The Better IR Newsletter

Volume 3, Issue 4
April 2010

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Global Equity Assets Report (GEAR) - Q4 2009

Ipreo's Global Data Strategy and Analytics group has just released its third quarterly issue of the Global Equity Assets Report ("GEAR"). This report provides a macro-level analysis of equity markets by detailing the overall ownership of equities and the flow of institutional equity assets by region and sector over the last six quarters.

To access your copy of the report, please click here

Merger Arbitrage Portfolios and IR

Hearing from some strange new names lately?

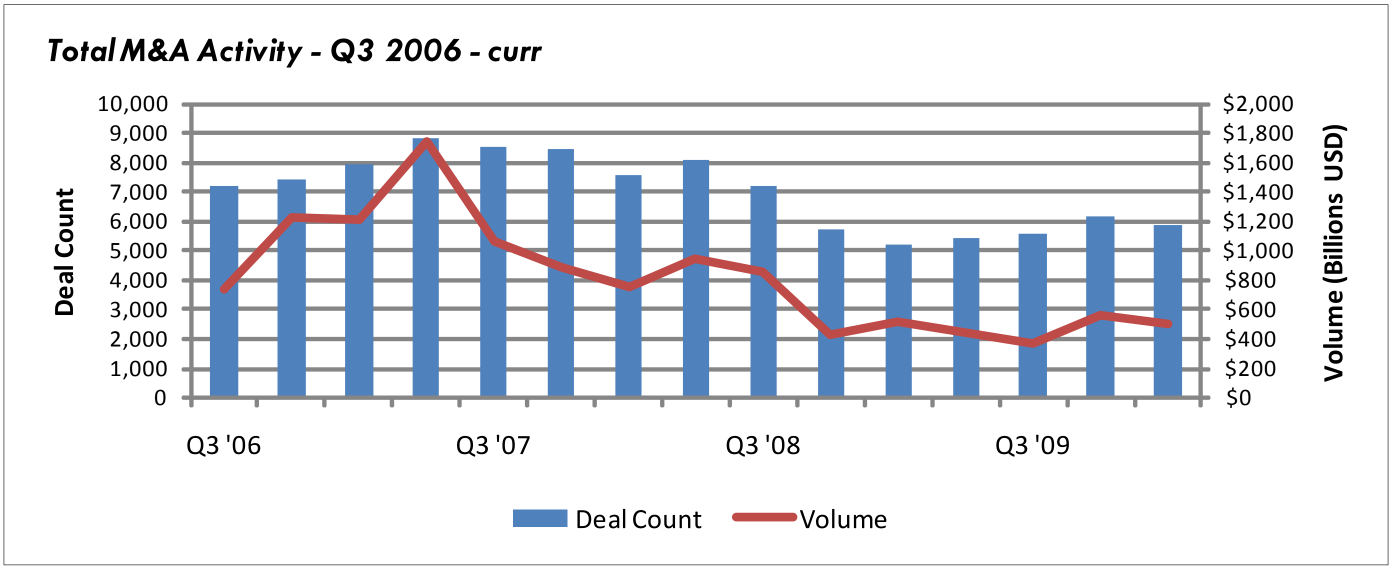
One of the more downtrodden hedge fund investment strategies at the onset of the financial crisis was the "M&A arbitrage" event-driven investor. Given the cautious approach of companies to the macro downturn (and the drying up of funding for deals from debt and/or equity sources), investors looking to make arbitrage plays around deals found their pickings few and far between, and in many cases resorted to other "event-driven" investment options. However, an improving M&A market has the potential to increase the number and size of these portfolios, as well as their overall contact with the issuer community.

IRO's typically see event-driven portfolio managers as at best a nuisance, and at worst someone who belongs on the bottom of the call-back list. After all, are arbs really interested in the long-term investment prospects of your company, or are they just interested in making some quick profits to make their quarter? Based on data from Hedge Fund Research, total assets in designated merger arb hedge funds at the end of 2007 sat near $28b (not including managers that use merger arb as one of a number of event-driven strategies – Ipreo data shows institutions with at least one portfolio following a merger arb strategy as managing over $380b as of early 2010).

However, identifying and communicating with the investors most commonly involved in this type of activity may actually offer you some value in the form of listening to the types of questions they're asking. An event-driven manager that repeatedly asks about a particular business line or segment may be a clue that an outside player is interested in that part of your business. Or, an investor pushing you about potential acquisitions for your company may have just talked to another company about what the market looks like for a sale of one of its divisions.

M&A Market

The M&A market has steadily been building momentum since the second half of 2009. This trend is expected to continue as 2010 is seen as the year that M&A deal making will experience a significant resurgence. According to Ernst & Young's Transaction Advisory Services, PE firms currently have $400B on hand and Fortune 1000 companies have more than $1.8 trillion in cash – these factors, in addition to a steadily improving economy and loosening credit markets, should drive the expected M&A growth in 2010. Data from Bloomberg below shows the market bottoming in Q109, with a slight uptick in both deal count and deal volumes globally since.



On an industry basis, Healthcare and Energy sectors have been leaders in M&A in the past year and are expected to continue to have considerable activity in 2010. In addition to Healthcare and Energy, the Technology sector is also expected to experience significant M&A activity. Deal premiums have dropped slightly with the increase in overall market valuations; according to data from Bloomberg, the average global M&A deal premium in the first quarter of 2010 stands at just under 20%, down from over 30% in the first quarter of 2009.

