



## ETF & Mutual Fund Rankings: Large Cap Growth Style

The Large Cap Growth style ranks fourth out of the twelve fund styles as detailed in our [2Q17 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the Large Cap Growth style ranked fifth. It gets our Neutral rating, which is based on an aggregation of ratings of 17 ETFs and 636 mutual funds in the Large Cap Growth style as of April 25, 2017. See a recap of our [1Q17 Style Ratings here](#).

Figures 1 and 2 show the five best and worst rated ETFs and mutual funds in the style. Not all Large Cap Growth style ETFs and mutual funds are created the same. The number of holdings varies widely (from 20 to 1158). This variation creates drastically different investment implications and, therefore, ratings.

Investors seeking exposure to the Large Cap Growth style should buy one of the Attractive-or-better rated ETFs or mutual funds from Figures 1 and 2.

Our [robo-analyst technology](#) empowers our unique [ETF and mutual fund rating methodology](#), which leverages our rigorous analysis of each fund's holdings. We think advisors and investors focused on prudent investment decisions should include analysis of fund holdings in their research process for ETFs and mutual funds.

**Figure 1: ETFs with the Best & Worst Ratings – Top 5**

	Allocation of ETF Holdings			
Ticker	Attractive-or-better Stocks	Neutral Stocks	Dangerous-or-worse Stocks	Predictive Rating
Best ETFs				
URTH	26%	30%	18%	Very Attractive
IWF	32%	49%	18%	Very Attractive
IVW	30%	51%	18%	Very Attractive
SPYG	30%	51%	18%	Very Attractive
VOOG	30%	51%	18%	Very Attractive
Worst ETFs				
SCHG	31%	44%	25%	Attractive
QQQ	34%	42%	25%	Neutral
JKE	34%	38%	28%	Neutral
PWB	26%	47%	27%	Neutral
PXLG	24%	48%	28%	Neutral

\* Best ETFs exclude ETFs with TNAs less than \$100 million for inadequate liquidity.

Sources: New Constructs, LLC and company filings

Figure 2: Mutual Funds with the Best &amp; Worst Ratings – Top 5

		Allocation of Mutual Fund Holdings		
Ticker	Attractive-or-better Stocks	Neutral Stocks	Dangerous-or-worse Stocks	Predictive Rating
Best Mutual Funds				
TRIRX	32%	48%	17%	Very Attractive
TRIHX	32%	48%	17%	Very Attractive
FSUIX	31%	48%	18%	Very Attractive
VRGWX	32%	49%	19%	Very Attractive
TILIX	32%	48%	17%	Very Attractive
Worst Mutual Funds				
DAFGX	23%	38%	37%	Very Dangerous
PLACX	12%	20%	15%	Very Dangerous
TSNAX	15%	30%	52%	Very Dangerous
PCLCX	12%	20%	15%	Very Dangerous
PLAYX	12%	20%	15%	Very Dangerous

\* Best mutual funds exclude funds with TNAs less than \$100 million for inadequate liquidity.

Sources: New Constructs, LLC and company filings

iShares MSCI World ETF (URTH) is the top-rated Large Cap Growth ETF and TIAA-CREF Large Cap Growth Index Fund (TRIRX) is the top-rated Large Cap Growth mutual fund. Both earn a Very Attractive rating.

PowerShares Russell Top 200 Pure Growth Portfolio (PXLG) is the worst rated Large Cap Growth ETF and PACE Large Growth Equity Investments (PLAYX) is the worst rated Large Cap Growth mutual fund. PXLG earns a Neutral rating and PLAYX earns a Very Dangerous rating.

### The Danger Within

Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what Barron's says](#) on this matter.

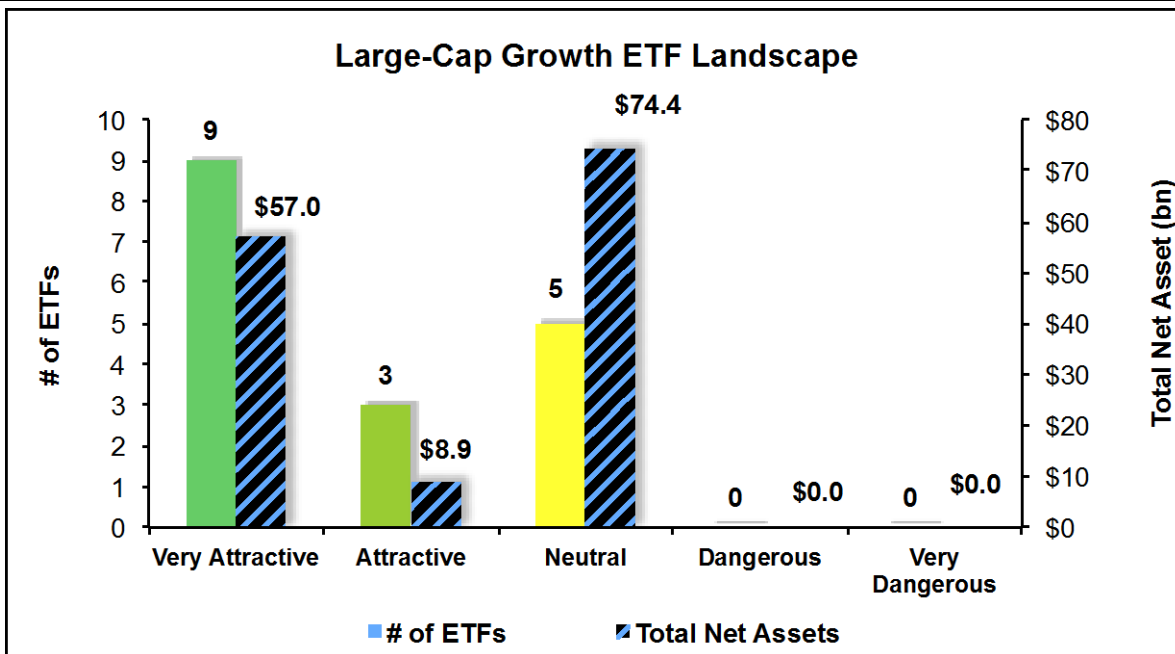
### PERFORMANCE OF HOLDINGS = PERFORMANCE OF FUND

