

Agefi Awards 2022

Methodology

Eligibility Requirements

As part of the seventh edition of the European ETF Agefi awards, an ETF must meet the following basic criteria to be considered:

- Be listed on the Euronext family of exchanges
- Belong to a segment that has at least 4 other ETFs to provide sufficient competition for an award – see the segment definitions below
- Both physical and synthetically replicated ETFs are eligible without any distinctions.

This year, Agefi gives three different awards in the four following categories, built from the Trackinsight classification:



Apart from the category “ESG”, which includes ETFs having an SFDR rating of 8 or 9 (as of August 2022), the other three are based on the Trackinsight peer groups used to determine the Trackinsight ratings.

The **Developed Market Large Cap Equities** category includes European, North American, and Asian exposures and includes ETFs tracking large, mid and small cap securities. The **Developed Market Corporate Bonds** category includes Investment Grade and High Yield exposures.

This split allows us to have a significant number of eligible ETF within each segment to ensure the fairness of the methodology:

- Developed Market Large Cap Equities – 401 ETFs
- Developed Market Corporate Bonds – 73 ETFs
- Emerging Equities – 85 ETFs
- ESG – 289 ETFs

The 2022 edition of the Agefi Awards honours ETFs that show outstanding records in term of replication quality, that have captured investor interest and that have attracted large amount of assets through the three following prizes:

Most Efficient Tracking Award

Investor Inspiration Award

Hyper Growth Award

Most Efficient Tracking Award

This prize reward the most impressive replication quality over the three last years (as of the end of June 2022).

Eligible funds must be rated and have a minimum Trackinsight rating¹ of 3 stars, meaning that they have a tracking difference and a tracking error better than the median of their own Trackinsight peer groups. By default, unrated or poorly rated ETFs are excluded. After implementing this constraint, we end with following eligible universes by segment:

- Developed Market Large Cap Equities – 75 ETFs
- Developed Market Corporate Bonds – 7 ETFs
- Emerging Equities – 9 ETFs
- ESG – 6 ETFs

The winner is the ETF showing the combination of highest possible Trackinsight rating and Tracking Score, computed as follow:

$$\text{Tracking Score} = \sqrt{\text{Excess TE}^2 + \text{Excess TD}^2}$$

Where,

Excess TE = ETF 3Y TE – Benchmark 3Y TE

Excess TD = ETF 3Y TD – Benchmark 3Y TD

Data as of end of June 2022.

¹ The Trackinsight ratings reward the replication quality through the combination of four quantitative metrics widely recognised in both industry and academia: the tracking difference, the tracking error, the Hurst exponent and the kurtosis. It is freely available online on the Trackinsight platform (www.trackinsight.com).

Investor Inspiration Award

This is a peer-group relative award that identifies the ETF that has best captured the attention of investors. We measure the positive momentum of attention through the change in monthly average number of page view between the first and the last semester of the period (as of the end of July 2022).

Eligible funds must be available on Trackinsight at the beginning of the period (end of July 2021). This requirement reduces the eligible universe per category to:

- Developed Market Large Cap Equities – 387 ETFs
- Developed Market Corporate Bonds – 68 ETFs
- Emerging Equities – 78 ETFs
- ESG – 249 ETFs

For each category, the winner is the ETF showing the strongest growth in monthly average number of page view between the first and the last semester of the 12-months period (August 21 – August 22)

$$\text{Investor Inspiration award} = \frac{\text{Monthly Average (Pages viewed the last 6 months)}}{\text{Monthly Average (Pages viewed the first 6 months)}} - 1$$

Hyper Growth Award

This award identifies ETFs that have seen the biggest improvement in sales, measured by the largest inflows over a 12-months period (as of end of August 2022).

Eligible funds needed a minimum of € 20m AUM as of the beginning of the period (August 30th, 2021). Given this constraint, we end up with the following number of eligible ETFs:

- Developed Market Large Cap Equities – 337 ETFs
- Developed Market Corporate Bonds – 60 ETFs
- Emerging Equities – 64 ETFs
- ESG – 188 ETFs

For each category, the winner is the eligible ETF showing the highest growth rate computed from its net inflows and AUM at the beginning of the period, according to the following formula:

$$\text{HyperGrowth Award} = \frac{12\text{months net inflows}}{\text{AUM (as of Aug20)}}$$