

## **DOCUMENT VERSION 18.03**

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**Thomson Reuters Lipper Fund Awards 2018**

Methodology and Guidelines  
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**THOMSON REUTERS LIPPER FUND AWARDS 2018  
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 [lipperalpha.financial.thomsonreuters.com/lipper](http://lipperalpha.financial.thomsonreuters.com/lipper).

### **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 decile 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 average decile 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.

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.

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### 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 85 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.

### Trophies and Certificates

Winning funds over three years within the 20 largest classifications per award universe according to assets under management will be awarded a trophy. 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 trophy as well. Trophies will only be handed out in award universes with a fund awards ceremony. However, all winners will receive a certificate, which can be downloaded by entering a fund name or ticker on [lipperalpha.financial.thomsonreuters.com/lipper](http://lipperalpha.financial.thomsonreuters.com/lipper).

### Naming

Event: Thomson Reuters Lipper Fund Awards & Country & 2018.

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 [lipperalpha.financial.thomsonreuters.com/lipper](http://lipperalpha.financial.thomsonreuters.com/lipper).

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.
- Trophies will be awarded to funds that are the winning fund in more than one time period (three years, five years, and/or ten years). This methodology is subject to change in response to input from the regional media partner.
- Institutional funds are included in the universe of eligible funds.
- Since Lipper Leader scores are not calculated for money market 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, specialty/miscellaneous funds, other states single state municipal debt funds, other states intermediate municipal debt funds, and other states short/intermediate municipal debt 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 are through the end of November 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 2018 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 are excluded from the eligible universe.

#### France

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

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### 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.
- India: Funds with less than 5 million USD assets under management are excluded from the eligible universe.
- 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: The regular universe is excluding Islamic Funds and Employees' Provident Funds (EPF). Separate classification and group awards will be handed out to Islamic-flagged Sharia compliant funds and to Employees' Provident 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.

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### Global 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.
- 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.

### 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 [lipperalpha.financial.thomsonreuters.com/lipper](http://lipperalpha.financial.thomsonreuters.com/lipper) for more details.

### 4 DISCLAIMER

The Thomson Reuters Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers.

The Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Lipper Fund Award. For more information, see [lipperalpha.financial.thomsonreuters.com/lipper](http://lipperalpha.financial.thomsonreuters.com/lipper) Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper.