

# BARRON'S

MARCH 11, 2019

Cover Story

## Barron's Fund Family Ranking

### The Best Active Shops

*(The following has been excerpted.)*

By Sarah Max

The top firms in this year's Barron's annual Best Fund Families rankings did what they were supposed to do—beat their benchmarks and outperform their respective Lipper peers.

For fourth-ranked Thrivent Mutual Funds, the goal of helping people “be wise with money and live generously” also proved good for business. While the industry saw huge outflows at year-end, the Minneapolis-based firm brought in new money in what Chief Investment Officer David Royal calls a “great year.” A move to broaden its distribution channels helped bolster sales for the \$20.7 billion fund family. Although it's a division of Christian membership organization Thrivent Financial, its funds are widely available.

Solid performance didn't hurt, either. The firm's two largest funds, both mixed-asset offerings—the \$2.8 billion Thrivent Moderately Aggres-

sive Allocation (TMAAX) and \$2.4 billion Thrivent Moderate Allocation (THMAX)—ended the year down, but dampened losses with early calls to underweight international stocks and favor value over growth. Despite a 10% decline for the year, the \$2.1 billion Thrivent Mid Cap Stock (AASCX) ended 2018 near the top quartile of its peer group—and it continues to lead its category across major trailing time periods. “We have a strong and very deep commitment to fundamental research,” says Royal of the small firm's nearly 40 equity and fixed-income analysts. ■



Photo supplied by Thrivent

Chief Investment Officer of Thrivent and President of Thrivent Mutual Funds

### The Best Fund Families of 2018

This is the second year we've ranked the fund families purely on their actively managed funds—all of them.

Rank	Family	Total Assets (mil)*	Weighted Score	FUND RANKING				
				U.S. Equity	World Equity	Mixed Equity	Taxable Bond	Tax-Exempt Bond
1.	American Funds	\$1,589,185	67.08	33	12	3	3	17
2.	MainStay Funds	45,110	64.44	2	17	47	14	3
3.	Eaton Vance	82,773	63.74	16	8	19	11	14
4.	Thrivent Mutual Funds	20,687	63.60	4	4	8	35	51
5.	Pimco	355,937	62.89	34	6	5	13	11
6.	First Trust Advisors	16,075	62.87	1	46	30	20	22

*(over please)*

THE PUBLISHER'S SALE OF THIS REPRINT DOES NOT CONSTITUTE OR IMPLY ANY ENDORSEMENT OR SPONSORSHIP OF ANY PRODUCT, SERVICE, COMPANY OR ORGANIZATION.  
Custom Reprints 800.843.0008 www.djreprints.com DO NOT EDIT OR ALTER REPRINT/REPRODUCTIONS NOT PERMITTED 55992