Analysis

Ipreo conducted an analysis in April 2010 of M&A deals from U.S. publicly-traded target companies, with total deal consideration exceeding $500mm, from 1/1/08 to 3/31/10, in which these "full-company targets" received an acquisition bid from an "arm's length" source, and in which at least one quarter-ending date (corresponding to US 13F filing requirements) was spanned in between the announcement of the original acquisition bid and either its completion or termination. This group of 80 M&A deals was segmented based on payment type (stock deals, offering the widest opportunity for building an arb spread on both long and short sides, combination cash-and-stock, and all-cash deals) as well as completion status (completed, terminated, etc.) Investors entering the stock in the filing quarter subsequent to the deal announcement were then highlighted and aggregated; this analysis offers an in-depth look at the group of institutional investors most heavily involved in merger arbitrage. Note that only long-position disclosure is available, but in the cases of most hedge fund managers, it isn't a huge leap to assume that the buyer of one merger partner is likely to hold some offsetting position in the other partner.

Ipreo segments this set of investors into three groups, "pure-play" arbs, "occasional" arbs, and traditional investors that often take "arb-like" positions.

Pure-Play Event-Driven Managers

Pure Play Merger Arbitrage Investors (Equity Assets >$100M)

Investor	EAUM $M	% T/O	City	Style	Arb Buy-Ins
CNH Partners, LLC	153.63	298%	Greenwich	Alternative	63
Alpine Associates, L.P.	2,225.97	113%	Cresskill	Alternative	54
Loeb Partners Corporation (Asset Management)	464.33	146%	New York	Alternative	51
Water Island Capital, LLC	362.82	277%	New York	Value	51
TIG Advisors, LLC	316.00	228%	New York	Alternative	44
Havens Advisors, LLC	189.68	165%	New York	Alternative	43
Westchester Capital Management, Inc.	1,405.63	252%	Valhalla	Growth	40
AM Investment Partners, LLC	240.37	390%	New York	Alternative	39
Chesapeake Partners Management Company, Inc.	1,243.61	129%	Baltimore	Alternative	36
Glazer Capital, LLC	117.25	319%	New York	Alternative	35

CNH Partners, an affiliate of Cliff Asness' AQR Capital Management, takes the title of the most active US arb investor since 2008, buying into the target company on 63 of the 80 analyzed deals. The firm is also an aggressive convertible arbitrage investor, with a number of stakes in convertibles with fairly liquid equities. From a position size perspective, **Alpine Associates** has taken some much larger stakes in pending deals; in the fourth quarter of 2009, three of its four largest purchases were merger arb plays –a $150mm stake in to-be-acquired toolmaker Black & Decker, a $100mm buy of tech equipment maker 3Com, and a $67mm add of ExxonMobil M&A target XTO Energy.

Anecdotally, "pure-play" event-driven investors may be the ones asking you the most interesting questions, particularly with respect to competitive information about peers. While they'll never replace a major long-only investor in your communications plan, every once in a while you may pick up an interesting nugget of information.

"Occasional" arbs

Occasional Merger Arbitrage Investors (Equity Assets >$100M)

Investor	EAUM $M	% T/O	City	Style	Arb Buy-Ins
Ramius Capital Group, LLC	524.54	225%	New York	Alternative	43
Wolverine Asset Management, LLC	927.51	218%	Chicago	Alternative	39
Diamondback Capital Management, LLC	3,949.74	231%	Stamford	Alternative	38
Carlson Capital, L.P.	3,579.84	228%	Dallas	Specialty	37
Harvest Capital Strategies, LLC	378.45	155%	San Francisco	Alternative	34
Zebra Capital Management, LLC	158.71	258%	Milford	Alternative	25
Hudson Bay Capital Management, L.P.	152.80	308%	New York	Alternative	25
Caxton Associates, LLC	1,280.24	219%	New York	Alternative	24
Harbert Fund Advisors, Inc.	152.61	139%	Birmingham	Alternative	23
UBS O'Connor, LLC	4,848.79	198%	Chicago	Alternative	22

Some of the largest positions taken in merger arb situations will not be found from the pure-play investors, but from one of two sources: either those that maintain multiple portfolios with differing strategies, or those that sell "multi-strategy" portfolios that are involved in M&A arb in busy markets but commit capital to long/short or stat arb or other strategies in other periods. **Diamondback Capital**, founded by former managers at SAC Capital (a firm known for following a vast range of strategies) has bought into the acquiree in 38 of the deals analyzed, with very significant positions in some cases. Communications with these investors are a bit more complicated, as the investor rarely has an incentive to disclose to you the strategy that they're analyzing your company on behalf of.

