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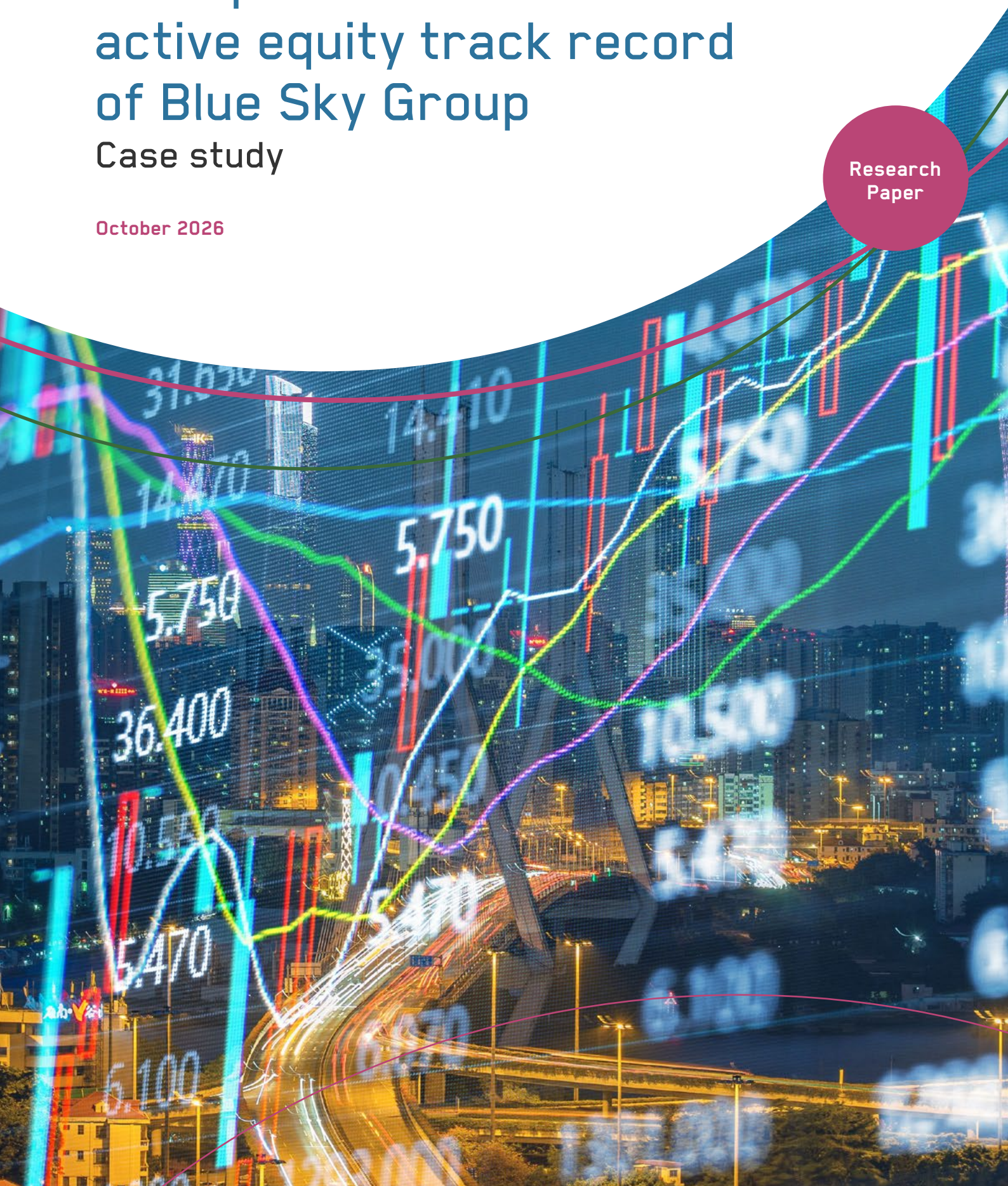
Investment Management

A deep dive into the active equity track record of Blue Sky Group

Case study

Research Paper

October 2026



Management summary

The value of active equity management has been the subject of debate for many years. Academic research and industry studies consistently conclude that, after fees and costs, most active managers fail to outperform their benchmarks over longer time horizons. Against that backdrop, this paper examines the active equity program historically managed by Blue Sky Group and asks a practical question: can a carefully constructed multi-manager approach generate positive outcomes consistently over time?

This case study analyzes the period 2010-2025 and focuses on the manager selection component of the relative performance of the active equity portfolio over time. By separating manager selection effects from allocation effects, we evaluate to what extent the achieved relative performance was due to manager selection. Furthermore, we analyze whether the value added was broad-based across strategies, managers, investment styles, and calendar years, rather than being driven by a small number of exceptional outcomes.

The results are encouraging. The active equity program generated a positive net selection effect in 59% of all months and in thirteen of the sixteen calendar years examined. The average annualized net selection effect was approximately 1.3%, while the median outcome was 1.1%. These results were achieved despite a challenging environment for active management and against increasingly demanding benchmark standards.

Importantly, the evidence suggests that performance was not dependent on a single strategy, manager, or period of exceptional outperformance. Seven of the eight active equity strategies produced positive since-inception excess returns, positive outcomes were observed across both quantitative and fundamental managers, and the majority of managers achieved positive information ratios over their respective evaluation periods. Peer-group analysis further showed that four of the six strategies with sufficiently long track records ranked in the top quartile of their respective institutional peer groups.

Taken together, the findings are consistent with the view that the active equity program's results were generated through a diversified and disciplined manager selection process. While the analysis remains descriptive and does not support formal statistical inference, the breadth of positive outcomes across managers, strategies, investment styles, and market environments suggests that the observed value added was not the result of a single concentrated source of success.

