



ETF & Mutual Fund Rankings: Large Cap Blend Style

The Large Cap Blend style ranks first out of the twelve fund styles as detailed in our [3Q17 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the Large Cap Blend style ranked first as well. It gets our Neutral rating, which is based on an aggregation of ratings of 32 ETFs and 832 mutual funds in the Large Cap Blend style as of July 25, 2017. See a recap of our [2Q17 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 Blend style ETFs and mutual funds are created the same. The number of holdings varies widely (from 20 to 1388). This variation creates drastically different investment implications and, therefore, ratings.

Investors seeking exposure to the Large 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

Ticker	Allocation of ETF Holdings			Predictive Rating
	Attractive-or-better Stocks	Neutral Stocks	Unattractive-or-worse Stocks	
Best ETFs				
DLN	36%	46%	18%	Very Attractive
JKD	26%	53%	20%	Very Attractive
XLG	37%	46%	16%	Very Attractive
OEF	38%	44%	18%	Very Attractive
QUAL	35%	57%	8%	Very Attractive
Worst ETFs				
IVV	32%	44%	23%	Attractive
SCHX	32%	43%	25%	Attractive
EQAL	21%	40%	33%	Neutral
BLN	20%	40%	40%	Neutral
DSI	35%	43%	21%	Neutral

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

Sources: New Constructs, LLC and company filings

State Street SPDR MFS Systematic Core Equity ETF (SYE) is excluded from Figure 1 because its total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

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

Ticker	Allocation of Mutual Fund Holdings			Predictive Rating
	Attractive-or-better Stocks	Neutral Stocks	Unattractive-or-worse Stocks	
Best Mutual Funds				
TRULX	29%	42%	25%	Very Attractive
BBTEX	37%	36%	11%	Very Attractive
SAMKX	33%	45%	16%	Very Attractive
OYRDX	38%	44%	11%	Very Attractive
MMSYX	32%	48%	17%	Very Attractive
Worst Mutual Funds				
ABRUX	37%	33%	23%	Very Unattractive
BLPSX	12%	17%	9%	Very Unattractive
PAGTX	37%	42%	22%	Very Unattractive
PGCCX	37%	42%	22%	Very Unattractive
TRFAX	41%	38%	18%	Very Unattractive

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

Sources: New Constructs, LLC and company filings

Five 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 details.

WisdomTree U.S. Large Cap Dividend Fund (DLN) is the top-rated Large Cap Blend ETF and T. Rowe Price U.S. Large Cap Core Fund (TRULX) is the top-rated Large Cap Blend mutual fund. Both earn a Very Attractive rating.

iShares MSCI KLD 400 Social ETF (DSI) is the worst rated Large Cap Blend ETF and Northern Lights Patriot Fund (TRFAX) is the worst rated Large Cap Blend mutual fund. DSI earns a Neutral rating and TRFAX earns a Very Unattractive rating.