Traditional Investors with Arb tilt

Pure Play Merger Arbitrage Investors (Equity Assets >$100M)

Investor	EAUM $M	% T/O	City	Style	Arb Buys & Buy-Ins
GAMCO Asset Management, Inc.	22,131.12	19%	Rye	Growth	64
Alpine Woods Capital Investors, LLC	4,390.75	125%	Purchase	Specialty	52
ING Investment Management Co. (U.S.)	26,635.96	67%	New York	Growth	51
PineBridge Investments, LLC	7,171.27	139%	New York	GARP	51
RBC Global Asset Management (U.S.), Inc.	2,113.22	111%	Minneapolis	Growth	50
UBS Global Asset Management (U.S.), Inc.	467.45	101%	New York	Growth	47
First Eagle Investment Management, LLC	27,786.21	27%	New York	GARP	39
OakBrook Investments, LLC	1,751.91	71%	Lisle	Growth	36
Columbia Management Advisors, LLC	116,326.01	36%	Boston	Value	33
Franklin Mutual Advisers, LLC	44,930.71	46%	Short Hills	Value	23

Interestingly, a number of traditional managers show up on the listings of the investors most heavily involved in M&A risk arb plays. In some cases these investors will manage smaller dedicated arb portfolios, while in other cases the traditional investor itself will take a large position around the deal. **GAMCO Asset Management** is one of the most interesting cases on the list. The firm follows a hybrid buy-side / sell-side model, in which it will disclose its buy-side holdings in stocks it covers on the sell-side. More importantly, it has several analysts that publish research on "special situations" companies, and maintains a focus on risk arb situations with a history of taking some very significant stakes. Interestingly, **Franklin Mutual Advisers** has also taken large concentrated positions in many deal targets in its Mutual Series Funds; these funds have fairly loose security selection rules that allow managers the ability to take opportunistic positions to seek higher returns with portions of the portfolio's assets, separate from following their primary strategy.

The Future

With companies now starting to look at their cash reserves as deployable capital instead of defensive resources, M&A activity is already beginning to heat up across the globe. Opportunities for merger arbitrage funds are set to rise through 2010 and beyond. From the institutional investor's standpoint, appetite for diversification through an arb strategy has been increasing, and we continue to see the long-term trend of traditional institutions (pension funds and the like) boosting their allocations to alternative investments.

As with nearly any alternative investment strategy, the more "crowded" the set of investors following the strategy, the less likely any one manager is to make an outsized profit. The merger arbitrage strategy is no exception to the rule, as assets devoted to the practice have risen dramatically over the past two decades and estimated alphas have eroded accordingly. In a recent Financial Analysis Journal article, authors Jetley & Ji (2010) reference a 2008 study by Hedge Fund Research documenting a rise in capital committed to merger arbitrage from $233 million in 1990 to over $28 billion by the end of 2007. Over the same period, Jetley & Ji documented a marked decrease in average arbitrage spreads. Defining the arbitrage spread as the percent difference between the announced premium and the target price at n trading days (accounting for share conversion terms if applicable), the authors showed that deals announced since 2001 generated an average day-after-announcement spread 520bps lower than transactions announced from 1990 to 1995. Furthermore, 2001 to 2007 spreads were 290bps points lower on day one than deals announced from 1996 to 2000.

As spreads have narrowed, average alpha has declined accordingly. Jetley & Ji estimate that from 2002-2007 annual alpha for arbitrage funds declined by 481bps. Again, the authors attribute a bulk of the decline to crowding in the arb space and "capacity constraints," but Jetley & Ji also speculate that declining alphas may reflect decreased risks associated with deal activity since 2002. Among the factors contributing to lower risk, the authors cite fewer regulatory hurdles, lower bid premiums, rare hostile takeovers, and an increased popularity of cash deals.

Looking ahead through 2010 and beyond, it remains to be seen whether arb spreads and alphas will continue to decline. In the meantime, IROs should be cognizant of the prevalence of the strategy and the signals the market may be sending if an arb shop or two appear on the shareholder list.

Authors: John Demler, Sindhura Sarikonda, and Brian C. Matt, CFA

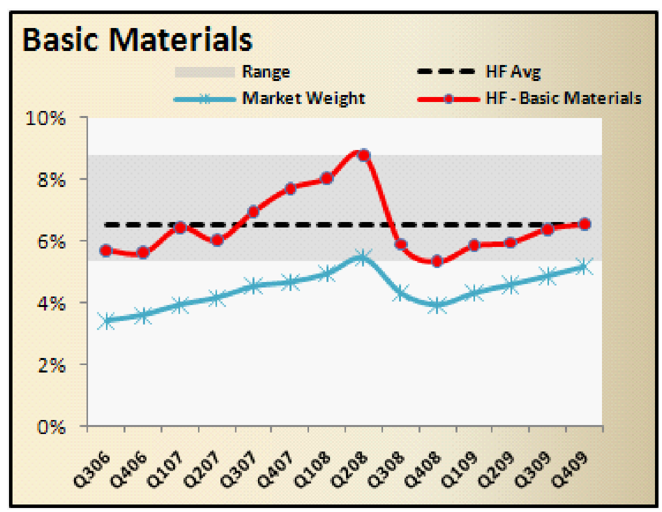
John Demler is a Senior Analyst in Ipreo's Corporate Analytics Group. Sindhura Sarikonda is an Analyst in Ipreo's Corporate Analytics Group. Brian Matt, CFA, is a Director in Ipreo's Data Strategy & Analytics Group.

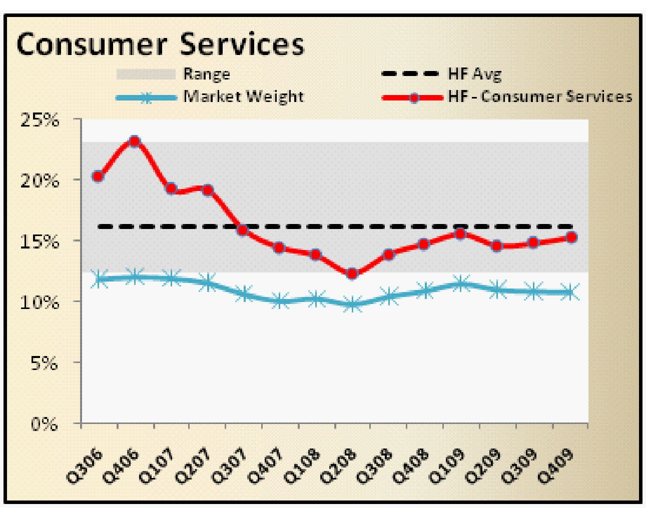
Hedge Fund Industry Weightings - Smartest People in the Room?