Finally, the integration of Blue Sky Group's investment activities into Achmea Investment Management (hereafter Achmea IM) has not only preserved the multi-manager capabilities described in this paper, but also created opportunities to further enhance the effectiveness and robustness of the manager selection and monitoring process within Achmea. The integration combines the expertise, experience, and best practices of both organizations, while incorporating key elements of Blue Sky Group's manager selection philosophy into the broader Achmea IM framework. In addition, the larger scale of the combined organization provides access to enhanced research capabilities, data resources, systems, and analytical tools. Through pooled fund structures, these capabilities are accessible to a broader range of institutional clients, allowing both smaller and larger investors to benefit from a professionally managed and diversified active equity manager program.

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1. Introduction

In this paper, we examine the active equity programme developed by BSG Vermogensbeheer, which is now part of Achmea IM, a leading institutional asset manager in the Netherlands. We present historical data from 2010 onwards. The programme is now managed by Achmea IM on behalf of clients previously served by BSG Vermogensbeheer.

About BSG Vermogensbeheer and Achmea IM

On 1 January 2025, Achmea acquired the asset and fund management activities of Blue Sky Group (BSG Vermogensbeheer). As part of this transaction, BSG Vermogensbeheer's fiduciary clients, investment strategies and employees became part of Achmea IM.

Blue Sky Group continues to operate as a pension services organisation. All activities of BSG Vermogensbeheer have been fully integrated into Achmea IM. As a result, all of the BSG investment strategies were subsequently rebranded as Achmea IM strategies.

The track record analysis presented in this publication covers investment activities originally developed and managed by BSG. The study therefore not only reflects BSG historical track record but also provides insight into investment capabilities that now form part of Achmea IM.

We believe the active equity program of BSG stands out due to its positive net relative returns over a long observation window across equity managers and strategies, showing that the manager selection program added value. With monthly track record data available for 16 years, we present and provide additional context on the results. We zoom in on the breadth of outcomes across years, strategies and managers. Our case study covers the period 2010-2025.

The paper is structured as follows. Section 2 describes recent (academic) papers on the performance of active equity managers. Section 3 lays out the structure of the equity portfolio, including the segmentation into pooled multi-manager strategies, its underlying managers, the active–passive split, and the policies and principles adhered to in constructing and monitoring manager mixes. Section 4 describes data and definitions. In section 5, we present aggregate net selection effects on the overall active equity portfolio and its summary statistics. We separate the manager selection effect from the total excess returns by using a Brinson-Fachler performance attribution framework with Cariño logarithmic linking. Section 6 drills down into results by strategy, manager, and calendar year to assess how broad-based the outcomes appear. The analysis is supplemented by peer group information at the strategy level. In section 7, we take a side step to analyze the relevance of our findings for Achmea IM. We conclude with a summary of findings and limitations.

2. Literature review: active equity performance vs passive

There is a substantial body of evidence from both benchmark providers and academics evaluating whether active equity managers deliver superior net-of-fee returns relative to passive alternatives over the post-GFC period (the period which covers our track record study).[1] The 2010–2025 period coincides with historically low average equity risk premia in parts of the 2010s, rising indexing adoption, and pronounced regime shifts around the COVID shock and the 2022 inflation/rate reset. The dominant empirical conclusion is that most active equity managers underperform passive benchmarks net-of-fees, with short-lived exceptions that do not overturn long-horizon outcomes. Importantly, much of the headline evidence is based on mutual funds rather than institutional separate accounts, which affects how direct results generalize to an institutional active equity program.

Some of the most frequently cited studies on active-versus-passive outcomes are S&P Dow Jones Indices' SPIVA® Scorecards and Morningstar's Active/Passive Barometer. SPIVA evaluates the fraction of active managers that out or underperform corresponding benchmarks across horizons and emphasizes methodological issues, such as survivorship bias and benchmark consistency. Across developed equity categories, SPIVA documents that the majority of active equity funds lag their benchmark over 10- and 15-year horizons, with underperformance particularly pronounced in U.S. large-cap equities. Coverage primarily consists of mutual funds, with limited inclusion of active ETFs. Generally, institutional separate accounts are excluded in this analysis.

Morningstar's Active/Passive Barometer complements SPIVA, by focusing on a probability-of-success framework that weighs relative performance by survivorship and cost considerations. Its findings similarly indicate that active equity funds have persistently lower success rates than passive alternatives, with fees explaining a large share of the performance gap. Like SPIVA, Morningstar's analysis is largely confined to mutual funds and ETFs, rather than institutional mandates.

Academic research provides a theoretical underpinning consistent with these descriptive findings. In 1991, Sharpe states that the aggregate return of all active investors must equal the return of the market, because active investors collectively are the market. After costs, however, the average active investor must underperform the average passive investor, since active management incurs higher fees and transaction costs (Sharpe, 1991). Fama and French (2010) show that active management is approximately a zero-sum game before costs, implying that average net-of-fee outcomes must be negative after expenses. Berk and van Binsbergen (2015) further frame underperformance as an equilibrium result of competition for mispricing opportunities, where economic surplus is primarily captured through fees. Although these studies predominantly use mutual fund data, their equilibrium logic does not depend on the investment vehicle and therefore remains relevant for institutional active equity programs.

In sum, both practitioner studies and academic research converge to the conclusion that sustained net outperformance of passive equity benchmarks is uncommon in the post 2010 period. While institutional structures may modestly alter outcomes through lower fees and customized mandates, the broader evidence underscores the structural challenge faced by active equity management when evaluated relative to passive alternatives. This does not bode well for an active equity manager program to succeed. However, we will demonstrate that realizing a net outperformance by selecting and combining active equity managers, is possible.

1. The Global Financial Crisis (GFC) occurred from late 2007 to mid-2009. This period was characterized by a severe global economic downturn and financial market meltdown, triggered initially by the collapse of the U.S. subprime mortgage market.

