



2016
THOMSON REUTERS
LIPPER FUND AWARDS

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THOMSON REUTERS™

**THOMSON REUTERS LIPPER FUND AWARDS 2016
METHODOLOGY AND LOGO GUIDELINES**

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1 GENERAL METHODOLOGY

Criteria (Cumulative)

- Funds registered for sale in the respective country as of the end of the calendar year of the respective evaluation year.
- At least 36 months of performance history as of the end of the calendar year of the respective evaluation year.
- Lipper Global classifications with at least 10 distinct portfolios based on the primary share class definition, excluding residual classifications, institutional and other non-retail funds, private, closed-end, exchange-traded, insurance, and linked funds.
- Asset classes: equity, bond, mixed-asset, commodity, and alternatives. Absolute Return funds screen over all asset types except real estate.

Fund Classification Awards

The currency for the calculation corresponds to the currency of the country for which the awards are calculated and relies on monthly data. Classification averages are calculated with all eligible share classes for each eligible classification. The calculation periods extend over 36, 60, and 120 months. The highest Lipper Leader for Consistent Return (Effective Return) value within each eligible classification determines the fund classification winner over three, five, or 10 years. For a detailed explanation, please review the Lipper Leaders methodology document on www.lipperalpha.financial.thomsonreuters.com.

Fund classification awards are given to the company that has the day-to-day responsibility of investing and monitoring the assets under management within the fund's portfolio in order to achieve the investment objectives of the fund. This company is also referred to as a portfolio management company or investment advisor. The award goes to the fund management company in case that no such company has been appointed or several such companies share the task.

Asset Class Group Awards

Fund groups with at least five equity, five bond, or three mixed-asset portfolios in the respective asset classes are eligible for a group award. The lowest average decile¹ rank of the three years' Consistent Return measure of the eligible funds per asset class and group will determine the asset class group award winner over the three-year period. In cases of identical results, the lower average percentile rank will determine the winner.

Asset class group awards will be given to the best large and small groups separately. Small groups will need to have at least three distinct portfolios in one of the asset classes – equity, bond, or mixed-asset.

Overall Group Award

Fund groups with at least five equity, five bond, and three mixed-asset funds are eligible for an overall group award. An overall group award will be given to the group with the lowest weighted² average decile¹ ranking of its respective asset class results based on the methodology described above. In cases of identical results the lower average percentile rank will determine the winner.

An overall group award will be given to the best large and small group separately. Small groups will need to have at least three equity, three bond, and three mixed-asset funds.

¹ The decile ranking is obtained by the percentile ranking according to the formula:
$$\text{INT}(((\text{Percentile Rank} - 1) * (1 - 0.01)) / 10) + 1)$$
 in order to eliminate the percentile ranking bias within very small and very large sectors by number of funds.

² Weighted by number of funds

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No asset class and/or overall group awards are handed out if there are less than three competing companies.

Asset class and overall group awards are given to the company that is responsible for establishing the fund by appointing the fund management company, promoting and/or distributing the fund, the brand of the fund, and the product range. This company is also referred to as promoter or sponsor company.

Assets-Under-Management Breakpoint Calculation

- Europe: In order to define the breakpoint between large and small companies, Lipper will calculate the sum of the single fund sizes of all funds (excluding closed-end funds) with sales permission in any European country per company and then sort the results in descending order. For each company a percentage share value of the total assets under management will be calculated and accumulated to 100 percent. The assets-under-management breakpoint is found at 80 percent accumulated weight value.
- United States: All eligible open-end funds (see Specific Methodology Issues for the US) with sales permission in the United States will be considered. The assets-under-management breakpoint is found at 85 percent accumulated weight value.

Awards and Certificates

Winning funds over three years within the 20 largest classifications per award universe according to assets under management will be awarded a statuette. Where appropriate, only funds domiciled in the respective country will be taken into consideration for determining the largest classifications. All winning groups will be awarded a statuette as well. However, all winners will receive a certificate, which can be downloaded by entering a fund name or ticker on www.lipperalpha.financial.thomsonreuters.com.

Disclaimer

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Naming

Event: Lipper Fund Awards & Country & 2016.

Fund Awards: Fund Name, Best Fund Over Past & Period & Years, & Category.

Group Awards: Group Name, Best Group Over Past Three Years, & Asset Class & Size.

Results Publication

You will be able to search for winners on www.lipperweb.com. No raw data of the calculations will be published. No correspondence will be entered into.

Specific Market and/or Legal Requirements

Amendments to the methodology can be implemented according to specific market and/or legal requirements, such as extended registration for sale, classification, limited duration of the funds, or other inclusion or exclusion criteria.