Having a bead on money flows and industry weightings is a key element of spotting trends and opportunities in the market. Keeping an eye on these trends can potentially provide insights on where the market is going (or investors think it is going). A controversial investment strategy is following the "smart money" and keeping track of hedge fund activity relevant to the overall market. Along these same lines, Goldman Sachs has developed the "Hedge Fund VIP List", which is a list of stocks most heavily invested in by Hedge Funds [This can be found by referencing Bloomberg Ticker <GSTHHVIP>]. We have all heard stories about specific investors that "called" the financial crisis, and numerous others that found themselves dangerously overexposed, but as an overall investor group, how have hedge fund industry investment strategies compared to that of the overall market weighting?

Basic Materials – Going Up?

Since the second half of 2006, hedge funds have been overweight Basic Materials, but began to ratchet up their holdings in earnest leading into the financial crisis. Much of this activity was due to a swift move into antirecession investments such as Metals and Mining companies, particularly gold plays. The overall market followed a similar trend; however, the hedge fund activity was much more pronounced. Interestingly this move was short lived as the hedge fund community's investment peaked during the second quarter of 2008 before quickly dropping to around their normal weighting level.



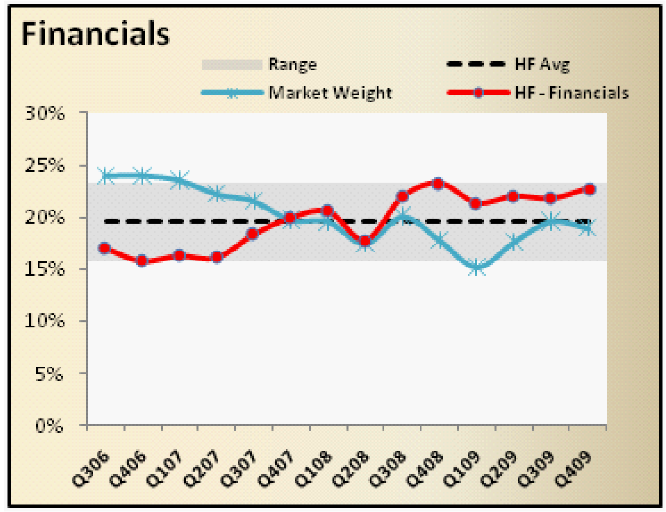


Consumer Services – Break Out The Parachute!

Counter to the Basic Materials activity, hedge funds aggressively sold Consumer Services stocks such as home building, travel & tourism and retail stocks leading up to the financial crisis. Hedge funds acted quickly to reduce exposure after being extremely overweight while the market weighting remained fairly consistent over time. Even though hedge funds reduced exposure, they never dropped below the market weight. Looking ahead, it is interesting that hedge fund exposure has been rising steadily and is poised to break through its historical average weight.

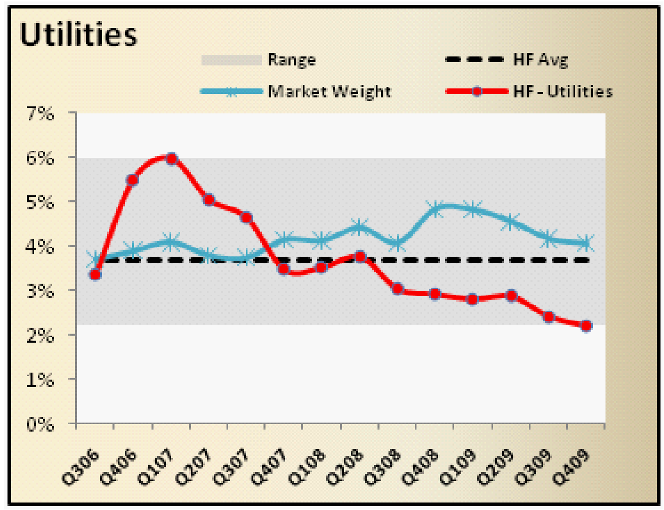
Differing Perspectives – Financials

In the case of Financials, as the sector underperformed going into the crisis, hedge funds were building up positions off of a relatively low base. Both camps were highly exposed during the critical time period of late 2008; however, hedge funds recognized an opportunity at the end of the year to buy depressed assets. The reality is that most of these "bets" had mixed results due to the fragmented nature of the industry at that time. During the beginning of 2009, the overall market was frightened by the uncertainty faced by the industry and sold Financials heavily, while hedge fund investors maintained above average investment levels and since have continued to overweight the sector. The strategies employed by hedge funds in the Financial sector clearly illustrate the ability and desire of hedge fund investors to take on additional risk when seeking outsized returns.



