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Barron’s Best Fund Families

By Debbie Carlson Feb. 18, 2022 12:54 pm ET

Illustration by Luke Lucas

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When the market delivers a 29% return over the course of a year, investors can be forgiven for thinking it was all smooth sailing. But last year’s strong gain for the S&P 500 index belied the dramatic ups and downs of 2021, which created some unusual challenges and rare opportunities for active managers.

The firms that offer a wide array of strategies and more-nimble funds performed admirably in this year’s *Barron’s* Fund Families Ranking, which looks at the one-year returns of how each fund company’s actively managed funds performed, based on data from Refinitiv Lipper.

The year began with massive liquidity from fiscal and monetary stimulus, and the initial euphoria over Covid-19 vaccines and expectations of a return to normal life. Growth stocks and companies that could benefit from the economic reopening rebounded early in the year.

But the excitement of returning to prepandemic times was short-lived, as the rise of new coronavirus variants led to fresh economic uncertainty and changing investor sentiment. Adding to those jitters were countless firms’ struggles to find workers and the highest inflation readings in 30 years. Investors abandoned growth companies, whose future profits seemed less appealing in today’s dollars in light of inflation and the likelihood of rising interest rates. Quality and value stocks rallied. Diversification also mattered again as the dominance of the largest companies waned.

BARRON’S BEST FUND FAMILIES

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Best Fund Families of 2020

Best Fund Families of 2019

Best Fund Families of 2018

Roger Sit, CEO of the $17.3 billion Sit Investment Associates, which grabbed the No. 1 spot in *Barron’s* survey, says that all of the market gyrations last year made it tough to manage: “You looked like the hero, then you looked like the heel, then you looked like the hero again.”

Despite the volatility, Sit’s focus on valuation and owning high-quality growth stocks ultimately catapulted the firm to the overall top spot, and into the top 10 of each of the five equity and fixed-income categories.

Another change in 2021 was that the U.S. stock market became a bit less concentrated, a trend that’s likely to continue. Ten years ago, the five largest U.S. stocks made up just over 10% of the S&P 500. By the end of 2020, the five largest companies accounted for nearly a quarter of the index, the highest percentage in at least two decades. That number trended lower last year, and the wider dispersion of returns benefited fund firms known for broader strategies. Chief among them were those that rounded out our top five: AllianceBernstein , Amundi US, Pimco, and Dimensional Fund Advisors. All have equity strategies that focus on diversification and valuation, which had been out of favor for several years. Dimensional and AllianceBernstein, for instance, rebounded strongly from the bottom of last year's list.

A number of last year's winners fell from their perches: 2020's No. 1, Manning & Napier Advisors, landed at No. 32 in the current tally; No. 2 Guggenheim Investments fell to No. 25; and No. 3, Vanguard, is now ranked No. 43 based on its one-year return. Vanguard's drop occurred, in part, because of weaker relative performance in two of its three biggest funds, the $72 billion Vanguard PrimeCap (ticker: VPMAX) and the $59 billion Vanguard International Growth (VWILX). Because Barron's rankings are asset-weighted, a firm's largest funds have greater influence.

For PrimeCap, exposure to the consumer-discretionary sector, airlines, and names such as No. 8 holding Biogen (BIIB) detracted from performance. After posting gains of 60% in 2020, International Growth lost money in 2021, in part because of exposure to Chinese stocks such as Alibaba Group Holding (BABA) and Tencent Holdings (700.Hong Kong), says Dan Newhall, head of oversight and manager search at Vanguard.

In contrast, Vanguard's $122 billion Vanguard Wellington (VWENX), which has more of a classic investment strategy that suffered during the high-growth era, outperformed 96% of its peers in 2021.

Despite the relative one-year underperformance of Vanguard's biggest funds, Newhall says that 2021 in aggregate was a healthier year than 2020 for the company, as managers could focus not just on disruptive growth companies, but also on fundamentals, quality, and value. "Across more of our funds, [2021 was] a healthier environment for generating competitive returns," he says.

It's true that one-year returns are a snapshot in time. But with the Federal Reserve becoming more hawkish in 2022, this year's list may signal a change in which strategies will outperform this year.

