



## ETF & Mutual Fund Rankings: Mid Cap Blend Style

The Mid Cap Blend style ranks sixth out of the twelve fund styles as detailed in our [2Q17 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the Mid Cap Blend style ranked sixth as well. It gets our Neutral rating, which is based on an aggregation of ratings of 20 ETFs and 374 mutual funds in the Mid Cap Blend 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 Mid Cap Blend style ETFs and mutual funds are created the same. The number of holdings varies widely (from 24 to 3248). This variation creates drastically different investment implications and, therefore, ratings.

Investors seeking exposure to the Mid Cap Blend 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				
XMLV	35%	45%	19%	Attractive
CZA	23%	47%	13%	Attractive
REGL	30%	57%	11%	Attractive
MDY	24%	43%	27%	Neutral
IWR	27%	40%	29%	Neutral
Worst ETFs				
NFO	18%	44%	32%	Neutral
VXF	19%	33%	33%	Dangerous
EQWM	21%	38%	33%	Dangerous
FVL	33%	24%	35%	Very Dangerous
RYJ	11%	18%	49%	Very Dangerous

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

Sources: New Constructs, LLC and company filings

Four ETFs are excluded from Figure 1 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums. See our [ETF screener](#) for more details.

**Figure 2: Mutual Funds with the Best & 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					
DNLRX	40%	45%	15%	Very Attractive	
DNLYX	40%	45%	15%	Very Attractive	
FMEIX	46%	38%	11%	Very Attractive	
OVERX	21%	42%	33%	Attractive	
OVEIX	21%	42%	33%	Attractive	
Worst Mutual Funds					
VFPAX	19%	24%	21%	Very Dangerous	
GMVAX	21%	39%	30%	Very Dangerous	
QMCVX	23%	38%	33%	Very Dangerous	
DDDAX	10%	31%	45%	Very Dangerous	
SPMAX	28%	35%	25%	Very Dangerous	

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

Sources: New Constructs, LLC and company filings

Four mutual funds are excluded from Figure 2 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums. See our [mutual fund screener](#) for more details.

PowerShares S&P MidCap Low Volatility Portfolio (XMLV) is the top-rated Mid Cap Blend ETF and Dreyfus Active MidCap Fund (DNLRX) is the top-rated Mid Cap Blend mutual fund. XMLV earns an Attractive rating and DNLRX earns a Very Attractive rating.

Guggenheim Raymond James SB-1 Equity ETF (RYJ) is the worst rated Mid Cap Blend ETF and Saratoga Advantage Mid Capitalization Portfolio (SPMAX) is the worst rated Mid Cap Blend mutual fund. Both earn 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.

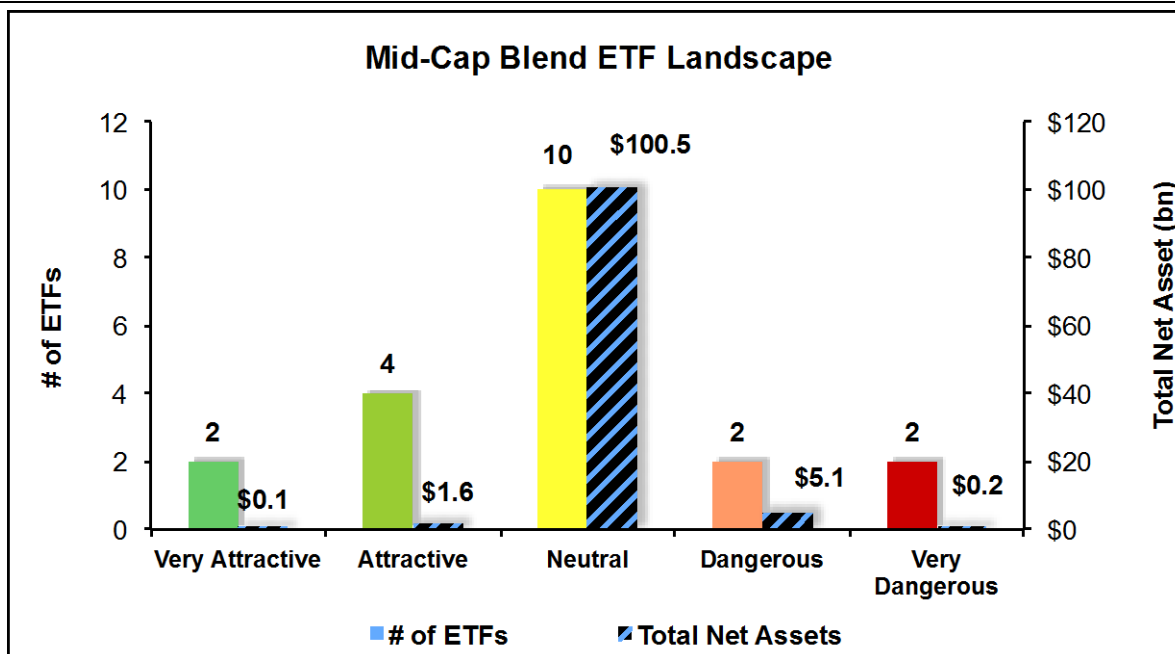
### PERFORMANCE OF HOLDINGS = PERFORMANCE OF FUND