Analyzing each holding within funds is no small task. Our [robo-analyst technology](#) enables us to perform this diligence with scale and provide the [research needed](#) to fulfill the fiduciary duty of care. More of the biggest names in the financial industry (see [At BlackRock, Machines Are Rising Over Managers to Pick Stocks](#)) are now embracing technology to leverage machines in the investment research process. Technology may be the only solution to the dual mandate for research: cut costs and fulfill the fiduciary duty of care. Investors, clients, advisors and analysts deserve the latest in technology to get the diligence required to make prudent investment decisions.



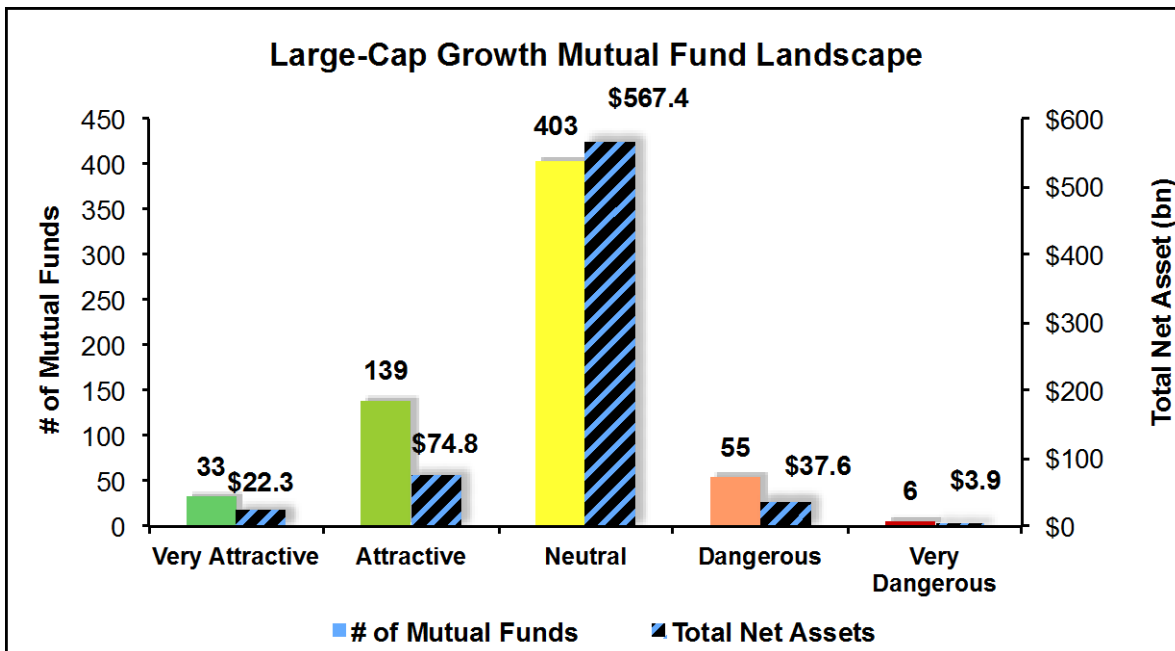
Figures 3 and 4 show the rating landscape of all Large Cap Growth ETFs and mutual funds.

**Figure 3: Separating the Best ETFs From the Worst Funds**



Sources: New Constructs, LLC and company filings

**Figure 4: Separating the Best Mutual Funds From the Worst Funds**



Sources: New Constructs, LLC and company filings

This article originally published on [April 25, 2017](#).

Disclosure: David Trainer and Kyle Guske II receive no compensation to write about any specific stock, style, or theme.

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New Constructs leverages the latest in machine learning to analyze structured and unstructured financial data with unrivaled speed and accuracy. The firm's forensic accounting experts work alongside engineers to develop proprietary NLP libraries and financial models. Our investment ratings are based on the best fundamental data in the business for stocks, ETFs and mutual funds. Clients include many of the top hedge funds, mutual funds and wealth management firms. David Trainer, the firm's CEO, is regularly featured in the media as a thought leader on the fiduciary duty of care, earnings quality, valuation and investment strategy.

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4. **Relevant** - Empirical evidence must provide [tangible, quantifiable correlation](#) to stock, ETF or mutual fund performance.

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Accounting data is only the beginning of fundamental research. It must be translated into economic earnings to truly understand profitability and valuation. This translation requires deep analysis of footnotes and the MD&A, a process that our [robo-analyst technology](#) empowers us to perform for thousands of stocks, ETFs and mutual funds.



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