Rank	Family	Total Assets (mil)*	Weighted Score	FUND RANKING				
				U.S. Equity	World Equity	Mixed Equity	Taxable Bond	Tax-Exempt Bond
7.	<b>SIT Investment Associates</b>	1,658	62.62	48	34	1	1	35
8.	<b>Vanguard Group</b>	1,333,595	62.31	6	18	7	36	5
9.	<b>Victory Capital Mgmt</b>	27,985	62.28	18	47	4	5	37
10.	<b>Brinker Capital</b>	9,466	62.18	36	7	11	7	48
11.	<b>Franklin Templeton Investments</b>	295,373	60.82	7	21	23	17	29
12.	<b>MFS Investment Mgmt</b>	232,925	60.08	27	2	16	41	12
13.	<b>Wells Fargo Funds</b>	72,368	58.90	14	15	29	24	6
14.	<b>Guggenheim Investments</b>	28,297	58.88	42	16	28	2	9
15.	<b>Ivy Investment Mgmt</b>	53,763	58.75	12	48	6	18	15
16.	<b>BlackRock</b>	226,752	58.06	8	33	15	33	24
17.	<b>T. Rowe Price</b>	673,523	57.08	11	26	18	31	49
18.	<b>Manning &amp; Napier Advisors</b>	5,734	57.07	52	40	2	8	42
19.	<b>BMO Asset Mgmt</b>	7,506	56.39	22	1	27	48	25
20.	<b>Hartford Funds</b>	82,994	55.38	21	36	14	29	7
21.	<b>BNY Mellon/Dreyfus</b>	53,940	55.05	23	19	10	40	32
22.	<b>Virtus Investment Partners</b>	37,914	53.97	5	5	42	45	46
23.	<b>Russell Investments</b>	35,863	53.56	50	28	22	10	4
24.	<b>J.P. Morgan Asset Mgmt</b>	324,842	53.17	17	50	45	6	26
25.	<b>Transamerica Asset Mgmt</b>	39,710	52.52	19	23	38	30	19
26.	<b>Legg Mason</b>	107,398	52.52	28	9	9	52	45
27.	<b>Fidelity Mgmt &amp; Research</b>	1,222,647	52.38	38	14	34	27	18
28.	<b>SEI Group</b>	87,187	52.34	32	31	12	32	52
29.	<b>Dimensional Fund Advisors</b>	385,924	51.61	47	32	36	4	28
30.	<b>American Century Inv Mgmt</b>	\$113,887	49.57	24	45	17	46	23
31.	<b>State Street Bank &amp; Trust</b>	17,891	49.40	45	41	24	22	21
32.	<b>Aberdeen Standard</b>	9,857	49.14	29	10	20	57	20
33.	<b>Neuberger Berman</b>	31,187	48.95	37	38	25	37	16
34.	<b>Goldman Sachs Asset Mgmt</b>	49,968	48.92	39	27	41	39	1
35.	<b>Affiliated Managers Group</b>	90,006	48.18	30	25	53	15	43
36.	<b>Prudential Investments</b>	97,884	47.90	54	22	26	19	33
37.	<b>Northern Trust Investments</b>	24,857	47.79	3	29	43	55	41
38.	<b>Delaware Mgmt</b>	46,293	47.70	9	30	32	54	47
39.	<b>Principal Global Investors</b>	138,213	47.65	26	43	31	38	38
40.	<b>Saratoga Capital Mgmt</b>	1,026	47.48	25	55	13	28	57
41.	<b>Putnam Investment Mgmt</b>	66,017	46.99	35	51	48	12	27
42.	<b>Lord Abbett</b>	133,363	46.90	13	44	57	21	8
43.	<b>AllianceBernstein</b>	71,398	46.65	10	42	51	34	44
44.	<b>Columbia Threadneedle Investments</b>	124,276	46.40	46	35	21	43	30
45.	<b>Charles Schwab Investment Mgmt</b>	17,147	46.03	41	53	40	9	39
46.	<b>Nuveen</b>	147,663	45.02	31	54	39	23	13
47.	<b>USAA Asset Mgmt</b>	55,088	44.63	44	20	49	42	10
48.	<b>DWS</b>	29,028	44.27	20	37	35	49	56
49.	<b>UBS Asset Mgmt</b>	8,400	43.70	43	13	37	53	34
50.	<b>John Hancock</b>	164,782	41.20	53	11	33	47	55
51.	<b>PNC Funds</b>	2,551	39.68	55	3	46	51	50
52.	<b>Federated Investors</b>	59,642	39.07	15	52	56	44	40
53.	<b>OppenheimerFunds</b>	170,272	38.89	51	24	44	56	2
54.	<b>Amundi Pioneer Asset Mgmt</b>	40,197	36.85	40	56	54	26	31
55.	<b>Foresters Investment Mgmt</b>	9,617	35.37	49	49	55	25	54
56.	<b>Invesco</b>	134,731	31.72	56	39	52	50	36
57.	<b>Natixis Investment Managers</b>	135,202	26.74	57	57	50	16	53

\*Total assets reflect funds included in the survey.