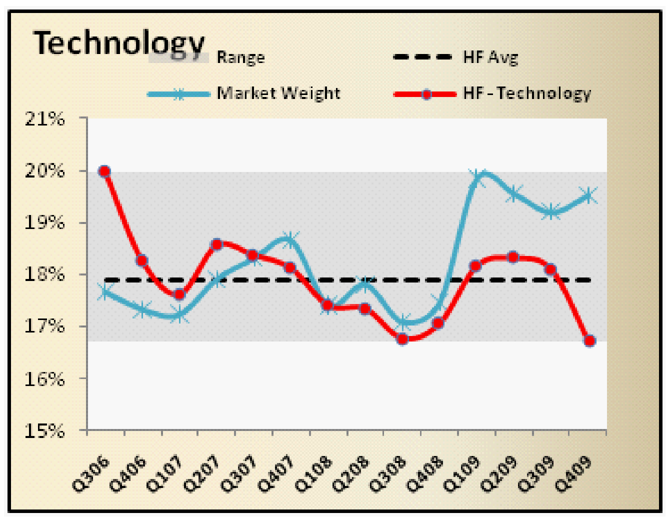
Safety Net – Utilities

The Utility Sector is typically a fairly stable industry and for that very reason often overlooked by the typical hedge fund investor. With that in mind it is surprising that hedge funds were dramatically increasing investment in the sector at the end of 2006, though they were reducing exposure closer to the financial crisis. Since that peak, hedge fund exposure has returned to fairly nominal levels.



Where Do We Go From Here? – Technology

Hedge funds' peak ownership level occurred in Technology stocks during 2006 and does not appear headed for those levels anytime soon. During the beginning of 2009 there was a spike in Technology buying as investors were attracted to depressed valuations and the opportunity of buying into cyclical companies early on during a market recovery. Since that spike, hedge fund investors have decreased exposure while the overall market remains heavily invested and committed to Technology. With such clearly divergent strategies, it will be interesting to see how Technology performs in the coming months.



What to Make Of All This?

It is easy for investors of all disciplines to get caught up in the frenzy along with everyone else, as evidenced by the Hedge Fund community increasing the weighting of Financials going into the beginning of 2008. At the same time, many of those same investors were able to see an opportunity to invest heavily in the financial recovery after the trough. Currently it seems the direction of the Technology industry is where opinions diverge the most between the hedge fund community and the broader market. Year to date price performance for the sector is more or less flat, so it really can be anyone's game still.

Authors: Carl Aldrich & Justin Vieira

Carl Aldrich is an analyst in Ipreo's Corporate Analytics group. Justin Vieira is Director of Corporate Analytics at Ipreo.

BetterIR - Firm Snapshot

Targeted Firm: Mackenzie Financial Corporation ($29,146.41 M)

Targeting Profile:
Mackenzie Financial Corporation, with nearly $30 billion in equity assets, is one of the largest institutional investors in Canada. The Toronto-based firm was founded in 1967 and, in 2006, expanded further by purchasing the assets of Cundill Investment Research in Vancouver, rebranding this arm as Mackenzie Cundill Investment Management. Mackenzie Financial manages the firm's Mackenzie, Ivy, and Maxxum family of mutual funds, each of which maintains a slightly different focus. For example, Mackenzie's Ivy Funds, which represent several of the firm's largest portfolios, focus more directly on growth-oriented companies, whereas the Maxxum funds have more of a value bias. As a whole, Mackenzie actively seeks investment in companies that have strong management as well as low price/earnings ratios and high growth prospects relative to P/E. Regarding fixed income, the firm invests primarily in Canadian provincial bonds rated A+ to AAA but also seeks slightly lower rated corporate bonds from the U.S. and Canada.

Although Mackenzie Financial is headquartered in Canada, the firm's 41% U.S. allocation slightly outweighs that of its Canadian holdings (36%). Of note is that this figure takes into account only publicly available data, and therefore, could under represent the firm's overall Canadian holdings. In addition, Mackenzie maintains a limited number of large positions in Chinese, Swiss, and Brazilian equities. As is common to many Canadian institutional investors, Mackenzie's industry allocations is heavily weighted to the Energy and Basic Materials spaces due to the abundance of these companies within Canadian borders. More specifically, 18.7% of the firm's equity assets are currently attributed to the Oil and Gas mid-industry, with Mackenzie recently increasing exposure to the space by purchasing over $550mm of such equities during Q4 '09. Large buys included Cenovus Energy (+$110.3mm), Canadian Natural Resources (+$96.3mm), Occidental Petroleum Corp. (+$85.4mm), and Cabot Oil and Gas Corp. (+$68.8mm). Interestingly enough, despite such a large allocation, only one company in the Energy sector, Canadian Natural Resources, is represented among Mackenzie's top ten largest holdings. Rather, these top ten holdings are largely Canadian banks, including Toronto-Dominion Bank, Royal Bank of Canada, and Bank of Nova Scotia.

How to Approach:
If your company can demonstrate sizable growth prospects relative to earnings multiples, you will have already made significant headway in winning over Mackenzie portfolio managers. Furthermore, Basic Materials companies frequently overlooked by other institutions are likely to find a warmer response at Mackenzie. The firm's 13% allocation to the space, though down slightly during Q4 '09, includes several hundred-million dollar positions in Randgold Resources Ltd., Potash Corp. of Saskatchewan, and First Quantum Minerals. Lastly, the firm's 21% Energy allocation currently sits at an all time high, up from a 15% historical average and, as such, companies within this industry are encouraged to approach Mackenzie with confidence now so more than ever.