"If we had talked three or four months ago, it would have been a very different macro environment, a very different Fed backdrop. Three months ago, we were ending QE [quantitative easing] in June, and there would be maybe a couple of hikes," says Scott DiMaggio, co-head of fixed income for AllianceBernstein, noting that some investment banks predict as many as seven interest-rate increases in 2022.

This Year’s List

To be included in the ranking, firms must offer at least three actively managed mutual funds or active exchange-traded funds in Lipper’s general U.S. stock category, plus one in world equity and one mixed-asset—such as a balanced or allocation fund. They also need to offer at least two taxable bond funds and one national tax-exempt bond fund. All funds on our list must have a track record of at least one year. The ranking also includes “smart beta” ETFs, which are run passively but are built on active investment strategies. The list reflects each firm’s active-management ability.

All told, just 51 asset managers out of the 849 in Lipper’s database met our criteria for 2021. There are some changes from last year’s ranking. A few fund families were acquired by others, including Morgan Stanley acquiring Eaton Vance; Columbia Threadneedle Investments buying BMO Asset Management; and Macquarie, which bought Delaware funds a decade ago, taking over Ivy Investment Management. All funds are now under the Macquarie name.

Saratoga Capital Management no longer qualifies, as it now has only one taxable bond offering. AssetMark is an administrator for a number of separate, independent fund firms, so it was not included. Other notable, though consistent, absences are Janus Henderson and Dodge & Cox, which don’t offer the requisite funds.

The survey includes new names: Wells Fargo funds are now spun off to an independent advisor called Allspring Global Investments. Cavanal Hill Funds has enough unique funds to qualify, as does Touchstone Investments with its acquisition of the AIG SunAmerica Funds. Madison Funds also makes it onto the list after bringing management of its world equity fund in-house.

See Barron’s Best Fund Families of 2021 rankings below. Scroll down to read the rest of the article.

The Best Fund Families of 2021

Last year saw many highs and lows, in the market and the economy. More volatility usually provides active managers with more opportunity. This is the fifth year we’ve ranked the fund families purely on their actively managed funds, and there are some big changes from last year.

2021 Rank	2020 Rank	Fund Family	Total Assets (mi
1	23	Sit Investment Associates	1,803
2	52	AllianceBernstein	117,245
3	27	Amundi US	50,915
4	29	Pimco	451,498
5	51	Dimensional Fund Advisors	509,672
6	38	Neuberger Berman	48,072
7	35	Natixis Investment Managers	162,258
8	49	Victory Capital Management	45,973
9	43	MainStay Funds	73,824
10	4	Fidelity Management & Research	2,127,558
11	17	Thrivent Mutual Funds	35,838
12	33	DWS Group	35,513
13	12	T. Rowe Price	991,041
14	44	USAA Investments	59,938
15	NR	Macquarie Asset Management	125,194
16	10	Columbia Threadneedle Investments	221,419
17	34	MFS Investment Management	444,743
18	26	BNY Mellon Investment Management	66,993
19	15	John Hancock	208,313
20	39	Goldman Sachs Asset Management	146,918
21	14	American Funds	2,672,612
22	7	Lord Abbett	197,695
23	41	Invesco	338,017
24	9	American Century Investment Management	180,899
25	2	Guggenheim Investments	48,767
26	NR	Cavanal Hill Investment Management	457
27	22	Putnam Investment Management	86,761

2021 Rank 2020 Rank Fund Family Total Assets (mi

28	11	Virtus Investment Partners	71,062
29	19	Nuveen	275,167
30	6	Transamerica Asset Management	49,494
31	42	Principal Global Investors	196,269
32	1	Manning & Napier Advisors	6,510
33	32	Federated Investors	91,206
34	45	Franklin Templeton Investments	505,833
35	24	J.P. Morgan Asset Management	518,174
36	50	Russell Investments	41,195
37	21	PGIM Investments	173,393
38	37	Hartford Funds	132,192
39	47	SEI Group	99,568
40	18	BlackRock	400,114
41	16	First Trust Advisors	44,299
42	28	Allspring Global Investments	93,558
43	3	Vanguard Group	2,050,408
44	46	Northern Trust Investments	27,191
45	36	Affiliated Managers Group	92,419
46	5	Morgan Stanley Investment Management	199,575
47	25	UBS Asset Management	12,014
48	40	State Street Global Advisors	43,232
49	8	Brinker Capital	16,119
50	NR	Touchstone Investments	32,716
51	NR	Madison Investments	2,500

*Total assets reflect the funds included in this survey. NR=not ranked

Source: Refinitiv Lipper

World Equity

Currency hedging gave several of Pimco’s global funds, including its biggest, the $2 billion StocksPlus International Hedged (PISIX), a leg up. Its 18.4% return beat 98% of its peers.