2 SPECIFIC METHODOLOGY ISSUES

United States

- US local classifications are used in the United States, rather than Lipper Global classifications.
- Statuettes are awarded to winning funds over three years within the 35 largest classifications plus all US Diversified Equity Fund holdings-based classifications not included in the top 35 according to assets under management.
- Institutional funds are included in the universe of eligible funds.
- Since Lipper Leader scores are not calculated for money market or ultra-short obligation funds, these categories are excluded from all fund award calculations.
- Additionally, S&P 500 Index funds, equity leverage funds, specialty diversified equity funds, specialty fixed income funds, and specialty/miscellaneous funds are not eligible to receive classification awards.
- Only one share class (the one with the best Lipper Leader score) is used for each portfolio in determining asset class and overall awards.
- Some funds may be excluded from award contention if, in the opinion of Lipper's Research staff, the portfolio has undergone too many classification changes or changed classifications recently.
- The calculation periods end at November-end of the respective evaluation year.

Canada

- CIFSC classifications are used in Canada, rather than Lipper Global classifications.
- Pooled funds and funds not domiciled in Canada are excluded from the eligible universe.
- The 2016 results will be calculated and released later in the year.

Europe

European Fund Awards

- Funds with UCITS status
- Funds registered for sale in at least three out of 31 European countries composed of the 27 EU member state countries and the four EFTA countries.

Nordic Fund Awards

- Funds registered for sale in at least one out of the following four northern European countries: Denmark, Finland, Norway, and Sweden.

UK

- Exempt funds and IMA classifications, Pensions or Unauthorized, as well as funds with a minimum investment of equal or more than 50'000 GBP are excluded from the eligible universe.

France

- Legal structure is FCP or SICAV. Insurance funds are included into the eligible universe.

Asia

- Because of the small market size, the Asian countries will not make a distinction between large and small groups for the single asset class and overall group awards.
- To be eligible for an asset class group award, the groups will need to have at least three distinct portfolios in one of the asset classes: equity, bond, or mixed-asset.
- To be eligible for an overall group award, the groups will need to have at least three equity, three bond, and three mixed-asset funds.
- Classification awards will be handed out to classifications with at least five distinct portfolios.
- Hong Kong: The awards are based on the Hong Kong primary share class definition. Additional classification and group awards will be handed out to Hong Kong pension funds (MPF). The Hong Kong pension funds universe is including linked funds.
- Japan: Funds within the Japanese ITA Broad classifications Bond Open, Bond Spot, and Equity Spot are excluded from the eligible universe.
- Additional classification awards will be handed out to Japan DC funds.
- Malaysia: Additional classification awards will be handed out to Islamic-flagged Sharia compliant funds within classifications meeting the aforementioned criteria.
- Singapore: Funds flagged Singapore Sophisticated Fund are excluded from the eligible universe. The awards are based on the Singapore primary share class definition.
- Taiwan: The awards are based on the Taiwan primary share class definition.
- Japan, Hong Kong Mutual Funds, Singapore, Taiwan: Classification awards will be handed out to classifications with at least 10 distinct portfolios. Fund groups with at least five equity, five bond, or three mixed-asset portfolios in the respective asset classes are eligible for a group award. To be eligible for an overall group award, the groups will need to have at least five equity, five bond, and three mixed-asset funds.

Arabian Markets Region

- Because of the small market size, the MENA Region will not make a distinction between large and small groups for the single asset class and overall group awards.
- To be eligible for an asset class group award, the groups will need to have at least three distinct portfolios in one of the asset classes: equity, bond, or mixed-asset.
- To be eligible for an overall group award, the groups will need to have at least three equity, three bond, and three mixed-asset funds.
- Classification awards will be handed out to classifications with at least five distinct portfolios.
- Funds registered for sale in at least one of the following Arabian market countries: Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates.
- Additional classification and group awards will be handed out to funds domiciled in at least one of the aforementioned countries within classifications and asset types meeting the aforementioned criteria.

Islamic

- All Islamic-flagged Sharia compliant mutual funds globally within Lipper Global Classifications with at least five distinct mutual funds over the respective time frame.
- The calculation time frames extend over 1, 2, 3, 5, and 10 years.
- Calculation currency is the US dollar.
- No distinction between large and small groups for the single asset class and overall group awards.
- To be eligible for an asset class group award, the groups will need to have at least three distinct portfolios in one of the asset classes: equity, bond, or mixed-asset.
- To be eligible for an overall group award, the groups will need to have at least three equity, three bond, and three mixed-asset funds.
- Currently only the equity asset class groups are eligible for a group award.

3 LOGO GUIDELINES

The essence of the Lipper Fund Awards is to reward consistent out-performance of individual funds and of fund companies. Winning funds have demonstrated consistently strong risk-adjusted returns compared with peers.