How not to Approach:
While Mackenzie does hold a few large financial issues, the firm has been significantly decreasing its allocation to the space since Q1 '07. Whereas Financials once accounted for as much as 26% of equity assets, the firm now allocates just 15% to the space. In Q4 '09 alone, Mackenzie sold down Financials by $765mm, liquidating a position in Fairfax Financial Holdings (-$607.3mm) and further selling U.S. Bancorp (-$70.3mm) and PartnerRe (-$59.6mm). Clearly, the firm's view of financial equities has been changing for some time and, thus, such companies ought to consider their approach very closely before meeting with Mackenzie.

Largest Funds Managed:
- Ivy Global Natural Resources Fund ($5,233.2 M); Frederick Sturm
- Mackenzie Maxxum Dividend Fund ($1,914.0 M); William Procter
- Manulife Guaranteed Investment Funds ($1,728.3 M); Paul Musson, Daivd Arpin

Portfolio Fundamentals:
- TTM Price/Earnings: 24.1x
- Avg. 3 Yr. Revenue Growth: 10.66%
- Dividend Yield: 1.9%

Average Equity Holding Period: 2.33 years

BetterIR - Fund Snapshot

Targeted Fund: Parnassus Equity Income Fund ($2,423.4 M)

Portfolio Manager:

- Todd Ahlsten - (415) 778-2615
  todd.ahlsten@parnassus.com

Targeting Profile:
San Francisco-based Parnassus Investments is responsible for managing a family of dedicated socially responsible portfolios. The largest of these portfolios is the Parnassus Equity Income Fund, managed by Todd Ahlsten. As implied by its name, the fund seeks to generate both current income and long-term capital appreciation by investing primarily in dividend paying stocks that are trading below their intrinsic values. Specifically, regarding this income qualification, the fund actively seeks stocks with yields above that of the S&P 500 and that have the potential to increase dividends in the future. Most notable, however, is the fact that Parnassus screens specifically for companies that engage in socially responsible practices, making the fund unique among the myriad mutual funds in the investment universe. According to the fund's prospectus, Parnassus "looks for companies that respect the environment, treat their employees well, and have effective equal-employment-opportunity policies and good community relations. Companies also must have strong corporate governance policies and ethical business dealings." Conversely, the fund shies away from any alcohol, tobacco, or firearms manufacturers.

As a result, the fund does not exhibit any noticeable sector bias, selecting securities primarily based on their underlying fundamentals and business practices. Among the fund's top holdings are several of the most widely held socially responsible companies including Waste Management, Johnson & Johnson, Procter & Gamble, and Microsoft. According to Q4 '09 filings, the fund has been a net buyer of equity issues, seeking to capitalize upon the market recovery of the past year. During the quarter, the fund initiated positions in Bank of New York Mellon (+$99.1mm), Qualcomm (+$69.4mm), and nearly doubled its stake in Apache Corporation (+$38.2mm). On the other hand, the fund sold relatively little during the same period despite its 70% turnover, reducing its Microsoft position by approximately $30mm and liquidating holdings in TCF Financial Corp. (-$22.8mm) and Valero Energy (-$21.3mm).

How to Approach:
If you plan on finding inclusion within the Parnassus Equity Income Fund, there are a few strict criteria that must be met before your company can even be considered. The most obvious criterion is that each company in question must operate in a defensible, socially responsible manner. While such qualifications are generally wide open to debate, only those companies that can prove their operations adhere to the most stringent of social policies will be considered. Because the firm tends to hold a relatively small number of large positions, such a task can be rather difficult. In addition, while the fund does hold approximately 11% of its equity assets in international securities from countries like Bermuda, the United Kingdom, Switzerland, and Israel, if your company is US-based, it is much likely to appeal to PM Ahlsten.

How not to Approach:
As one of the fund's primary objectives is to earn current income, should your company lack a dividend, or even if it issues only a small payment to shareholders, it is likely that your company may be excluded from the fund. Granted, the fund does hold a few small positions that do not currently issue any dividend. Separately, the fund holds only five positions in the small cap range, accounting for 6.6% of equity assets. Accordingly, micro/small cap companies begin any interaction with the fund at a significant disadvantage and must demonstrate their value overwhelmingly in order to realize any chance at being included within the portfolio.

Portfolio Fundamentals:
- TTM Price/Earnings: 20.1x
- Avg. 3 Yr. Revenue Growth: 5.4%
- Dividend Yield: 2.3%
- Price/Book: 3.4x

