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MPI Analysis Measures Effect that Peruvian Stock Indices Outperforming the S&P 500 by Nearly 40% Have on Funds Covering Latin America

NEW YORK, May 24, 2015 /Business Wire/ – In new geo-specific [analysis](#) announced today, [MPI \(Markov Processes International\)](#) identifies the effect that Peruvian stock indices that have outperformed the S&P by nearly 40% this year have had on fund managers covering Latin America.

Although Peruvian stock indices typically follow returns of the [DJ-UBS US Copper Index](#), in the past six months the MSCI Peru equity index has broken out against this historical pattern. This shift of equity markets away from the alignment with copper is not something seen for some time, according to MPI, specialists in the systematic analysis of factors influencing investment performance, which provides analytics and reporting solutions to the financial services industry.

By analyzing daily performance of mutual funds in the Morningstar's Latin American stock category, MPI analysts uncovered the apparent 50% average decrease in their exposure to Peru, right before the rally in Peruvian stock. While such exposures produced by utilizing [MPI's proprietary Dynamic Style Analysis \(DSA\)](#) do not represent the actual true holdings composition of the portfolios, which can be unknown, especially for recent periods, they provide understanding of what could be driving a portfolio's performance and of recent changes in manager strategy and behavior.

"Hindsight is 20/20 and fund managers surely had a right to be skeptical about Peru," says [MPI CEO Michael Markov](#). Apart from the China slowdown and an overall increase in risk, Peru suffered declining performance in 2015, coming in ahead of only Brazil in the region. "Still, Peru's strong economic performance this year has surprised many people in the market, including, based on our research, portfolio managers specializing in Latin American stock. Even without the slowdown of China, posting more than a 40% return in an equity index over a six-month period is rare."

MPI's analysis can be read in full at <http://markovprocesses.com/blog/2016/05/2016s-emerging-market-surprise-peru-breaks-out-performs-strong-at-nearly-40/>, supported by 5 detailed exhibits.

About MPI

MPI (Markov Processes International, Inc.) is a global provider of investment research, analytics and technology. Its solutions are used by leading organizations throughout the financial services industry, including: alternative research groups, hedge funds, hedge fund of funds, family offices, institutional investors, consultants, private banks, asset managers, investment advisors and private wealth professionals. For more information, visit <http://www.markovprocesses.com>.

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