3. Background: portfolio structure and implementation

3.1 Strategy architecture and goals

BSG was an established Dutch pension services and asset management provider (fiduciary provider), with strong ties to the KLM pension funds and collectively owned by the KLM pension funds. As of 1 January 2025, the investment management activities of BSG were acquired by Achmea and merged with Achmea IM as of 1 April 2025. As a result, all of the BSG investment strategies were subsequently rebranded as Achmea IM strategies.

BSG outsourced all equity investments to external managers. The equity portfolio was subdivided into "investment strategies" (sub-asset-class strategies, e.g., U.S. Large Caps or U.S. Small Caps). Each active strategy was implemented through a pooled multi-manager vehicle containing multiple mandates/ managers and passive strategies were run via a single manager solution in separate strategy vehicles.

The purpose of all active equity strategies was to achieve an outperformance, net of all costs and based on a properly diversified multi-manager mix in terms of styles (risk factor exposures). The diversification of styles was explicitly assessed during both the selection and monitoring process. The goal was to create a style balanced multi-manager portfolio.

BSG did not impose explicit outperformance targets when evaluating and monitoring its active equity managers. The objective was to outperform the benchmark on a net-of-fees basis. The rationale for not setting formal relative performance targets was that consistent outperformance through selecting active managers was considered sufficiently challenging.

To achieve a style balanced portfolio, BSG relied on holdings-based style analysis, supplemented with manager excess return correlations analysis. In the monitoring process, the active strategies were permitted to exhibit marginal style biases; however, only factors that are well documented and rewarded over the long term (quality, value, and momentum) were allowed to drift to some extent. BSG monitored style exposures using FactSet holdings-based style analysis and rebalanced across managers if large imbalances emerged (e.g., one or two factors becoming overly dominant). In- and outflows were used as a mechanism to rebalance exposures. No formal threshold limits were used to trigger rebalancing.

3.2 Manager selection and monitoring criteria

External managers were assessed against a common set of quantitative and qualitative criteria, tailored by mandate type (active vs. passive) and asset class.

Both the selection & monitoring process applied a "7P" dimension process: **Parent** (organizational stability and alignment), **People** (team quality and stability), **Process** (clarity, repeatability, and distinctiveness), **Portfolio** (fit with philosophy, guidelines and risk controls), **Performance** (source and plausibility of results), **Planet** (ESG integration in governance, process, and reporting), and **Price** (fee levels and structures).

Some of these P's were quantitative in nature, whereas others were qualitative. Quantitatively, key screens primarily focused on Process and Performance, including holdings-based style analysis (e.g., whether realized style exposures are consistent and align with the styles as described in the investment process of the manager), relative risk-return metrics (e.g., benchmark-relative outcomes and risk taken), portfolio characteristics (e.g., number of holdings, concentration metrics like active share) and Price (management fees). The remaining P's were qualitative in nature and focused on Parent, People, Portfolio and Planet.

Over time, BSG reduced the emphasis placed on historical relative performance during a manager search process and shifted its focus towards the underlying drivers of performance. Greater weight was assigned to performance attribution analysis to assess whether realized outcomes were consistent with the manager's stated investment process, identify the sources of excess return and evaluate the strengths and weaknesses of the investment process of the manager. Particular attention was paid to the breadth of performance and the degree to which results were driven by stock selection, sector allocation, or country exposures. ESG considerations became increasingly important over the years and received a larger weight in the evaluation process.

Changes in P's were monitored on both an ad-hoc and quarterly basis via manager questionnaires and review calls. If a change in one of the P's was considered detrimental to future performance, mandate termination would be considered.

3.3 Investment guidelines and active risk budgets

Before analyzing the excess returns generated across strategies, it is important to outline the investment guidelines under which the managers operated, as these guidelines defined both the boundaries of active risk-taking and the sources of potential excess returns.

All active equity mandates were designed to maintain a portfolio beta close to one relative to their respective benchmarks, with the explicit objective of generating "clean" excess returns, meaning excess returns not driven by unintended or uncompensated beta exposures. To this end, managers were subject to investment universe constraints. For example, large-cap managers were only to a limited extent permitted to invest in small cap equities, and vice versa. Also, strict rules were applied when allowing managers to invest outside the underlying region of the benchmark. For instance, European large-cap managers were restricted to invest outside Europe, and Emerging Market managers were only to a limited extent allowed to allocate to developed market stocks, but only if the underlying companies achieved the majority of their revenues in EM.

In addition, cash holdings were tightly constrained (max 5%) to limit the scope for managers to generate excess returns through active cash positions, rather than stock selection. The above-mentioned constraints were deliberately set to ensure that outperformance would primarily come from the applicable underlying investment universe rather than systematic or tactical beta positions outside the benchmark universe.

With respect to active risk budgets, active equity managers were assigned tracking error ranges that were typically between 3% and 8%. These relatively broad ranges were intended to provide managers with sufficient flexibility to express active views and implement their investment processes, allowing them to adjust active risk to changing market opportunities. At the aggregate active equity portfolio level, the tracking error was restricted to 3%. Despite the higher tracking error limits at the individual manager level, the realized tracking error of the overall active equity portfolio remained substantially lower due to diversification benefits arising from combining managers with different investment styles and approaches. In addition, most managers operated well within their permitted risk boundaries and rarely utilized their full risk budgets. Compliance with the 3% portfolio-level tracking error limit was monitored continuously by BSG's Performance & Risk department.

3.4 Evolution of the active equity structure and risk budget governance

Initially, the active equity strategies were largely structured via regional mandates, apart from Emerging Markets and Frontier Markets, which had always been managed as global mandates.

