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## History and Focus

Lipperweb is the online face Lipper. Michael Lipper founded the firm in 1973 to provide data to the mutual fund industry. Lipperweb launched in 1996. Mike Lipper sold the company to Reuters in 1998. Reuters merged with Thomson Financial in 2008. Lipper provides data, to and about the fund industry, as well as research reports and commentary. Having sold the company, Mike Lipper still runs his investment advisory firm, Lipper Advisory Services, Inc. They describe themselves as:

Lipper, a Thomson Reuters company, is a global leader in supplying mutual fund information, analytical tools, and commentary. Lipper's benchmarking and classifications are widely recognized as the industry standard by asset managers, fund companies and financial intermediaries. Our reliable fund data, fund awards designations and ratings information provide valued insight to advisors, media and individual investors.

Well-informed investment decisions are made with accurate, insightful, and timely fund data and analysis offered in Lipper products and services. With over three decades of fund analysis experience, supported by the resources and knowledge of Thomson Reuters, Lipper provides unparalleled expertise and insight to the funds industry.

Like Lipper, I was born in 1973 and remember from youth the line that T. Rowe Price still uses in their ads: “75% of our funds beat their 10-year Lipper average.” It’s essentially meaningless marketing speak but as familiar as “where’s the beef?”

## Features

The Lipper website is well designed. Its clean basic interface is comfortable for first-time visitors. Four vertical menus (Lipper Fund Awards, for example) occupy the middle of the page and neatly categorized links occupy the bottom. I was impressed by the ease of use.

**Lipper Leaders.** This is Lipper’s fund rating and fund screening site. The [Lipper Leaders site](#) is separate from Lipperweb, but there are clear links to it from Lipper’s homepage. Leaders hosts only the ratings and screener. Lipper assigns each fund one to five points in each of five categories: Total Return, Preservation, Expense, Consistent Return and Tax Efficiency. Funds are rated based on how they perform against similar funds. The top 20% in each category and overall are designated Lipper Leaders.

While the mathematical formulas are complex, the categories themselves reflect a good understanding of what’s important to different sorts of investors. Their ratings of individual funds are primarily investor centric considering factors

**The fund screener.** It is simple and easy to use. Its only screening criteria are (1) fund category, (2) time frame, and (3) target Lipper score. So, if you want to find a conservative hybrid fund that has outstanding tax-efficiency and above-average total returns over the past three years, the screener is a gem. If you’re interested in something not reflected in one of the five Lipper categories (sales loads), you’re stuck.

There’s a separate portal for financial professionals which gives more details on the Lipper ratings. There’s also [a really nice little guide on how to go about building a fund portfolio](#).

**Free downloadable reports.** These .pdf reports, on the Lipperweb homepage, come in four flavors: Fund Market Report, Fund Flows Report, Fund Industry Reports and finally Research Studies. Lipper seems to have stopped updating the otherwise-interesting Research Studies and the majority of the market reports focus on fund sales in, oh, Malaysia. The flow data is pretty current and the research studies are well-done, if a bit dated. When contacted on the matter a representative had this to say: “instead of the more intensive research studies Lipper used to release, it has shifted its approach to more frequent, high-touch work in order to reach a wider audience.”

**Reuters Mutual Fund Stories.** There’s a small but convenient and continually-updated collection of stories related to mutual funds on the homepage.

**Video Podcasts and Webcasts.** These were pleasant surprises. On the front page!

## Bottom line

The site’s strengths are also its weaknesses. The fund screener is really simple and easy to use, but it could be a bit more flexible. It generates a list of funds that you might consider, but does not provide any further information about the funds. Many individual investors will likely skip many of the “walkthroughs” but for novices it’s nice to know they are there if you need them. The main Lipperweb site contains a wealth of global data, but for individual investors its sheer volume can make it hard to wade through. Overall we definitely recommend Lipper as one of the top three commercial fund sites available.