

2016 HKCAMA-Bloomberg Offshore China Fund Awards Official Announcement

2016 HKCAMA-Bloomberg Offshore China Fund Awards have officially kicked off today. This year's fund awards are divided into 3 main categories: Fund Performance Awards, Asset Manager Awards and Business Partner Awards. Please refer to the award elaborations below on the methodology for winner selection as well as the criteria award judgment is based on.

Fund Performance Awards will be wholly decided by public data collated by Bloomberg, while the Asset Manager Awards and Business Partner Awards will be subject to the ratings of the shortlisted candidates selected among submissions and nominations from HKCAMA members and qualified business partners. The ratings will be given by a panel of judges which consists of HKCAMA representatives from funds, insurance and securities background as well as the Bloomberg team.

The award results will be announced in the 2016 HKCAMA-Bloomberg Offshore China Funds Dinner to be held on **30th November, 2016 at the Four Seasons Hotel, Hong Kong.**

Fund Performance Awards:

The Fund Performance Awards will be selected strictly based on published data which is collated by Bloomberg's data team under the principle of fairness. The list of awards under the Fund Performance Awards category is as follows:

Mutual Funds:

- **Best Total Return - Greater China Equity (1 Year, 3 Years)**

The award will recognize the top 3 performing (one winner, 2 runner-ups) Greater China Equity Funds issued by CAMAHK members with at least 1 year of historical performance as of 09/30/2016. Ranking for each fund will be based on one year total return figure.

- **Best Total Return - Greater China Fixed Income (1 Year, 3 Years)**

The award will recognize the top 3 performing (one winner, 2 runner-ups) Greater China Fixed Income Fund issued by CAMAHK members with at least 1 year of historical performance as of 09/30/2016. Ranking for each fund will be based on one year total return figure.

- **Best Total Return – Multi-asset allocation (1 Year, 3 Years)**

The award will recognize the top 3 performing (one winner, 2 runner-ups) Greater China Mixed Allocation Funds issued by CAMA HK members with at least 1 year of historical performance as of 09/30/2016. Ranking for each fund will be based on one year total return figure.

ETFs:

- **Best Tracking Error (1 Year)**

The award will recognize the Greater China focused Exchange Traded Funds issued by CAMA HK members with the ranking for each ETF will be based on one year NAV tracking error with weekly periodicity from 10/01/2015 to 09/30/2016. 1 winner and 2 runner-ups with the lowest NAV tracking error will receive the award.

- **Best Average Liquidity (1 Year)**

The award will recognize the Greater China focused Exchange Traded Funds issued by CAMA HK members with the ranking for each ETF will be based on the 1 year average daily trading volume divided by average fund size. 1 winner and 2 runner-ups will be determined based on the highest average liquidity.

*The methodology of calculation can be found in the appendix part.

Asset Manager Awards

We will also invite submissions and nominations from HKCAMA members to demonstrate their capabilities on product innovation and alternative solutions in the past year. The awards will be granted to members with top-ranked ratings by a panel of judges. The list of awards under the Asset Manager Awards category is as below:

- **Most Innovative Product**

The award is based on whether the product feature fills the gaps in the market, acceptance of the market and investors, commitment to the investor education and etc.

- **Best Alternative Manager**

The award will recognize the Chinese asset manager who has expanded their business by proactively involving in the primary market, investing into private equity and generating outstanding returns on a risk/reward basis to clients.

We welcome submissions and nominations from HKCAMA members. To submit or nominate, please send a pitch essay to demonstrate your outstanding achievements in the past year to info@hkcam.com.

Business Partner Awards

This year, we have introduced a new award category to recognize outstanding business partners for their extraordinary support to the development of Chinese asset management industry in the past years. We welcome submissions from our business partners and nominations from our members, and the award winners will be decided by the ratings given by a panel of judges. The list of Business Partner Awards is as follows:

- **Best Custodian/Trustee**

The award will recognize the firm that reliably provides the best custodial, administrative and asset servicing, judged on customer relations, quality of service, competitive pricing, smooth handling of exception items, technology platforms, post-settlement operations, and business continuity plans.

- **Best Legal Advisor**

The winner will be the law firm that offers full legal services tailored for fund managers and investment products throughout fund lifecycle, judged on its legal and technical expertise, knowledge of local regulations and practices, as well client service level.

- **Best Auditor**

The award is to recognize the organization that has demonstrated the greatest commitment to providing audit and assurance, consulting and tax services to investment products and Chinese asset managers, based on industry reputation, market presence, service innovation, and contribution towards the development of the Chinese asset management industry in Asia.

- **Best China Broker**

The award will be presented to the firm that provides institutional brokerage services to global clients, judged on its global customer base, quality of research and service, dedication to the China business, execution capability and reputation in the market.

- **Best ETF Participating Dealer**



The award will be granted to best participating dealer that provides the most reliable ETF creation/redemption services to HKCAMA ETF managers, especially the RQFII ETF managers. This includes access of various ETFs, client and issuer communication, ETF operations that include payment and settlement.

- **Best ETF Market Maker**

This award celebrates the best market maker as a liquidity provider in Hong Kong listed ETFs, especially the RQFII ETFs, judged on efficiency of quoting quality, technical expertise as well as market share of the traded ETFs and their derivatives.

We welcome submissions from our business partners as well as nominations from HKCAMA members. To submit or nominate, please send your pitch essay to info@hkcoma.com.