In 2018, based on changing client preferences, the entire equity portfolio was restructured from a regional to a global mandate setup. The 3% tracking error limit on the equity portfolio remained in place, but the clients wanted to restrict the overall allocation to active equity strategies as well. The transition to global mandates was implemented during 2019. Up to that point, on average, between 60% and 65% of the total equity portfolio had been invested in active equity strategies. Towards the end of 2019, once the restructuring to the global setup was complete, only two active equity strategies remained: Emerging Markets and Global Developed Small Caps. These two strategies jointly represented on average about 25% to 30% of the total equity portfolio.

3.5 Strategy and manager breadth over time

For 2010–2019, the equity program included eight long-only active strategies allocated across approximately 20 long-only active managers. Since the end of 2019, with only two active strategies remaining, the total number of active mandates was reduced to seven. The Global Developed Small Cap strategy was launched in July 2019 with three managers. The Emerging Markets strategy has the longest history, dating back to before January 2010 and containing on average four managers. As of Q3 2024, both strategies were managed against custom Climate Transition Benchmarks (CTBs). As of this point the managers had to work with further restrictions, however the restricted universes were large enough to exploit excess return opportunities, as corresponded by the managers.

3.6 Tactical asset allocation

Up to and including 2016, BSG had a tactical asset allocation program. This implied that the net excess returns on the overall equity portfolio contained both an allocation and selection effect. The program stopped in 2017, meaning that from that year onwards, the excess return of the active equity sleeve no longer contained an allocation effect.

4. Data, definitions and measurement choices

4.1 Data sources and sample

BSG maintained a manager dashboard containing monthly net relative performance data for both active and passive equity strategies and their underlying managers since January 2010, including terminated mandates. We evaluate the period January 2010 through December 2025, focusing on net excess returns, manager selection effects, information ratios and the consistency of manager selection outcomes across managers, strategies and years. Although the active equity program dates to the early 2000s, monthly data prior to 2010 is only available on a limited basis.

Regarding benchmarking, all active equity strategies (i.e., multi-manager portfolios) were managed and evaluated against their respective core benchmarks, while the aggregated active equity portfolio was measured against a weighted average of these core benchmarks. At the individual manager level, dual benchmarks were used when appropriate. For example, growth and value managers were evaluated against both the relevant core benchmark and their corresponding style benchmark. To ensure consistency with client reporting, the performance results in this paper are measured and presented relative to the core benchmarks (see exhibit 5).

4.2 Definitions

Net excess return is defined as the annualized relative return of a strategy or manager versus its benchmark, net of all relevant costs, including management fees, administration, custody, and legal expenses. Transition costs associated with hiring and terminating managers are incorporated at the strategy level and are therefore reflected in the reported net excess returns.

The selection effect refers to the component of excess return attributable to manager selection decisions, excluding allocation and interaction effects. Selection effects were calculated using a Brinson-Fachler attribution framework and linked through time using the Cariño logarithmic linking methodology (Cariño, 1999). At the strategy level, the selection effect is calculated as the benchmark weight of a strategy multiplied by that strategy's net excess return.

5. Net selection effect of the total active equity portfolio

5.1 Portfolio-level distribution of monthly net excess returns

We use a top-down approach to analyze the results of the active equity program. Before looking at the performance of the individual managers and strategies (bottom-up), we first examine the outcomes of the aggregated active equity portfolio. From a client perspective, this is the most relevant starting point, as it reflects the value added of the active equity program as a whole and therefore directly shows the results of the active-passive decisions by the client.

Up to and including 2016, the excess return of the active equity portfolio consisted of both an allocation effect, arising from BSG's tactical asset allocation program, and a selection effect, resulting from manager selection decisions. As the objective of this paper is to evaluate the effectiveness of the manager selection program, we focus exclusively on the selection effect, which represents the component of performance over which the manager selection team at BSG exercised direct influence.

Exhibit 1 shows the monthly frequency distribution of the net selection effect of the active equity portfolio during Jan 2010–Dec 2025, totaling 192 monthly observations. The portfolio benchmark is a weighted average of the underlying strategy (core) benchmarks.

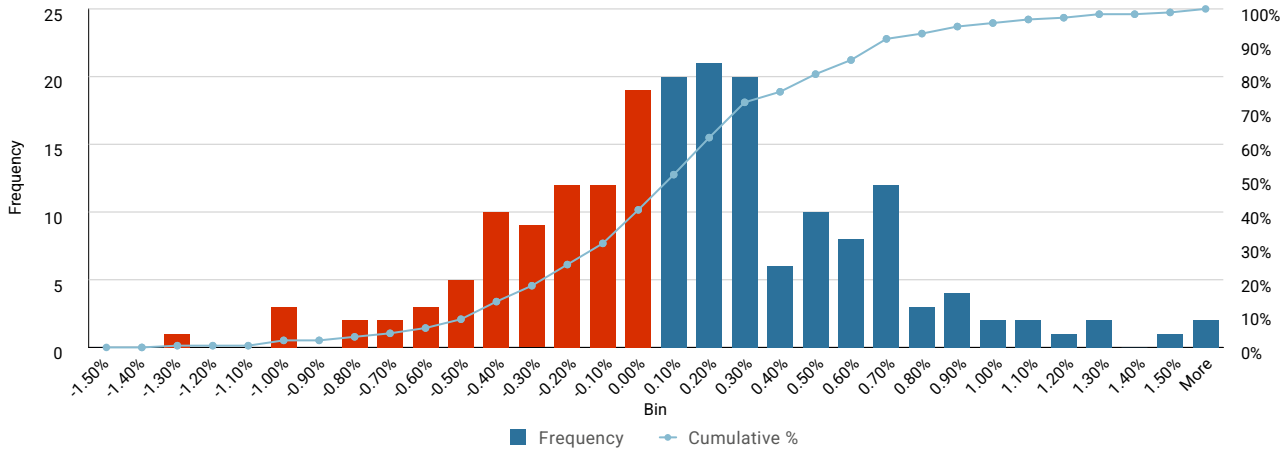
Since March 2018, gross benchmarks were used as instructed by the clients. This puts the performance of the active equity portfolio at a disadvantage, because gross benchmarks assume all dividend taxes can be reclaimed. In practice this was not the case. For example, within Emerging Markets this resulted in a disadvantage of about 45 bps annualized and needs to be considered when evaluating the track record of this active strategy. The analysis in this paper uses net benchmarks up to March 2018 and gross benchmarks thereafter.