Average Equity Holding Period: 1.43 years

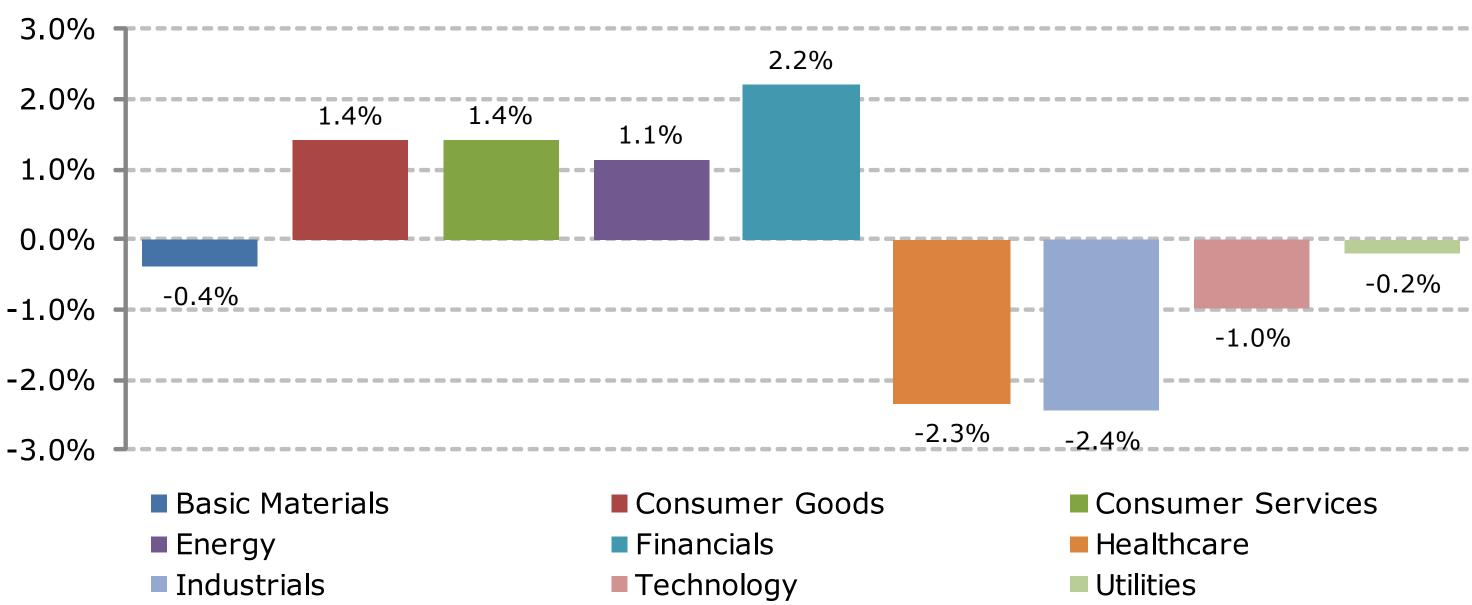
Metro Area Targeting Focus - San Francisco, United States

Money Center Statistics	
Reported Equity Assets ($B):	$1,237.6
QoQ Value Change:	4.1%
Number of Institutions:	191
World Rank:	4/155
Top Sector Weighting:	Technology
Technology Weighting:	20.3%
Top Region Weighting:	North America
North America Weighting:	77.8%
Total Net Buying ($B):	$53.5
Total Net Selling ($B):	-$52.8
Total Net Activity ($B):	-$0.7

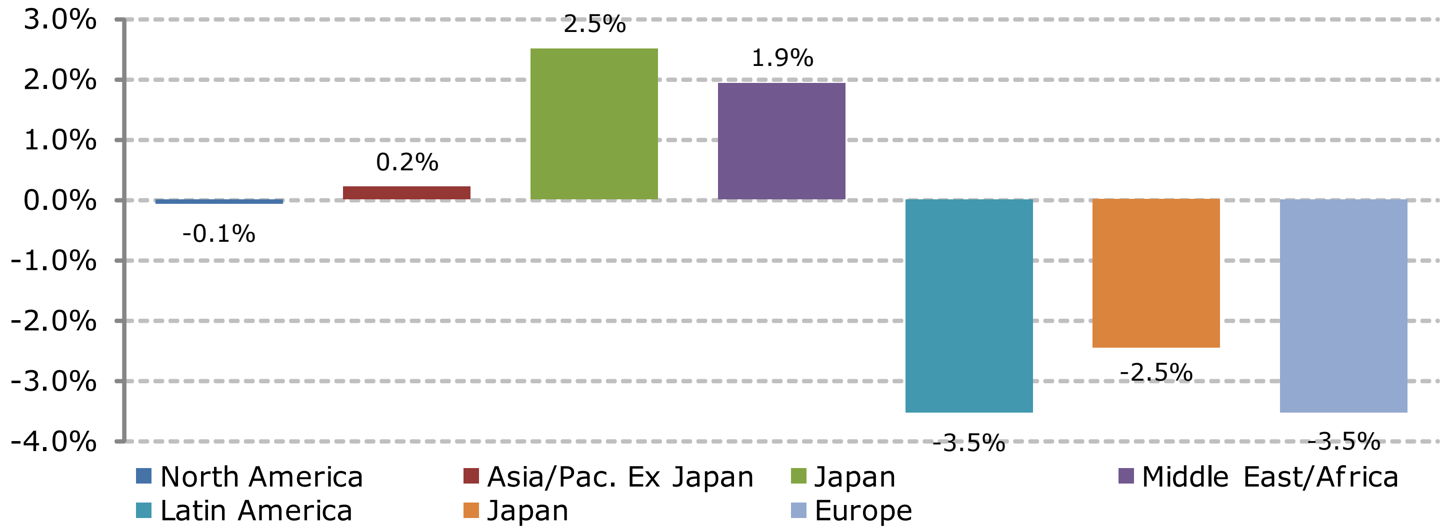
Summary Notes

San Francisco is the world's fourth-ranked investment center by total equity assets. While a majority of San Francisco's $1.2T in assets can be traced to the ubiquitous indexer **BlackRock Fund Advisors** (formerly Barclays Global), the metro contains a variety of other active "tier one" institutions such as **Dodge & Cox, Franklin Advisors, Wells Capital Management** and **Fisher Asset Management**. Over the fourth quarter, San Francisco investors recorded contrarian moves in the Consumer space, and led a buying effort in Japanese equities. Dodge & Cox was an apt deep value investor for Japan, adding $306M to the region. Across the Consumer Goods and Services sectors, aggressive growth manager Wells Capital was a top buyer, with large pickups in **Avon Products** (+$255M) and **Ford Motor Corp** (+$211M). While San Francisco investors were aggregate net sellers of Technology over the fourth quarter, tier-two shops **RCM Capital Management** and **RS Investments** remained net buyers and continue to overweight the sector. RS Investments also bucked trend in the Healthcare space with strong buying in **St. Jude Medical** (+$97M) and **Abbott Labs** (+$33M) over the period.