Rank	Best	Score
Rank	Best	Score

1	Amundi US	15.78
2	Thrivent Mutual Funds	13.51
3	Dimensional Fund Advisors	13.46
4	Pimco	13.42
5	Manning & Napier Advisors	13.01

Rank	Worst	Score
47	Federated Investors	5.50
48	Brinker Capital	3.40
49	Allspring Global Investments	2.53
50	Touchstone Investments	2.23
51	Madison Investments	0.34

Source: Refinitiv Lipper

U.S. Equity

It was a horse race between AllianceBernstein and Sit Mutual Funds for the top spot, but AB’s Large Cap Equity helped it win by a nose with a 28.9% return, beating 90% of its peers.

Rank	Best	Score
1	AllianceBernstein	27.31
2	Sit Investment Associates	27.28
3	Pimco	26.66
4	Dimensional Fund Advisors	26.21
5	MainStay Funds	25.41
Rank	Worst	Score
47	State Street Global Advisors	11.74
48	Federated Investors	10.52
49	Morgan Stanley Investment Management	10.27
50	Touchstone Investments	8.00
51	Brinker Capital	6.05

Source: Refinitiv Lipper

Mixed Asset

Victory Funds came in No. 8 overall. Federated Investors, best known for its dominance in money-market funds, acquired London-based ESG firm Hermes in 2018.

Rank	Best	Score
1	Victory Capital Management	19.85
2	Federated Investors	18.20
3	Dimensional Fund Advisors	18.11
4	Pimco	17.79
5	Natixis Investment Managers	17.44
Rank	Worst	Score
47	First Trust Advisors	6.51
48	Morgan Stanley Investment Management	6.37
49	Touchstone Investments	6.32
50	American Century Investments	6.05
51	SEI Group	4.22

Source: Refinitiv Lipper

Taxable Bond

In a tough year for fixed income, Amundi US came out on top, thanks to an over- weight in securitized assets, such as lending related to housing, cars, and credit cards, across several bond funds

Rank	Best	Score
1	Amundi US	16.99
2	American Century Investments	16.47
3	USAA Investments	16.40
4	Lord Abbett	16.31
5	Sit Investment Associates	15.73
Rank	Worst	Score
47	Franklin Templeton Investments	6.46
48	Affiliated Managers Group	6.22
49	Cavanal Hill Investment Management	6.18
50	Russell Investments	5.67
51	Madison Investments	2.12

Source: Refinitiv Lipper

Municipal Bond

Nuveen tax-exempt bond funds took the top spot, powered by Nuveen High Yield Municipal Bond (NHMRX) which beat 99% of its peers with a 9.8% return.

Rank	Best	Score
1	Nuveen	4.04
2	Invesco	3.63
3	Victory Capital Management	3.60
4	USAA Investments	3.56
5	John Hancock	3.49
Rank	Worst	Score
47	Manning & Napier Advisors	0.41
48	Affiliated Managers Group	0.38
49	Virtus Investment Partners	0.30
50	Madison Investments	0.18
51	Brinker Capital	0.05

Source: Refinitiv Lipper

No. 1: Sit Mutual Funds

CEO Roger Sit is a second-generation leader of Sit Mutual Funds. His father, Gene Sit, emigrated from China in 1947 and founded the Minneapolis-based, employee- and family-owned firm 40 years ago. The firm offers just 14 funds with a total of $17.3 billion in assets, and has bounced around our ranking, previously taking the top spot for the 2015 calendar year. Sit says stock selection drove performance for the year, particularly in semiconductor firms such as Marvell Technology (MRVL), which returned 87% in 2021, and cloud-based software firm Atlassian (TEAM), up 63%. Sit first bought Marvell in 2009 and Atlassian in 2018 for the firm's largest equity fund, the $208 million Sit Mid Cap Growth (NBNGX). Atlassian is also in its $169 million Sit Large Cap Growth (SNIGX).

Sit credits nimbleness and diversification for the funds’ strong performance. He added financial firms, such as the Carlyle Group (CG), anticipating that interest rates could move up as the economy reopened this summer.