Though not shown in the graph, the summary statistics alongside exhibit 1 show:

- Average monthly net selection effect of 0.11% (annualized 1.3%)
- Median monthly net selection effect of 0.09% (annualized 1.1%)
- Hit rates: 59% of the months and 81% of the reported calendar years had a positive net selection effect

These summary statistics reveal positive net selection effects in most months and calendar years over the evaluation window.

Exhibit 1. Monthly net selection effect distribution - Jan 2010 to Dec 2025



Source: Achmea IM

5.2 Annual net selection effects

Exhibit 2 shows the net selection effects on an annual basis. The years 2021–2024 came out particularly strong. From annual review discussions with our managers, we noted that the strong relative performance numbers were affected by a strong tailwind from active multi-factor (quant) strategies, which fared well during this period. This had a positive effect on the relative performance of both the Emerging Markets and Global Developed Small Cap strategies, as each strategy had at least 40% exposure to quantitative strategies.

Exhibits 1 and 2 present the selection effects of the total active equity portfolio, but they do not account for the potential impact of the absolute weights of the underlying active strategies on these excess returns.

This strategy 'concentration' effect is not captured by the allocation effect in a Brinson-Fachler attribution framework, as these allocation effects arise solely from differences between portfolio and benchmark weights. Consequently, a strategy with a large absolute weight can have a substantial impact on the total excess return of the active equity sleeve, even when its portfolio weight equals its benchmark weight and no allocation effect is recorded.

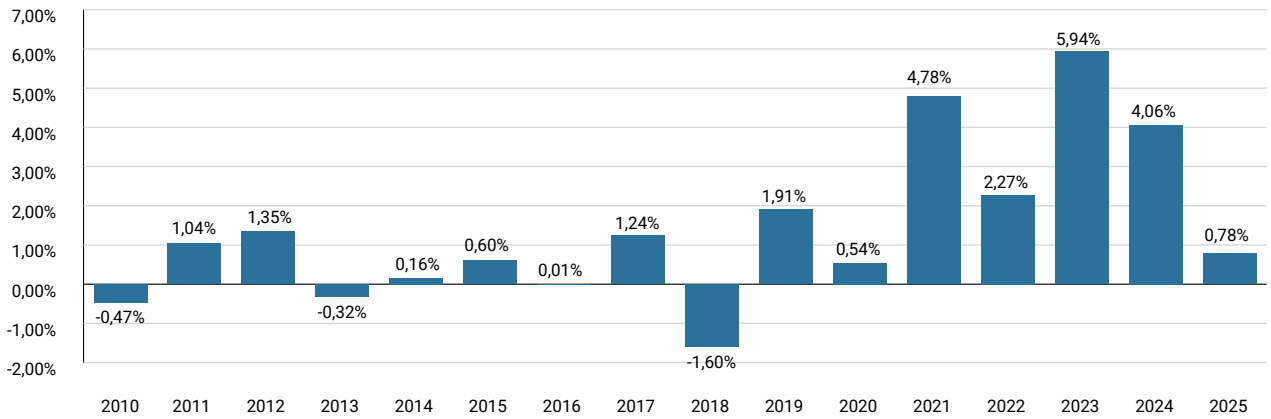
An example is the Emerging Markets strategy, which represented approximately 70% of the active equity portfolio in 2024 and 2025. Strong relative performance within this strategy could therefore offset or even outweigh weaker results elsewhere in the overall active equity portfolio. If positive outcomes are concentrated in just a few strategies or managers, this increases the odds of luck rather than skill in manager selection, compared to a situation where the excess return is supported by a broader set of strategies.

In the following section, we will further assess whether the observed selection effect was broad-based, rather than concentrated among a limited number of managers, strategies and/or years.

5.3 Strategy weights versus the relative return of the active equity portfolio

Exhibit 3 summarizes the yearly selection effects of each strategy, while exhibit 4 shows how the active equity portfolio was allocated across strategies over time. Together, these exhibits provide insight into whether the overall selection effect was broadly supported across multiple strategies or primarily driven by a small number of strong years of performance and/or large allocations to specific active strategies.

Exhibit 2. Yearly selection effects of the total active equity portfolio



Source: Achmea IM

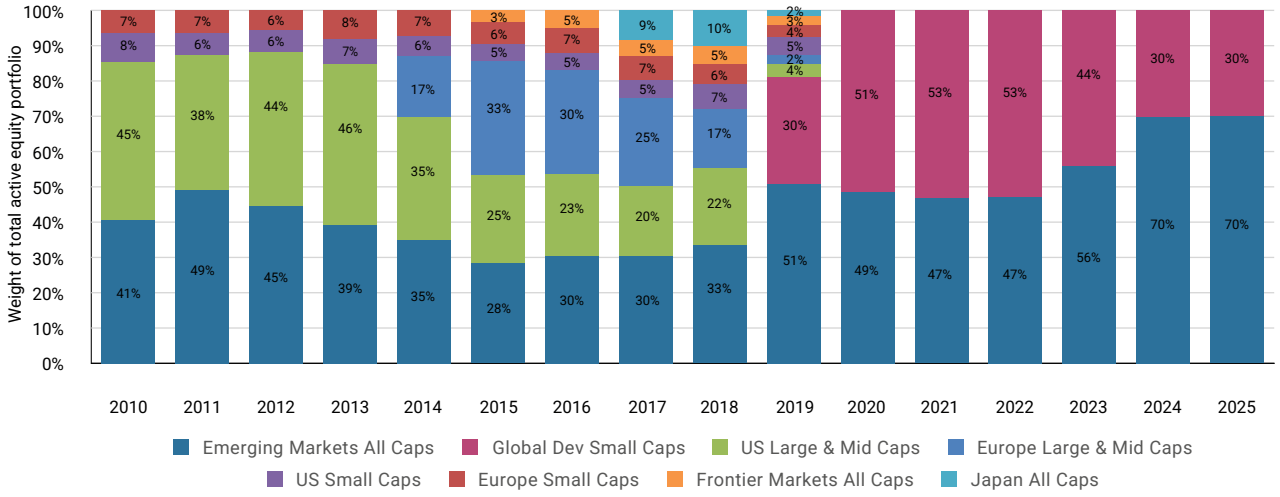
Exhibit 3. Yearly selection effects per strategy