The Danger Within

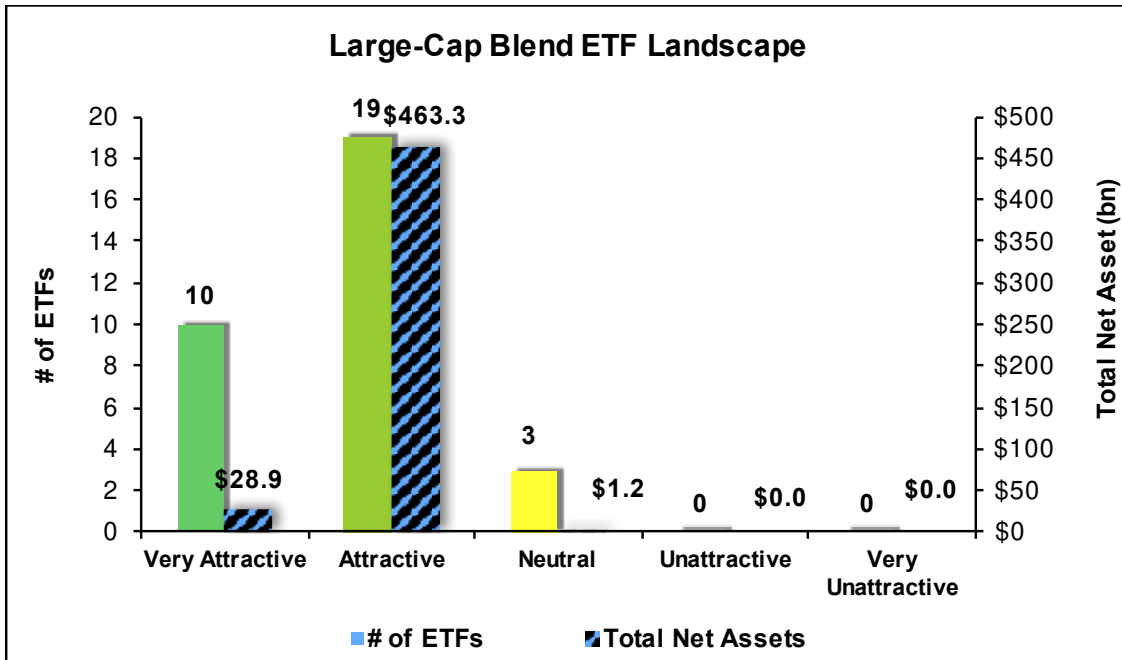
Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what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

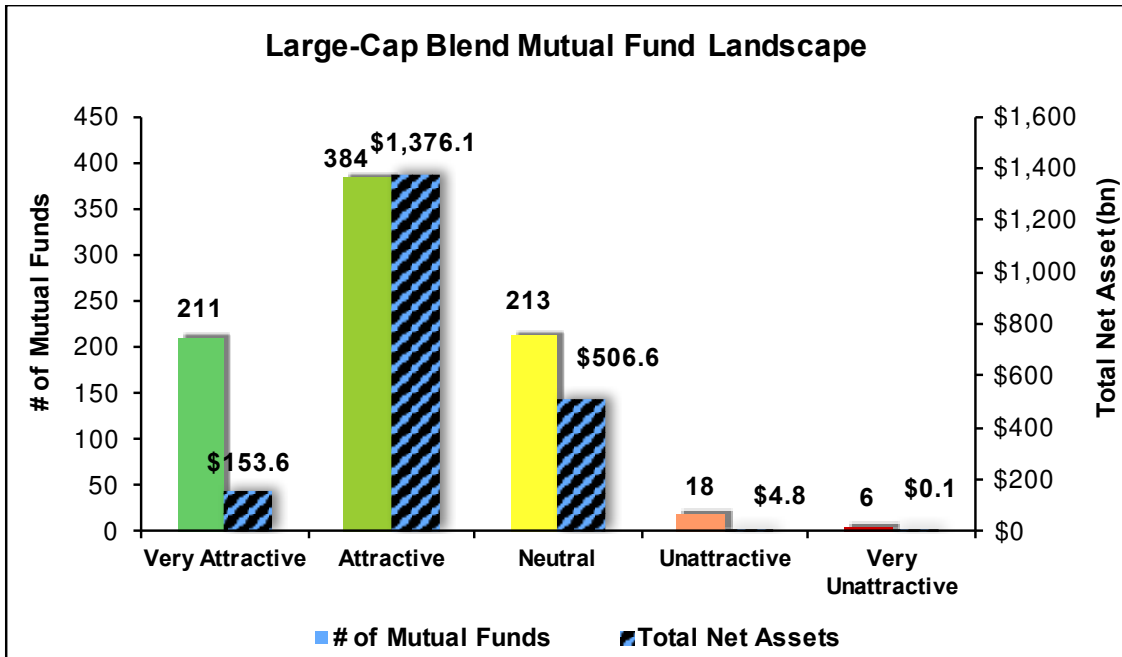
Figures 3 and 4 show the rating landscape of all Large Cap Blend ETFs and mutual funds.

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, Kyle Guske II, and Kenneth James receive no compensation to write about any specific stock, style, or theme.

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2. **Un-conflicted** - Clients deserve unbiased research.
3. **Transparent** - Advisors should be able to show how the analysis was performed and the data behind it.
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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