One of the benefits of being awarded a Lipper Fund Award is the ability to license the logo for use in advertising and marketing materials. This logo allows the winner to highlight its unique strengths and help distinguish the company or the individual funds from the competition.

Please see **www.lipperfundawards.com** for more details.

4 DOCUMENT VERSIONS

Document Version 08.01

General methodology: additional exclusion criteria: Long/Short Equity funds (net 100), Absolute/Total Return funds and Target Maturity funds.

Assets under management breakpoint calculation: including institutional funds as well.

UK: minimum investment smaller than 10'000 GBP removed.

Document Version 08.02

Taiwan: calculation periods extending from 36 months to 36, 60, and 120 months.

Document Version 08.03

China: calculation periods extending from 12, 24 and 36 months to 12, 24, 36, and 60 months.

No reference to statuettes.

Document Version 08.04

Europe: European countries universe amended to reflect all EU and EFTA countries.

Document Version 08.05

UK: minimum investment smaller than 50'000 GBP introduced.

Document Version 09.01

Taiwan aligned to global methodology.

Document Version 09.02:

Excluding ETFs, Gulf: no 1-year awards.

Document Version 09.03

Long/Short Equity funds (net 100), Target Maturity funds and Absolute Return funds included.

USDE: awards only to USDE HB classifications (4*3 matrix).

Document Version 10.01

Data as at the end of the calendar year of the respective evaluation year. Companies for classification and group awards defined.

No correspondence clause.

Canada: calculation periods end at the end of November of the respective evaluation year.

China: no 1- and 2-year awards.

Document Version 10.02

Gulf: removed reference to Sunday pricing Company definitions revised.

Minimum three competing companies for an asset class and/or overall group award.

Australia, Korea: additional exclusion criteria.

Exception rule for Absolute Return funds.

Canada: Award statuettes over three years, exclusion of corporate share classes.

Document Version 10.03

Reference to Australia removed.

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Document Version 11.01

Korea: Reference removed

Australia: Reference added.

Japan, China, Hong Kong, Taiwan, Singapore and Australia: number of funds for classification awards and group awards changed to general methodology requirements.

Canada: October-end.

Document Version 11.02

General methodology: additional exclusion criteria – linked funds.

Australia: superannuation added.

Canada: pooled funds and corporate share classes are not excluded anymore.

Document Version 11.03

Hong Kong Pension Funds: linked funds included.

Canada: pooled funds excluded.

Document Version 11.04

Singapore moved back to Asian methodology.

Document Version 12.01

Removed universes: Netherlands, Nordic, Italy, Australia, Australia Superannuation, China, Korea, Thailand, Philippines.

France: additional filter criteria: Legal Structure is not FR – FCP ARIA or FR – SICAV ARIA.

Document Version 12.02

General methodology: additional exclusion criteria – non-retail fund.

Document Version 12.03

UK: Best UK Equity Group and non-UK Equity Group removed.

Document Version 12.04

Cut off date for US and Gulf set to November-end.

US: additional exclusion criteria: Equity Leverage Funds, Specialty Fixed Income Funds.

US: Hurst Exponent reference removed.

Gulf: Additional Group Award for Islamic Funds.

Document Version 13.01

France: universe removed.

Netherlands: universe added again.

Gulf Region: universe removed.

India: universe removed.

Document Version 13.02

Additional asset types: commodity and alternatives.

Document Version 13.03

India: universe added again.

Document Version 13.04

France: universe added again.

Asia exceptions: Taiwan added, reference to China removed.

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Spain: primary funds only.

Document Version 13.06

Canada: 1-year calculation removed – disclaimer added.

Document Version 13.07

Naming event: corrected to 2013.

Format change in specific methodology issues for UK.

Document Version 13.08

Islamic fund awards universe added.

Document Version 14.01

Spain removed.

Gulf universe added again.

Document Version 14.02

Nordic added again.

Document Version 14.03

Gulf and Islamic awards: Calculation period end according to general methodology.

Document Version 14.04

Canada removed.

Document Version 14.05

Canada reference added again – mention of postponement Exemption clause removed pending approval.

Document Version 15.01

Singapore: minimum 10 distinct funds per eligible classification; Japan DC added; Gulf universe removed.

Japan: exclude double-decker funds.

Overall Group awards weighted by number of funds per asset type.

Document Version 15.02

MENA Universes International and Domestic added.

Document Version 15.03

MENA changed to Arabian Markets.

Evaluate Min Fund Size Requirements: Not practical because of having to take a subjective decision for the floor. A fund that has official registration and that publishes prices should always be eligible.

Document Version 15.04

Number of awards always restricted to 20.