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Europe Large & Mid Caps					0.52%	5.79%	-0.67%	3.46%	-1.22%	0.44%						
Europe Small Caps	1.06%	2.97%	1.15%	-0.78%	-0.53%	4.32%	0.44%	-0.65%	0.13%	0.65%						
US Large & Mid Caps	-0.71%	1.04%	1.79%	0.35%	-2.19%	-2.00%	-1.07%	0.68%	-2.84%	1.31%						
US Small Caps	-3.02%	1.75%	-0.55%	0.75%	-2.25%	6.26%	2.41%	-4.59%	0.53%	-1.44%						
Frontier Markets All Caps						0.31%	6.22%	-8.75%	-4.45%	0.64%						
Japan All Caps								7.37%	-4.30%	-0.86%						
Emerging Markets All Caps	-0.01%	0.60%	1.42%	-0.80%	2.78%	-1.82%	-0.32%	0.36%	-0.59%	3.04%	-1.44%	5.34%	2.80%	4.82%	4.10%	2.69%
Global Dev Small Caps										-0.18%	2.24%	4.15%	1.97%	7.30%	4.09%	-3.61%
Yearly Selection Effect	-0.47%	1.04%	1.35%	-0.32%	0.16%	0.60%	0.01%	1.24%	-1.60%	1.91%	0.54%	4.78%	2.27%	5.94%	4.06%	0.78%

> 3% | 1% to 3% | 1% to -1% | -1% to -3% | < -3%

Source: Achmea IM

Exhibit 4. Annual % weights of the total active equity sleeve



Source: Achmea IM

Looking at exhibits 3 and 4, several patterns stand out. First, in most years with strong overall selection effects, positive contributions were generated across multiple strategies rather than by a single dominant source. For example, the strong results in 2012, 2015, 2017, and 2019 were supported by several strategies simultaneously delivering positive selection effects. This pattern suggests that the overall outcome was the result of broad-based manager selection success rather than dependence on a single strategy or manager.

Second, the importance of strategy weights becomes more apparent after the 2019 restructuring. During this period, the active equity portfolio consisted of only two strategies: Emerging Markets and Global Developed Small Caps. In the strong years from 2021 through 2024, both strategies delivered positive selection effects. In 2025 there was a significant negative selection effect in Global Developed Small Caps, which was offset by a strong positive selection effect in Emerging Markets. Given the approximately 70% allocation (as a percentage of the active equity sleeve) to Emerging Markets shown in exhibit 4, the excess return of the total active equity portfolio was influenced by the larger weight of this strategy during the years 2024 and 2025.

Overall, exhibits 3 and 4 suggest that the positive selection effects observed over the sample period were generally supported by multiple strategies rather than being attributable to a single concentrated source of outperformance. While the number of strategies and managers is insufficient to support formal statistical inference, the evidence is broadly consistent with the view that the active equity program's results were broad-based rather than being driven by isolated successes.

6. Breadth and consistency: evidence across strategies, managers and years

6.1 Relative return metrics by strategy

To gain further insights into the consistency of the manager selection process, we will now focus on the number of strategies and managers outperforming and how this has evolved over the calendar years. The more the relative performance is spread across different styles and types of managers and across different market regimes, the more this supports the notion of a consistent manager selection process.

Exhibit 5 summarizes since-inception net-of-fees relative return metrics for each of the eight long-only active equity strategies employed since Jan 2010. For each strategy, we report the annualized net excess return, tracking error, and information ratio. Only two strategies remain active at the end of 2025: Emerging Markets and Global Developed Small Caps. As mentioned before, all regional strategies were terminated in 2019 as part of the restructuring of the equity portfolio.

Across the eight strategies, seven show a positive since-inception net excess return. The underperformance of the U.S. equity strategy may be consistent with the view that the US market is highly efficient, making persistent positive excess returns more difficult to achieve. The underperformance may also be partly explained by the strong relative performance of U.S. equity markets versus other regions during the sample period. The European Large&Mid cap strategy shows a shorter, but still favorable, track record.

It is important to note that within each strategy, there is no manager allocation effect. BSG relied on target (benchmark) weights per manager, to achieve a style balanced portfolio (see section 3.1). As a result, the actual manager allocations were managed close to their target weights.

6.2 Manager-level IR metrics across investment styles & approaches

To assess whether the consistency observed at the strategy level is also reflected at the underlying manager (i.e. mandate) level, we examine manager-level information ratios and how these vary across investment styles (core, growth and value) and implementation approaches (quantitative versus fundamental). This analysis focuses on the distribution of risk adjusted relative performance across managers rather than on strategies (exhibit 5), with the aim of evaluating whether outcomes are broadly supported across different styles and approaches on the individual manager level as well.