Because of the shifting sentiment, the firm also took on a “barbell” strategy across funds, with traditional secular growers on one side, such as Nvidia (NVDA), and cyclical growers that could benefit from the reopening trade, such as Estée Lauder (EL), on the other, and tweaking weights between the two types as market conditions dictated.

It was a tougher year for the $435 million Sit U.S. Government Securities (SNGVX), its largest offering overall, which ended 2021 at a slight loss. The fund mostly owns “seasoned” U.S. agency securities—bonds that have traded for longer than a year and haven’t been refinanced. These types of high-quality, investment-grade fixed-income vehicles slumped last year.

David Brown, vice president of research and investment management at Sit, says that with high inflation levels, investment-grade bonds don’t have a positive real rate of interest. The fund launched in 1987, and 2021 was only the second year of a negative return. “We’re disappointed with that. But it speaks to how challenging fixed-income markets were,” he says.

No. 2: AllianceBernstein

In a market that oscillated between growth and value, particularly among large companies, diversification became important, says Chris Hogbin, head of equities for No. 2 AllianceBernstein. So did finding companies with stable earnings growth, rather than owning hypergrowth companies. “You couldn’t assume that what had worked for the past three years was going to work again,” he says.

The firm’s largest equity fund, the $18 billion AB Large Cap Growth (APGYX), returned 28.9% last year. Its second-largest holding, Alphabet (GOOGL), certainly helped, but so did a few healthcare companies in its top 10, including UnitedHealth Group (UNH) and Zoetis (ZTS). The fund is significantly overweight healthcare versus its peers.

“The approach is trying to understand the fundamentals of the business, as opposed to the news flow around drug development,” says Hogbin.

Nashville-based AllianceBernstein's investment professionals use a mix of quantitative and fundamental research. Quantitative tools identify areas and sectors, while bottom-up fundamental research finds undervalued stocks or fixed-income securities.

The $779 billion firm takes a team approach for each strategy. Dedicated analysts support portfolio managers, and some central capabilities—such as data scientists, a quantitative team, and a dedicated sustainable-investing team—are all available for portfolio managers to tap.

AllianceBernstein integrates environmental, social, and governance metrics throughout all of it portfolios. The firmwide ESG approach aims to understand a company's ESG risks to financial operations, and engage with companies to reduce their risk or reinforce good behavior, says Hogbin, rather than simply picking stocks with high ESG scores.

No. 3: Amundi US

ESG is a significant part of the overall philosophy for No. 3 Amundi US, says Marco Pirondini, head of U.S. equities at the firm, which is part of the Amundi Group , Europe's largest asset manager. Its $8.3 billion Pioneer fund (PIODX) dates back to 1928 and is considered one of the first mutual funds to use socially responsible screens to avoid alcohol, tobacco, and gambling industries.

ESG investing has evolved since then, but Pirondini says the firm still seeks to own businesses that are useful to society, while keeping valuations in check. That means being selective on holdings. Alphabet is the fund's No. 1 holding, and it also owns Nvidia, both of which supported performance, but it did not own Tesla (TSLA) because managers felt it was overpriced. Not owning the electric-car maker detracted from performance, but Pirondini says that Amundi's valuation discipline offers a long-term edge.

A 23.7% rise in the $303 million Pioneer Global Sustainable Equity (GLOSX) pushed the Boston-based Amundi to the top of the world equity category this year, fueled by No. 1 holding Pfizer (PFE), as well as allocations to energy and materials stocks, he says. Marathon Petroleum (MPC), up 61%, was a notable driver. Shell (RDS.B) is the fund's second-largest holding.

How can a firm that integrates ESG own traditional fossil-fuel firms? Pirondini says Shell is the global leader in natural-gas production, which they believe will be a bridge fuel in the transition to more renewable resources. The firm also invests in almost every major sector, he says, and points out that by owning companies like Shell, it can engage with leadership to push toward a cleaner-energy future.

"By investing in every sector in the companies that are more forward-looking or just in a better [economic] position, you can participate in and have an influence on the energy transition," he says.

No. 4: Pimco

Bond-fund giant Pimco placed fourth in this year's survey, and entered 2021 "having a healthy degree of humility," says Dan Ivascyn, group chief investment officer at the $2.2 trillion firm. Managers were wary of the extreme uncertainty caused by both the pandemic and the extraordinary amount of fiscal and monetary stimulus awash in the markets and economy.

