



Taking a closer look at the Zeno Universe: Asset Manager Trade Process Universe League Tables

FIRST QUARTER 2018

An asset manager's trade process is a function of both the Total Trading Costs incurred to build/unwind portfolio positions, and the amount of trading the manager engages in (turnover). Total Trading Costs x Turnover defines the impact a manager's trade process will have on their overall investment performance. The tables below show Peer Group rankings for: Total Trading Costs (calculated on an implementation shortfall basis), Commissions, and Turnover. The rankings cover the four-quarter average as of December 31, 2017. A glossary of terms is provided on page 2.

Large Cap Growth Managers				
Efficient Total Costs		Efficient Commissions		
Rank	Manager	Rank	Manager	
1	HS Management Partners	1	Jacobs Levy Equity Management	
2	Alliance Bernstein	2	Wedgwood Partners	
3	Sirios Capital Management	3	Oakbrook Investments	
4	Oakbrook Investments	4	Los Angeles Capital	
5	Polen Capital Management	5	Mellon Equity Associates	
High Turnover		Low Turnover		
Rank	Manager	Rank	Manager	
1	Fred Alger Management	1	RiverPark Capital Management	
2	Los Angeles Capital	2	Alta Capital Management	
3	Quest Investment Management	3	Polen Capital Management	
4	Sirios Capital Management	4	MFS	
5	RCM Investments	5	Sands Capital Management	

Large Cap Value Managers				
Efficient Total Costs		Efficient Commissions		
Rank	Manager	Rank	Manager	
1	Eagle Capital	1	Goelzer Investment Management	
2	T. Rowe Price	2	State Street Global Advisors	
3	Southeastern Asset Management	3	Huber Capital Management	
4	Cooke & Bieler	4	LSV Asset Management	
5	Goelzer Investment Management	5	Aronson+Johnson+Ortiz	
High Turnover		Low Turnover		
Rank	Manager	Rank	Manager	
1	Chilton Investment Company	1	Eagle Capital	
2	Rothschild Asset Management	2	T. Rowe Price	
3	Huber Capital Management	3	LSV Asset Management	
4	JPMorgan Asset Management	4	Delaware Investments	
5	The Boston Company Asset Mgmt	5	MFS	

Small Cap Growth Managers				
Efficient Total Costs		Efficient Commissions		
Rank	Manager	Rank	Manager	
1	Times Square Capital Management	1	Clarivest Asset Management	
2	JPMorgan Asset Management	2	JPMorgan Asset Management	
3	Apex Capital Management	3	Next Century Growth Investors	
4	Peregrine Capital Management	4	T. Rowe Price	
5	T. Rowe Price	5	Eagle Asset Management	
High Turnover		Low Turnover		
Rank	Manager	Rank	Manager	
1	Columbus Circle Investors	1	T. Rowe Price	
2	Next Century Growth Investors	2	Peregrine Capital Management	
3	Chartwell Investment Partners	3	Eagle Asset Management	
4	Hood River Capital Management	4	JPMorgan Asset Management	
5	Clarivest Management	5	Invesco	

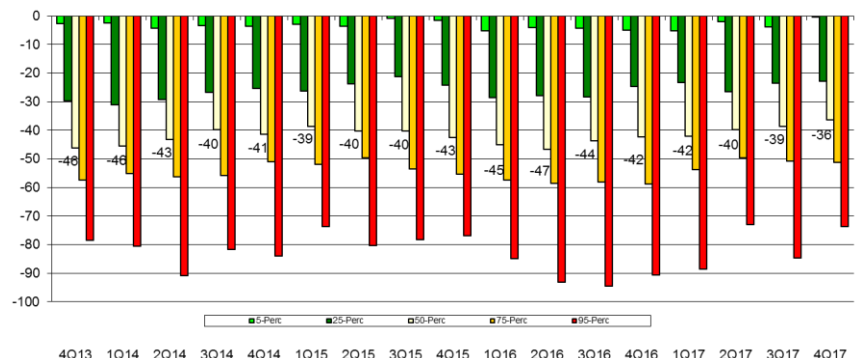
Small Cap Value Managers				
Efficient Total Costs		Efficient Commissions		
Rank	Manager	Rank	Manager	
1	Schneider Capital Management	1	State Street Global Advisors	
2	Wells Capital Management	2	Huber Capital Management	
3	LSV Asset Management	3	LSV Asset Management	
4	DePrince, Race & Zollo	4	Fisher Investments	
5	Donald Smith & Co.	5	JPMorgan Asset Management	
High Turnover		Low Turnover		
Rank	Manager	Rank	Manager	
1	Schneider Capital Management	1	Delaware Investments	
2	State Street Global Advisors	2	Fisher Investments	
3	The Boston Company Asset Mgmt	3	Earnest Partners	
4	DePrince, Race & Zollo	4	Silvercrest Asset Management	
5	Kennedy Capital Management	5	LSV Asset Management	