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.



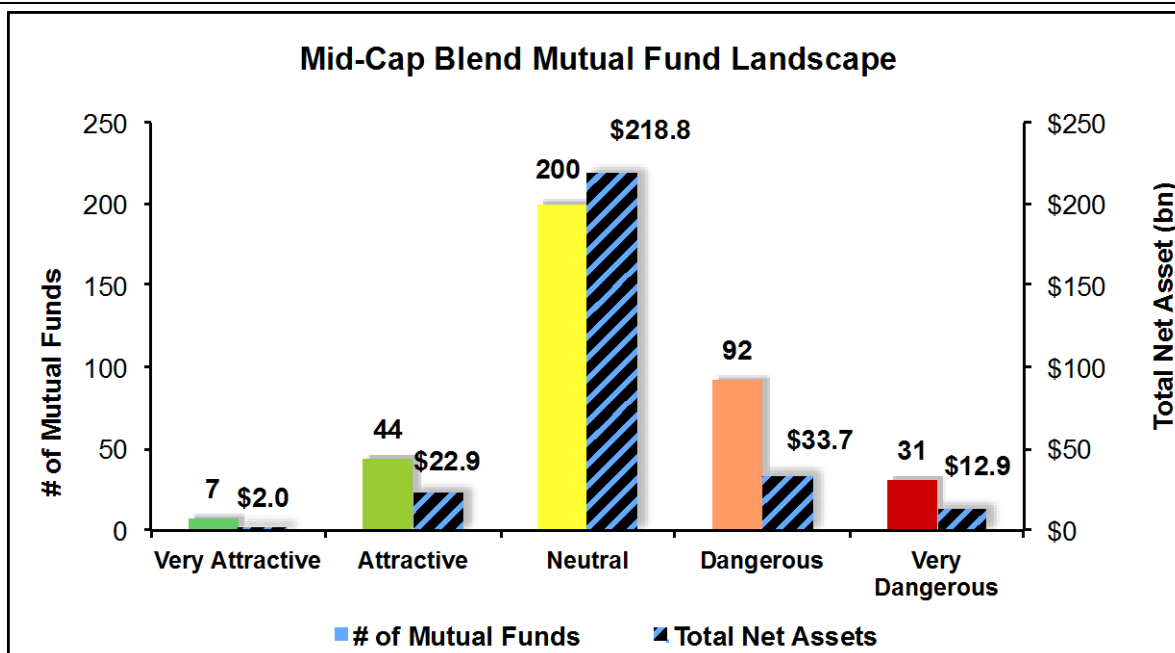
Figures 3 and 4 show the rating landscape of all Mid Cap Blend ETFs and mutual funds.

**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

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

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

### ***Value Investing 2.0: Diligence Matters: Technology is Key to Value Investing With Scale***

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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