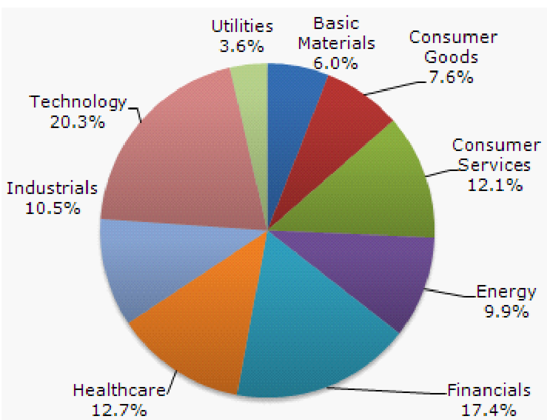
Sector New Activity (% Change)



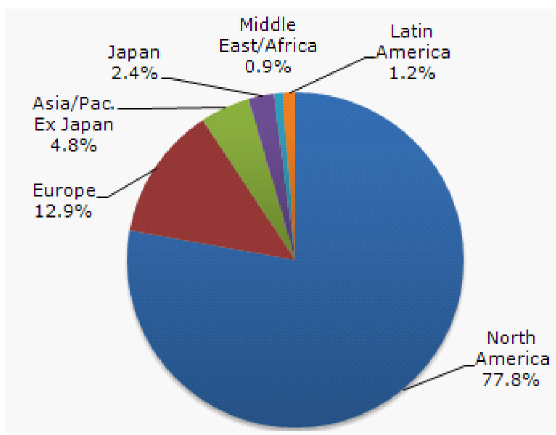
Regional New Activity (% Change)



Sector Allocation



Region Allocation



	Investor	Style	Turnover	City	Recent Qtr. EQA ($M)	Net Activity ($M)	Previous Qtr. EQA ($M)	QoQ % Δ EQA
BUYERS	1 Franklin Advisers, Inc.	GARP	41%	San Mateo	43,150.2	1,988.3	36,762.2	17.4%
	2 RCM Capital Management, LLC (U.S.)	Growth	57%	San Francisco	15,914.6	1,256.3	13,750.2	15.7%
	3 Matthews International Capital Management	Growth	44%	San Francisco	10,168.6	847.5	8,591.8	18.4%
	4 Jesaga Advisers, LLC	Alternative	229%	San Francisco	1,707.2	629.5	1,012.9	68.5%
	5 Mellon Capital Management Corporation	Index	36%	San Francisco	58,462.0	504.6	54,451.9	7.4%
	6 Fisher Asset Management, LLC	GARP	22%	Woodside	31,539.4	478.1	29,730.4	6.1%
	7 Parnassus Investments	Value	71%	San Francisco	2,992.7	369.6	2,475.4	20.9%
	8 Wells Fargo Bank	GARP	32%	San Francisco	21,221.6	354.1	19,876.9	6.8%
	9 Partner Fund Management, L.P. (U.S.)	Alternative	312%	San Francisco	2,055.7	306.0	1,643.7	25.1%
	10 Farallon Capital Management, LLC (U.S.)	Alternative	117%	San Francisco	2,044.5	242.3	1,735.4	17.8%
	Sub Total:				**189,256.5**	**6,976.3**	**170,030.9**	

	Investor	Style	Turnover	City	Recent Qtr. EQA ($M)	Net Activity ($M)	Previous Qtr. EQA ($M)	QoQ % Δ EQA
SELLERS	1 Charles Schwab Investment Management, Inc.	Index	34%	San Francisco	25,217.2	-2,816.5	26,510.9	-4.9%
	2 Dodge & Cox	Deep Value	21%	San Francisco	107,140.8	-1,462.4	103,062.9	4.0%
	3 AXA Rosenberg Investment Management, LLC (U.S.)	GARP	92%	Orinda	28,600.8	-756.6	27,506.3	4.0%
	4 Wells Capital Management, Inc.	Agg. Growth	87%	San Francisco	38,015.3	-587.5	35,680.3	6.5%
	5 Seasons Capital Management, LLC	Agg. Growth	181%	San Francisco	1,493.0	-328.0	1,623.6	-8.0%
	6 Ascend Capital, LLC	Alternative	294%	San Francisco	1,600.3	-327.9	1,775.5	-9.9%
	7 7X7 Asset Management, LLC	Alternative	310%	San Francisco	313.2	-309.7	572.9	-45.3%
	8 Criterion Capital Management, LLC	Alternative	246%	San Francisco	545.2	-294.7	791.2	-31.1%
	9 Blum Capital Partners, L.P.	Alternative	12%	San Francisco	1,995.0	-220.3	2,098.1	-4.9%
	10 Sterling Johnston Capital Management, L.P.	Agg. Growth	141%	San Francisco	450.1	-201.8	646.4	-30.4%
	Sub Total:				**205,370.8**	**-7,305.5**	**200,268.2**	