"What that meant at Pimco was a very defensive mind-set toward inflation, or interest-rate risk more broadly," Ivascyn says.

The $143 billion Pimco Income (PIMIX), one of the largest actively managed U.S. bond funds, returned 2.6% in a year where many taxable-bond funds lost money. Playing defense meant reducing duration to about 1.5 years, at the low end of the fund's history and allowed range. Managers pulled back on corporate bonds while loading up on short-term Treasury inflation-protected securities, or TIPS, and overweighting residential mortgage debt.

Short-term TIPS also made their way into some equity strategies. Pimco's stock funds typically track indexes, but portfolio managers try to add returns through active management. Take the firm's biggest U.S. equity fund, the $8 billion Pimco CommodityRealReturn Strategy (PCRIX), for instance. It tracks the Bloomberg Commodity Index, which drove absolute return, and Ivascyn added an additional six percentage points of return by owning short-term TIPS and overweighting carbon markets and crude oil.

Pimco is another firm that integrates ESG criteria into all of its funds. Climate themes and transitioning from fossil fuel to renewable energy are likely to move markets in the future, Ivascyn says, and that will spur more investment opportunities. "It's critically important to embed good, solid ESG analysis into the entire portfolio management function," he adds.

No. 5: Dimensional Fund Advisors

One of 2021's notable events was the "meme stock" boom, caused in part by retail investors buying heavily shorted stocks to send prices for those stocks skyrocketing. The poster child for this phenomenon was GameStop (GME), which ended 2021 up 687%.

One of the more unusual turns of events on our list is that a big beneficiary of GameStop's meteoric rise was No. 5 Dimensional Fund Advisors, which had owned the stock "for a few years," says Mary Phillips, deputy head of portfolio management, North America.

When the team first bought GameStop, it fit several of Dimensional's desired factors: small-cap, value, and with a profitability higher than its peers. The stock was held widely at the firm, she says, and most concentrated in the small-cap portfolios. When GameStop became a large-cap stock, managers sold. GameStop hit its peak on Jan. 27, up 1,744% in just under a month, and Dimensional completely sold the position by Feb. 3.

It's rare for an individual name to affect returns because Dimensional portfolios own hundreds, sometimes thousands, of stocks, Phillips says. For example, the GameStop position in the $15.1 billion DFA U.S. Small Cap Value Portfolio (DFSVX) on Dec. 31, 2020, was 0.17%; by Jan. 31 it was zero.

Although GameStop added to performance, she says portfolio design to emphasize small-cap, value, and high-profit stocks was the biggest return driver, including in its biggest fund, the $33.6 billion DFA U.S. Core Equity 2 Portfolio (DFQTX).

Austin, Texas–based Dimensional, which has $679 billion in total assets under management, is known for its roots in academic research around factor investing, particularly for small-company and value stocks. Managers keep the portfolio design consistent and resist temptation to change course, since conditions favoring those factors can show up quickly and strongly, she says. Dimensional has a 5% to 7% overweight to the three key factors, depending on the fund, so if one of those factors is in favor, it doesn't take much to outperform, Phillips says.

"Sometimes, you get one out of three, two out of three, or, in 2021, you got all three," she says, as small-cap, value, and highly profitable stocks rose.

Looking ahead in 2022, last year's uncertainty lingers. Jon Duensing, head of US fixed income at Amundi US, echoes other top managers when he says the main topic of discussion with their investment teams is rising prices. "2022 is really all about inflation, the impact that has on the Federal Reserve, and, ultimately, how that transmits itself through asset prices and financial conditions," he says.