Exhibit 5. Strategy-level relative performance metrics (2010–2025)

Strategy	Benchmark	Reporting Start Date	Reporting End Date	Annualized excess return	Tracking error	NET IR	# of Managers
Europe Large&Mid Caps	MSCI Europe	jul-14	mrt-19	1,7%	2,5%	0,7	4
Europe Small Caps	MSCI Europe Small Cap	jan-10	mei-19	1,0%	2,6%	0,4	2
US Large&Mid Caps	Russell 1000	jan-10	mrt-19	-0,4%	1,6%	-0,3	6
US Small Caps	Russell 2000	jan-10	mei-19	0,1%	2,3%	0,1	3
Frontier Markets All Caps	MSCI Frontier Markets	apr-15	mei-19	1,6%	5,3%	0,3	2
Japan All Caps	MSCI Japan	mrt-17	mrt-19	0,3%	2,6%	0,1	2
Emerging Markets All Caps	MSCI Emerging Markets IMI	jan-10	dec-25	1,4%	2,5%	0,6	6
Global Dev Small Caps	MSCI World Small Cap	jul-19	dec-25	2,4%	2,8%	0,9	4
						Total:	**29**

Source: Achmea IM

Exhibit 6. Information ratio hit rates by style and type of manager

Investment Style	Quant & Funda Positive IR % (n)	Quantitative Positive IR % (n)	Fundamental Positive IR % (n)
Core	88% (14 out of 16)	90% (9 out of 10)	83% (5 out of 6)
Growth	50% (3 out of 6)	N/A (0 managers)	50% (3 out of 6)
Value	57% (4 out of 7)	67% (2 out of 3)	50% (2 out of 4)
All Managers	**72% (21 out of 29)**	**85% (11 out of 13)**	**63% (10 out of 16)**

Source: Achmea IM

In exhibit 6 we calculate the number and percentage of managers with positive IRs (against core indices) across investment styles and type of managers. Across the full suite of 29 active equity managers who were employed by BSG, 72% achieved a positive IR over their respective since-inception periods. Positive outcomes are observed among both quantitative and fundamental managers, but also across the different investment styles; core, growth, and value, with the highest scores found in core strategies.

Quantitative managers show a higher share of positive outcomes (85%) compared to the fundamental managers (63%), although both groups contribute positively to the overall net excess returns.

Taken together, the manager-level evidence supports the idea that the active equity program's results are broad-based across managers, styles, and investment approaches, implying a consistent manager selection process.

6.3 Yearly hit rate analysis across strategies and managers

To complement the distributional evidence presented above, we also evaluated the year-by-year hit rate of both strategies and managers to verify whether the strong relative manager and strategy returns were concentrated in one or more years. Exhibit 7 provides a granular perspective on the breadth and consistency of active performance across the equity program over time. This provides further insights into the consistency of the manager selection process.

Only strategies and managers that were active for at least six months in a particular year are included in a particular year's hit rate calculations.

Exhibit 7. Hit Rate table

Year	Total # of Strategies	Hit Rate Strategies	Total Managers	Hit Rate Managers	Yearly Selection Effect
2010	4	25%	9	44%	-0,47%
2011	4	100%	10	90%	1,04%
2012	4	75%	11	82%	1,35%
2013	4	50%	11	64%	-0,32%
2014	5	60%	16	44%	0,16%
2015	6	67%	18	72%	0,60%
2016	6	67%	18	72%	0,01%
2017	7	57%	20	55%	1,24%
2018	7	29%	19	37%	-1,60%
2019*	2	100%	7	86%	1,91%
2020	2	50%	7	43%	0,54%
2021	2	100%	7	57%	4,78%
2022	2	100%	7	71%	2,27%
2023	2	100%	7	86%	5,94%
2024	2	100%	7	71%	4,06%
2025	2	50%	6	67%	0,78%
Average		**72%**		**65%**	**1,39%**

Source: Achmea IM

* Year of change to the new active equity structure of the KLM clients.

6.3.1 Interpretation of strategy hit rates

Across time, the average strategy hit rate is 72%, implying that in a typical year most strategies delivered positive net excess returns. In the pre 2019 period, when between 4 and 7 strategies were active, strategy hit rates vary more widely (29%–75%), consistent with a diversified multi-strategy structure operating across different regions and style environments. From 2019 onward, the active equity program has consisted of only two remaining active strategies. From 2021 through 2024, both strategies achieved positive net excess returns each year, while 2020 and 2025 show a mixed outcome. The lowest strategy hit rate occurs in 2018 (29%), consistent with the negative relative performance across strategies in that year (see exhibit 2).

6.3.2 Interpretation of manager hit rates

The average manager hit rate across time is 65%, which is lower than the strategy hit rate. This is consistent with the different types of investment styles being employed at the mandate level than at the strategy level and those styles performing differently in different market environments. Importantly, manager hit rates should never reach 100%. This would set off alarm bells, as this would point towards a situation of highly correlated excess returns, suggesting the strategy manager mix is poorly diversified. Over the years, manager hit rates ranged from 43% to 86%, indicating that positive outcomes were typically supported by more than half of the underlying mandates, rather than by a narrow subset.

6.3.3 Contribution to the consistency narrative

The hit rate analysis adds an important dimension to the consistency argument:

1. Breadth of contributions

Positive net excess returns were produced across multiple strategies and managers in most years, providing evidence that the strong relative return numbers reported in exhibit 1 are broad-based across strategies and time.

2. No dependence on a single 'super year'

Although the 2021-2024 years were particularly strong, the hit rate table shows that positive contributions also occurred in earlier years, even when the active equity portfolio contained more managers and strategies.

Taken together, the strategy and manager hit rate evidence strengthens the conclusion that the active equity program's track record is broad-based, multi-sourced, and not dependent on a single manager or strategy, nor did it depend on an exceptional calendar year. This is indicative of a consistent manager selection process.

We realize that the number of strategies and mandates is not large enough to make statistical inferences and the analysis therefore remains descriptive. As such, the results should be interpreted as an informative case study, rather than as statistical evidence of manager selection skill.

