



PRESS RELEASE

Institutional investors are not short-term investors

Tilburg University research confirms long-term focus of Dutch pension funds and asset managers

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Dutch institutional investors hold the majority of their shares in Dutch listed companies for a long period. More than 80% of the portfolio is held for 5 years or more and at least 55% of the investments are allocated to holdings of at least 10 years. These are the main results of a study, conducted by Tilburg University, on the duration of Dutch equity ownership by large Dutch pension funds and asset managers. The Dutch institutional investors investigated are the nation's largest pension funds ABP, Pensioenfonds Zorg en Welzijn, the pension fund for the care and welfare sector, PME, the industry-wide pension fund for metalektro, and Spoorwegpensioenfondsen, the pension fund for the railway transport sector, as well as the Dutch asset managers Robeco (Hollands Bezit fund) and Teslin Capital Management. The study was commissioned by Eumedion and covered, roughly, the period 2003 to the first half-year of 2012.

The research results contradict the regularly voiced opinion that institutional investors are short term investors. On average, a Dutch equity was kept in the portfolio for roughly three and a half years. Less than 4% of the portfolio was kept in the portfolio for 12 months or less. Turnover tends to be concentrated in a smaller part of the portfolio. This turnover might, according to the researchers, probably be attributed to a combination of turnover due to (active) investment styles, and turnover due to benchmark readjustments: if benchmark weightings change, asset managers tend to follow the readjustment. Another striking conclusion from the research is that the holding periods have not decreased since the beginning of the financial crisis in late 2007.

The research results fit well into the concept of 'engaged share-ownership', a concept that is at the core of the 'Eumedion Best Practices on Engaged Share-Ownership', published in June 2011 and applied by the Eumedion participants. Eumedion will discuss the results of the research report with its participants and a number of Dutch listed companies in due course.

About Eumedion

Eumedion is the Dutch based corporate governance and sustainability forum for institutional investors. Eumedion has 70 Dutch *and* non-Dutch participants – all with a long term investment horizon – and its general aim is to promote good corporate governance and sustainability in Dutch listed companies. Participants include a wide range of institutional investors: pension funds, mutual funds, asset managers and insurance companies. Together they have more than € 1 trillion assets under management. Through the investments in equity and non-equity, long term institutional investors are a major source of the capital that is used by listed companies to grow, create wealth and provide employment.

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