Appendix:

Best Total Return Calculation Methodology:

1. We will calculate the customized 1 year and 3 years total return using Bloomberg calc route field "RT095 - Custom Total Return Holding Period".
2. Funds will be ranked based on descending order of total return figure.

SLIGARS LN Equity 98) Options Field Information for RT095

RT095 - Custom Total Return Holding Period (CUST_TRR_RETURN_HOLDING_PER) 2) Full Definition

Total return using the Custom Total Return Start Date (RT091, CUST_TRR_START_DT), Custom Total Return End Date (RT092, CUST_TRR_END_DT), and base currency specified. If no dates are specified for the custom total return start and end dates, the default range is one year ago to today. Default currency is pricing currency. There is a limitation of 5,000 price observations between the custom Start and End dates.

API:

• Override RT095 (8) • React to RT095 (0) • Also used with (0) 1/1

	ID	Mnemonic	Ovrd	Value
1)	<input type="checkbox"/> RT095	CUST_TRR_RETURN_HOLDING_PER		-3.2763
2)	<input type="checkbox"/> RT124	ETF_TR_BASE		.00
3)	<input type="checkbox"/> RT125	CEF_TR_BASE		.00
4)	<input checked="" type="checkbox"/> RT091	CUST_TRR_START_DT	<input checked="" type="checkbox"/>	10/24/2015
5)	<input checked="" type="checkbox"/> RT092	CUST_TRR_END_DT	<input checked="" type="checkbox"/>	10/24/2016
6)	<input type="checkbox"/> RT093	CUST_TRR_CRNCY		N.A.
7)	<input type="checkbox"/> RT099	CUST_TRR_DVD_TYP		0.0
8)	<input type="checkbox"/> RT164	CUSTOM_TOTAL_RETURN_START_PRICE		N.A.
9)	<input type="checkbox"/> RT165	CUSTOM_TOTAL_RETURN_END_PRICE		N.A.

Best Tracking Error Calculation Methodology:

The award adopted the Bloomberg Tracking Error calculation methodology in **{FLDS NAV_TRACKING_ERROR}**. We pick the applicable weekly fund return and benchmark return, and calculate the annual tracking error by the below steps:

1. Convert benchmark (return) to NAV base currency if they are not the same (using default fixing)
2. Take the date range required for the calculation – e.g. for 1 year tracking error; take a 1 year period (365 days) going back from the last date (end of the week for weekly, i.e. Friday)
3. Take all dates where there are valid observations for both the fund and benchmark. This will be applied as follows:
 - a) drop invalid dates
 - b) then if we want to use a weekly or monthly periodicity use a look-back rule to get a valid date (can only be applied to periodicities greater than the data granularity, ex: calculating weekly tracking error where we have daily pricing, or monthly tracking error where we have weekly/daily pricing)

When look-back logic is used then for a weekly metric we attempt to generate valid observation dates where a given target date (e.g. Friday) is an invalid date, instead of dropping the observation for that period completely, we will look back up to N days until a valid observation date is found and this will then be treated as if it were a Friday (as a whole period). If a valid date is not found within the N days look-back (to be determined, but we would set threshold at say 2 days for weekly, 8 days for monthly), the period is dropped.

At this stage we have a set of valid observation dates / values that can be used in different tracking calculations, for example, correlation, alpha, beta, tracking error, mean excess return etc.

4. Calculate the excess return for every observation date

$$\text{Excess Return} = ER_i = f_i - b_i$$

where f_i and b_i are the returns of the fund and benchmark from $i - 1$ to i

5. Calculate mean periodic excess return – sum of excess returns in (4) divided by total number of periods (which will be greater than the number of observations in case of weekends, holidays)

$$\text{Mean Periodic Excess Return} = \overline{ER} = \frac{\sum_{i=1}^N ER_i}{\text{TotalNumPeriods}_{1 \text{ to } N}}$$

6. Calculate the standard deviation of these periodic excess returns and annualize using appropriate factor (sqrt(365) for daily, sqrt(52) for weekly etc)

$$\text{Tracking Error} = \text{AnnualizationFactor} \sqrt{\frac{1}{N-1} \sum_{i=1}^N \frac{(ER_i - \text{NumPeriods}_{i-1 \text{ to } i} * \overline{ER})^2}{\text{NumPeriods}_{i-1 \text{ to } i}}}$$

To calculate the above data, we made use of the Fund field {FLDS FUND_NET_ASSET_VAL} and Index Data field {FLDS PX_LAST}.

Best Liquidity Calculation Methodology:

The award used the below formula to compare the ETF's average Liquidity:

$$\text{Best Liquidity} = \frac{\text{1 Year Daily Average Volume}}{\text{1 Year Daily Average Fund Size}}$$

We pull the historical Daily Volume from 10/01/2015 to 09/30/2016 using the formula:

$$=\text{BPS}(\text{"TICKER"}, \text{"PX_VOLUME"}, \text{"10/01/2015"}, \text{"09/30/2016"})$$

And then, we take Average for the whole historical daily Volume series to get 1 Year Daily Average Volume using excel formula "=AVERAGE(...)".

We apply the same methodology to calculate 1 Year Daily Average Volume by pulling historical daily Fund Size using:

$$=\text{BPS}(\text{"TICKER"}, \text{"FUND_TOTAL_ASSETS"}, \text{"10/01/2015"}, \text{"09/30/2016"})$$

And then, we take Average for the whole historical daily Fund Size series to get 1 Year Daily Average Fund Size using excel formula "=AVERAGE(...)". In the calculation, we will omit the holiday and weekend.