Five-Year Ranking

There was quite a bit of shuffling in 2021's five-year ranking versus 2020, with Vanguard and Fidelity switching places and Manning & Napier moving to No. 2 after being in 15th place in 2020

Rank	Fund Family	Weighted Score
1	Fidelity Management & Research	69.16
2	Manning & Napier Advisors	68.28
3	Columbia Threadneedle Investments	68.12
4	State Street Global Advisors	68.06
5	Vanguard Group	68.04
6	Morgan Stanley Investment Management	67.56
7	Touchstone Investments	67.37
8	Pimco	66.35
9	Virtus Investment Partners	66.26
10	MFS Investment Management	65.43
11	PGIM Investments	65.00
12	BlackRock	64.86
13	Putnam Investments	64.71
14	T. Rowe Price	63.94
15	Natixis Investment Managers	63.73
16	Thrivent Mutual Funds	62.84
17	Lord Abbett	62.27

Rank Fund Family Weighted Score

18	Victory Capital Management	61.48
19	Nuveen	60.51
20	DWS Group	60.13
21	Transamerica Asset Management	59.97
22	John Hancock	59.64
23	Macquarie Asset Management	59.19
24	Guggenheim Investments	58.88
25	MainStay Funds	58.45
26	J.P. Morgan Asset Management	57.97
27	Neuberger Berman	57.48
28	Principal Global Investors	57.43
29	Federated Investors	56.64
30	Hartford Funds	55.80
31	American Funds	55.07
32	Amundi US	54.39
33	American Century Investments	53.65
34	Goldman Sachs Asset Management	53.37
35	BNY Mellon Investment Management	53.24
36	Sit Investment Associates	53.22
37	AllianceBernstein	53.06
38	First Trust Advisors	52.09
39	Affiliated Managers Group	51.04
40	UBS Asset Management	48.97
41	Franklin Templeton Investments	47.12
42	Dimensional Fund Advisors	45.74
43	Allspring Global Investments	45.22
44	SEI Group	44.03
45	Invesco	42.72
46	USAA Investments	41.91
47	Madison Investments	39.74
48	Northern Trust Investments	32.00
49	Russell Investments	30.46

Source: Refinitiv Lipper

10-Year Ranking

Vanguard retains its hold on No. 1 in the 10-year ranking, as it did in 2020, 2019, and 2017. In 2018, Pimco took briefly took the top spot.

Rank	Fund Family	Weighted Score
1	Vanguard Group	76.89
2	Pimco	71.46
3	Nuveen	71.29
4	T. Rowe Price	70.86
5	MFS Investment Management	69.71
6	Putnam Investments	69.59
7	Virtus Investment Partners	69.01
8	John Hancock	68.86
9	Morgan Stanley Investment Management	68.71
10	Thrivent Mutual Funds	68.18
11	Lord Abbett	66.95
12	Hartford Funds	66.52
13	Columbia Threadneedle Investments	65.93
14	Fidelity Management & Research	65.34
15	BlackRock	64.60
16	PGIM Investments	63.55
17	State Street Global Advisors	62.55
18	DWS Group	62.08
19	AllianceBernstein	61.38
20	American Funds	60.97
21	Principal Global Investors	60.69
22	Victory Capital Management	60.17
23	Dimensional Fund Advisors	59.92
24	J.P. Morgan Asset Management	58.80
25	Federated Investors	57.03
26	Goldman Sachs Asset Management	56.58
27	Amundi US	55.92

Rank Fund Family Weighted Score

28	Touchstone Investments	54.71
29	Neuberger Berman	53.62
30	Macquarie Asset Management	53.25
31	MainStay Funds	52.89
32	Franklin Templeton Investments	51.99
33	Guggenheim Investments	51.11
34	Allspring Global Investments	50.04
35	Invesco	49.74
36	BNY Mellon Investment Management	49.64
37	American Century Investments	49.03
38	UBS Asset Management	47.17
39	USAA Investments	45.11
40	SEI Group	40.74
41	Affiliated Managers Group	40.37
42	Manning & Napier Advisors	38.81
43	Northern Trust Investments	35.61
44	Madison Investments	35.04
45	Russell Investments	30.77

Source: Refinitiv Lipper

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 Refinitiv 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.

Single-sector and country equity funds are 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 2021 were general equity, 37.1%; mixed asset, 20.6%; world equity, 16.8%; taxable bond, 20.9%; and tax-exempt bond, 4.5%.

The category weightings for the five-year results were general equity, 37.3%; mixed asset, 21%; world equity, 16.5%; taxable bond, 20.8%; and tax-exempt bond, 4.4%. For the 10-year list, they were general equity, 38.6%; mixed asset, 19.2%; world equity, 16.9%; taxable bond, 20.5%; and tax-exempt bond, 4.8%

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 37.1%, general equity's overall weighting in Lipper's universe. So it would be 37.5 times 0.371, which equals 13.9. 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.

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