## Best Fund Families Over Five Years

Rank	Family	Weighted Score
1.	Vanguard Group	82.10
2.	T. Rowe Price	73.41
3.	Thrivent Mutual Funds	71.82
4.	BMO Asset Mgmt	71.29
5.	Hartford Funds	69.84
6.	American Funds	69.12
7.	Eaton Vance	68.83
8.	Fidelity Mgmt & Research	67.79
9.	MFS Investment Mgmt	66.86
10.	J.P. Morgan Asset Mgmt	66.46
11.	Virtus Investment Partners	66.13
12.	Guggenheim Investments	65.71
13.	Transamerica Asset Mgmt	65.51
14.	BlackRock	64.08
15.	Victory Capital Mgmt	63.49
16.	Legg Mason	63.19
17.	Columbia Threadneedle Inv	63.08
18.	Pimco	61.95
19.	Principal Global Investors	61.69
20.	Nuveen	61.51
21.	MainStay Funds	60.09
22.	Affiliated Managers Group	59.59
23.	Delaware Mgmt	59.15
24.	Amundi Pioneer Asset Mgmt	58.57
25.	AllianceBernstein	58.11
26.	Dimensional Fund Advisors	57.61
27.	Prudential Investments	57.31
28.	SEI Group	57.02
29.	Putnam Investment Mgmt	56.63
30.	Northern Trust Investments	55.84
31.	BNY Mellon/Dreyfus	55.83
32.	DWS	54.90
33.	American Century Inv Mgmt	54.28
34.	John Hancock	54.19
35.	Natixis Investment Managers	54.12
36.	Lord Abbett	53.52
37.	Wells Fargo Funds	53.45
38.	Aberdeen Standard	53.43
39.	Federated Investors	52.43
40.	Goldman Sachs Asset Mgmt	51.18
41.	OppenheimerFunds	50.82
42.	USAA Asset Mgmt	49.56
43.	Invesco	49.12
44.	UBS Asset Mgmt	48.27
45.	SIT Investment Associates	48.00
46.	Franklin Templeton Investments	47.32
47.	Charles Schwab Inv Mgmt	45.78
48.	PNC Funds	45.63
49.	Saratoga Capital Mgmt	45.47
50.	Ivy Investment Mgmt	44.08
51.	Neuberger Berman	42.52
52.	State Street Bank & Trust	40.88
53.	Russell Investments	38.40
54.	Manning & Napier Advisors	31.02
55.	Foresters Investment Mgmt	25.46

## Best Fund Families Over Ten Years

Rank	Family	Weighted Score
1.	Pimco	77.55
2.	Affiliated Managers Group	76.55
3.	Vanguard Group	74.99
4.	T. Rowe Price	74.59
5.	Delaware Mgmt	73.80
6.	Putnam Investment Mgmt	71.01
7.	John Hancock	69.51
8.	MFS Investment Mgmt	68.64
9.	Virtus Partners	68.21
10.	Legg Mason	67.34
11.	Hartford Funds	66.13
12.	Principal Global Investors	65.27
13.	Dimensional Fund Advisors	61.79
14.	Aberdeen Standard	61.69
15.	J.P. Morgan Asset Mgmt	61.25
16.	Thrivent Mutual Funds	60.93
17.	American Funds	60.21
18.	Columbia Threadneedle Inv	59.41
19.	Fidelity Mgmt & Research	59.36
20.	Goldman Sachs Asset Mgmt	58.93
21.	OppenheimerFunds	57.63
22.	Wells Fargo Funds	57.29
23.	Nuveen	57.17
24.	Prudential Investments	55.76
25.	Lord Abbett	55.14
26.	AllianceBernstein	54.85
27.	Franklin Templeton Investments	53.95
28.	USAA Asset Mgmt	53.76
29.	BlackRock	53.50
30.	DWS	53.02
31.	MainStay Funds	51.91
32.	Eaton Vance	51.84
33.	Victory Capital Mgmt	50.52
34.	SEI Group	49.64
35.	Invesco	49.27
36.	Ivy Investment Mgmt	48.53
37.	BNY Mellon/Dreyfus	47.70
38.	Charles Schwab Inv Mgmt	47.24
39.	Federated Investors	47.14
40.	Russell Investments	46.10
41.	Amundi Pioneer Asset Mgmt	44.22
42.	PNC Funds	43.61
43.	State Street Bank & Trust	41.11
44.	American Century Inv Mgmt	39.87
45.	Guggenheim Investments	39.78
46.	UBS Asset Mgmt	38.76
47.	Foresters Investment Mgmt	37.27
48.	Northern Trust Investments	32.81
49.	Manning & Napier Advisors	19.32

# How We Rank the Fund Families

All mutual and exchange-traded funds are required to report their returns (to regulators as well as in advertising and marketing material) after fees are deducted, to better reflect what investors would actually experience. But our aim is to measure manager skill, independent of expenses beyond annual management fees. That's why we calculate returns before any 12b-1 fees are deducted. Similarly, fund loads, or sales charges, aren't included in our calculation of returns.

Each fund's performance is measured against all of the other funds in its Lipper category, with a percentile ranking of 100 being the highest and one the lowest. This result is then weighted by asset size, relative to the fund family's other assets in its general classification. If a family's biggest funds do well, that boosts its overall ranking; poor performance in its biggest funds hurts a firm's ranking.

To be included in the ranking, a firm must have at least three funds in the general equity category, one world equity, one mixed equity (such as a balanced or target-date fund), two taxable bond funds, and one national tax-exempt bond fund.