6.4 Strategy-level peer group quartile rankings

To compare the absolute strategy-level metrics presented in the previous sections, we now evaluate the strategy outcomes relative to appropriate peer groups, using quartile rankings. This provides an externally anchored view on whether the observed performance and manager selection process was competitive versus comparable institutional strategies.

Exhibit 8 reports peer group quartile rankings for the active equity strategies since-inception. The rankings are based on gross risk-adjusted performance measures, using the eVestment institutional manager database. We use gross returns (for the definition, see section 4.2), as the eVestment peer group rankings are

Exhibit 8. Peer group quartile rankings and risk-adjusted gross performance of the active equity strategies

			Gross IR Peer Group				
Strategy	Benchmark	Sample Size	75th Percentile	Median	25th Percentile	Strategy Gross IR	Strategy Quartile
Europe Large&Mid Caps	MSCI Europe	54	0,49	0,14	-0,09	0,82	1
Europe Small Caps	MSCI Europe Small Cap	26	0,45	0,25	-0,01	0,73	1
US Large&Mid Caps	Russell 1000	218	0,21	-0,03	-0,30	-0,04	3
US Small Caps	Russell 2000	124	0,61	0,34	0,06	0,37	2
Emerging Markets All Caps	MSCI EM	76	0,48	0,31	0,16	0,86	1
Global Dev Small Caps	MSCI World Small Cap	24	0,44	0,02	-0,43	1,15	1

Source: Nasdaq eVestment™, Achmea IM

gross as well. A quartile ranking of 1 indicates a position in the top 25% of the relevant peer group, based on gross IR. Pleasingly, of our strategies, 4 out of 6 strategies rank in the first quartile based on gross IR.

Two strategies are excluded from this analysis. The Japan equity strategy is omitted due to its relatively short track record, which limits a meaningful peer group comparison. Frontier Markets are also excluded, as the number of managers in the peer group is too small to create a meaningful peer group.

Since June 2017, the Emerging Markets strategy was managed against an Emerging Markets IMI benchmark. However, before it had always been managed against the MSCI Emerging Markets benchmark. Since the number of managers in the IMI peer group is limited and the strategy was managed against the Emerging Markets large & mid cap benchmark for eight years, the MSCI Emerging Markets large & mid cap peer group universe was used as relevant peer group.

Overall, the peer group evidence shows that strategy level outcomes are strong when compared to peers.

7. Preserving and enhancing investment capabilities through integration

The analysis presented above naturally raises the question to what extent these results may be replicated in the future, particularly since the investment management activities of BSG ceased to exist as an independent entity, following its integration into Achmea IM in 2025. While historical performance does not guarantee future outcomes, we believe that the integration of the BSG manager selection team into the broader Achmea IM manager selection team has created meaningful synergies that strengthen the manager selection and monitoring process.

The combined team now benefits from the complementary expertise, experience and best practices developed within both organizations. Importantly, the combination with BSG has further strengthened Achmea IM's multi-manager capabilities. Selected elements of the BSG philosophy and process, including its emphasis on diversification across managers, investment styles and investment approaches, have been incorporated alongside Achmea IM's existing manager selection framework and continue to inform its ongoing development.

An additional benefit of the current structure is that the underlying active equity strategies are implemented through pooled fund vehicles that are open to a broad range of institutional clients. As a result, both smaller and larger clients can access the benefits of a professionally constructed multi-manager approach, which would often be difficult or inefficient to replicate through individual segregated mandates.

As a result, the integration has not only preserved the strengths that contributed to the historical success of the BSG approach but has also created opportunities to further enhance the effectiveness and robustness of the manager selection and monitoring process, while making these capabilities accessible to a broader client base.

8. Conclusion and limitations

In institutional equity investing, the value added of active management remains debated, particularly after fees and implementation costs. A common concern is that sustained outperformance is difficult to achieve, which has led many institutional investors to treat passive exposures as a robust baseline and to require a clear rationale for any active risk budget.

Against that backdrop, this case study examines the long-running multi-manager active equity program of BSG and analyzes whether the observed net-of-fees excess returns were broad-based across strategies, managers, and calendar years, rather than being driven by a small number of strategies and/or managers. If it were to be broad-based, this notion supports the idea of a consistent manager selection process.

From 2010–2025, the overall active equity portfolio produced positive net excess returns in a majority of months (59%) and in thirteen of sixteen calendar years (81%). The average and median monthly net excess returns were positive, with annualized values of 1.3% and 1.1% respectively.

At the strategy level, seven of eight strategies delivered a positive since-inception net excess return, and the manager-level evidence indicates that positive outcomes occurred across different types and styles of managers. Furthermore, the analysis suggests the results were not limited to a few strong years. The annual strategy weights, combined with annual strategy and manager excess returns further help assess consistency, by demonstrating how results evolved through time and to what extent they were driven by strategy asset allocation effects. Over the entire time horizon, the impact of strategic asset allocation decisions was limited.

In addition, strategy level peer group quartile rankings and manager level information ratio distributions provide complementary evidence that strategy performance outcomes are broadly competitive relative to peers.

It is important to note that the analysis is descriptive in nature. We cannot claim statistical significance as the sample sizes are too small to claim manager selection skill.

Despite these limitations, the evidence presented is consistent with the view that this multi-manager active equity program delivered a favorable net outcome over time that was supported across strategies, managers, and calendar years, rather than being attributable to a single concentrated source. Also, seen against the background of disappointing results for active management as described in section 2 and the peer group analysis, we believe the results are encouraging, particularly given the challenges faced by active equity managers in recent decades. More broadly, this case study illustrates that, contrary to the widely held view that active management is unlikely to add value after costs, a professionally structured active manager selection program can deliver meaningful net excess returns over time.

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