NonUS Developed Market Managers				
Efficient Total Costs		Efficient Commissions		
Rank	Manager	Rank	Manager	
1	TSW	1	Acadian Asset Management	
2	Harding Loevner	2	LSV Asset Management	
3	Delaware Investments	3	Franklin Templeton Investments	
4	Marathon Asset Management	4	Mondrian International	
5	Acadian Asset Management	5	T. Rowe Price	
High Turnover		Low Turnover		
Rank	Manager	Rank	Manager	
1	Franklin Templeton Investments	1	Harding Loevner	
2	Artisan Partners	2	Marathon Asset Management	
3	William Blair & Co.	3	Lazard Asset Management	
4	Pyramid Global Advisors	4	Mondrian Investment Partners	
5	Acadian Asset Management	5	Delaware Investments	

Emerging Market Managers				
Efficient Total Costs		Efficient Commissions		
Rank	Manager	Rank	Manager	
1	Cardinal Capital Management	1	Nordea Investment Management	
2	Fama Asset Management	2	AQR Capital Management	
3	State Street Global Advisors	3	Robeco Investment Management	
4	The Boston Company Asset Mgmt	4	LSV Asset Management	
5	Pzena Asset Management	5	Kleinwort Benson Investors	
High Turnover		Low Turnover		
Rank	Manager	Rank	Manager	
1	Kleinwort Benson Investors	1	Lazard Asset Management	
2	Victory Capital Management	2	Baillie Gifford	
3	State Street Global Advisors	3	JP Morgan Asset Management	
4	Robeco Investment Management	4	Aberdeen Asset Management	
5	Los Angeles Capital Management	5	Pzena Asset Management	

Total Trading Cost Historical Trend (4Q13 to present)

The chart to the right shows the historical Total Trading Costs (in bp) of all managers reviewed by Zeno. For each quarter, the different bars represent the costs incurred by the 5%, 25%, 50%, 75%, and 95% ranked manager, respectively.



Glossary of Terms

Total Trading Costs the four-quarter average of total execution costs (sum of Multi-day Delay, Daily Market-Impact and Commission costs) paid in order to build/unwind trade orders. The difference between the more efficient vs. more expensive managers can often exceed 100 bp in trading costs.

Efficient Total Costs show those asset managers with the lowest Total Trading Costs within a specific Peer Group Universe.

Commissions (the explicit fees paid to brokers to execute trades) are typically the smallest, but most controllable part of a manager's total execution costs – *"The tip of the iceberg."*

Efficient Commissions show those asset managers with the lowest average commission rates within a specific Peer Group Universe.

High Turnover (annual trade volume of Buys and Sells divided by AUM), in and of itself is neither good, nor bad. However, the execution costs of managers with high turnover strategies have greater impact on investment returns. Accordingly, it is critical that high turnover strategies have efficient trading processes.

Low Turnover (annual trade volume of Buys and Sells divided by AUM), in and of itself is neither good, nor bad. However, the execution costs of managers with low turnover strategies have a limited impact on investment returns. It is therefore less critical that low turnover strategies have efficient trading processes.

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