We have historically excluded single-sector and country equity funds, but those are now factored into the rankings as general equity. We exclude all passive index funds, including pure index, enhanced index, and index-based, but include actively managed ETFs and so-called smart-beta ETFs, which are passively managed but created from active strategies.

Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. The category weightings for the one-year results in 2018 were general equity, 34.8%; mixed asset, 21.3%; world equity, 17.1%; taxable bond, 22.4%; and tax-exempt bond, 4.4%.

The category weightings for the five-year results were general equity, 35.9%; mixed asset, 19.7%; world equity, 17.3%; taxable bond, 22.5%; and tax-exempt bond, 4.5%. For the 10-year list, they were general equity, 37.1%; mixed asset, 20%; world equity, 16.7%; taxable bond, 21.2%; and tax-exempt bond, 4.9%.

The scoring: Say a fund in the general U.S. equity category has \$500 million in assets, accounting for half of the firm's assets in that category, and its performance lands it in the 75th percentile for the category. The first calculation would be 75 times 0.5, which comes to 37.5. That score is then multiplied by 34.8%, general equity's overall weighting in Lipper's universe. So it would be 37.5 times 0.348, which equals 13.05. Similar calculations are done for each fund in our study. Then the numbers are added for each category and overall. The shop with the highest total score wins. The same process is repeated to determine the five- and 10-year rankings.

All rankings determined for periods ended 12/31/2018.

Lipper assigns each fund to a Lipper Classification after analyzing each fund's holdings and prospectus objectives. Once total return data has been calculated, Lipper ranks the relative performance of all funds in each classification against their respective peer groups. All rankings are based on total return and do not reflect sales charges. Performance of other share classes may differ due to differences in fund expenses. A high ranking does not imply that a fund had positive returns for the period. The performance of some Thrivent Mutual Funds benefited in the past from expense subsidy arrangements, which have the effect of lowering fund expenses and improving performance. Total return percentile rankings within Lipper categories, based on annualized performance as of December 31, 2018:

**Mixed-Asset Target Allocation Growth Funds Category:** Thrivent Moderately Aggressive Allocation Fund - Class A: 45 for the 1-year period (216 of 489); 33 for the 5-year period (129 of 400); 26 for the 10-year period (77 of 304). Thrivent Moderately Aggressive Allocation Fund - Class S: 41 for the 1-year period (199 of 489); 24 for the 5-year period (94 of 400); 17 for the 10-year period (51 of 304).

**Mixed-Asset Target Allocation Moderate Funds Category:** Thrivent Moderate Allocation Fund - Class A: 35 for the 1-year period (200 of 576); 31 for the 5-year period (142 of 469); and 30 for the 10-year period (102 of 348). Thrivent Moderate Allocation Fund - Class S: 26 for the 1-year period (149 of 576); 96 for the 5-year period (96 of 469); 20 for the 10-year period (69 of 348).

**Mid-Cap Core Funds Category:** Thrivent Mid Cap Stock Fund - Class A: 30 for the 1-year period (30 of 126); 3 for the 5-year period (8 of 299); 4 for the 10-year period (7 of 198). Thrivent Mid Cap Stock Fund - Class S: 28 for the 1-year period (116 of 420); 3 for the 5-year period (7 of 299); 2 for the 10-year period (3 of 198).

**Investing in a mutual fund involves risks, including the possible loss of principal. The prospectus and summary prospectus contain more complete information on the investment objectives, risks, charges and expenses of the fund, and other information, which investors should read and consider carefully before investing. Prospectuses and summary prospectuses are available at [ThriventFunds.com](http://ThriventFunds.com) or by calling 1-800-847-4836.**

**Past performance is not a guarantee of future results.**

Opinions expressed here are those of the author and not necessarily those of Thrivent or its financial professionals. The information provided here does not purport to be a complete statement of all material facts related to any company, industry or security mentioned. Opinions expressed here are those of the author at the time of writing, are subject to change without notice, and may or may not be updated. This information should not be used as the primary basis of investment decisions.

The principal underwriter for Thrivent Mutual Funds is Thrivent Distributors, LLC, a registered broker/dealer and member of FINRA and SIPC. Thrivent Asset Management, LLC, a SEC-registered investment adviser, serves as the investment adviser for the Thrivent Mutual Funds. Both entities are subsidiaries of Thrivent Financial for Lutherans.

