KIRSTEIN

BENELUX INVESTOR SURVEY 2010

FINANCIAL MARKET RESEARCH

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INTRODUCTION

Introduction

This first Benelux survey is the next step in Kirstein's survey program. We are certain that our approach to the analysis of investors' plans and preferences warrants a wider reach and we have already announced that it is our ambition to become a European player within the next decade. Thus, the combination of public information (accounts, reports, web-sites, etc.), quantitative questionnaires and qualitative interviews produce a superior understanding of the investors.

Entering into the Benelux was surely a new venture for us, and the fact that we were virtually unknown to the investors in the region posed significant challenges for us. Now, we can rightfully claim that we pulled it off. This, however, does not mean that we cannot improve both the breadth and depth of the study. These will be important milestones for us in the coming years.

To succeed and gain the investors' trust, it was essential that we spent considerable time in the region in order to meet the investors and present our organization and explain our approach. We will continue to do this and will hopefully manage to increase our profile further. We would like to thank the participating investors for their efforts and support and will, as promised, forward a substantial extract from the survey as well as donate the promised amount to the designated charity organizations.

Another important contribution to the survey has come from the help and support of the Dutch consultant Ortec, who helped us to better understand the Dutch market and introduced us to important investors. We express our sincere thanks to Ortec. At the same time a number of participating asset managers provided assistance by educating us on the various elements in the structure of the Benelux market as well as by helping us with valuable access to investors. We thank the asset managers for this.

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The overall purpose of the survey is to provide asset managers with a more profound, detailed and documented knowledge of investors' attitudes towards them. Furthermore, the survey covers the investors' needs and requests concerning external asset management in general as well as their investment strategies, structuring of investments and future mandates. This is true for our Danish, Nordic and Benelux survey but one additional element in the Netherlands was the understanding of the role of fiduciary management.

The survey is based on questionnaires sent to the 66 largest investors in the Benelux, life and pension companies, insurance companies, and fiduciary managers. As in the Nordic countries, we have worked with an electronic web-based version of the questionnaire which facilitates the process and increases the quality of the data.

All in all two out of three of the largest and most important investors answered the questionnaire, some via their fiduciary manager, and we conducted qualitative interviews with approximately half of these. We regard this as satisfactory. 25 managers were included in the report of which more than half did not subscribe but were nevertheless included to create a relevant peer group.

We know that some managers have been somewhat hesitant about the possibilities of cracking the Benelux market for an outside consultant, but we hope that the present result will demonstrate that we succeeded.

Compared to the Nordic countries there are considerable similarities and some notable differences. The general investment themes tend to be the same, emerging markets, credit and some alternative assets like infrastructure. It is our impression that the Benelux investors are less occupied with absolute return and are more benchmark oriented in their portfolio management inter alia due to the effects of the Z-score.

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At the same time many investors have a high level of professionalism and sizable internal organizations like many investors in the Nordic countries. Fiduciary management of course plays a major role in the Netherlands and some investors, therefore, tend to 'hide behind' their fiduciary manager. The authorities' demand for increased transparency and control will, however, put additional pressure on the end investors and the need for internal expertise or consultancy. We hope that the Benelux Investor Survey will contribute to the further increase in transparency.

Solvency II affects a number of investors but seems to play a less important role in the Benelux.

The Benelux investors work closely with international managers who tend to play an even greater role than in the Nordic countries. Thus, the local asset managers seem to have a relatively smaller market share and are generally less known and comparatively less positively assessed.

We regard the oral presentation of the report as essential in obtaining the full benefit of the survey just as we consider the written report and the subsequent dialogue as fundamental. This means that we will again this year provide follow-up material to the report including focused statistics for different asset managers.