstützt durch das Unternehmen ihre Bachelorarbeit. Im Juni 2021 schloss sie ihr Bachelorstudium „International Management“ an der Hochschule Augsburg ab. Während ihrer Zeit an der Hochschule Augsburg legte sie ihren Schwerpunkt auf Finanzthemen und belegte die Vertiefung „Corporate Finance“, die unter anderem das Modul „Investor Relations“ beinhaltet. Des Weiteren erweiterte sie ihre interkulturellen Kompetenzen während eines Auslandssemesters an der Taylor’s University in Kuala Lumpur, Malaysia, und unterstützte als wissenschaftliche Hilfskraft die Organisation eines internationalen Kongresses.

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