



ETF & Mutual Fund Rankings: All Cap Blend Style

The All Cap Blend style ranks second out of the twelve fund styles as detailed in our [4Q17 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the All Cap Blend style ranked second as well. It gets our Neutral rating, which is based on an aggregation of ratings of 59 ETFs and 746 mutual funds in the All Cap Blend style as of October 17, 2017. See a recap of our [3Q17 Style Ratings here](#).

Figures 1 and 2 show the five best and worst rated ETFs and mutual funds in the style. Not all All Cap Blend style ETFs and mutual funds are created the same. The number of holdings varies widely (from 3 to 4618). This variation creates drastically different investment implications and, therefore, ratings.

Investors seeking exposure to the All 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.¹ 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				
ROM	22%	37%	12%	Very Attractive
TTFS	42%	39%	19%	Very Attractive
GSLC	32%	43%	24%	Very Attractive
USMV	29%	47%	21%	Very Attractive
SPLV	33%	47%	19%	Very Attractive
Worst ETFs				
WBIE	13%	52%	33%	Neutral
SPHB	10%	36%	51%	Neutral
LTL	9%	17%	48%	Unattractive
DIG	2%	1%	88%	Very Unattractive
ERX	2%	0%	95%	Very Unattractive

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

Sources: New Constructs, LLC and company filings

Five ETFs (EXT, SPYB, CNTR, SYG, LGLV) are excluded from Figure 1 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

¹ Ernst & Young's recent white paper "[Getting ROIC Right](#)" proves the superiority of our holdings research and analytics.

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				
MLVEX	45%	44%	8%	Very Attractive
SVFYX	47%	35%	12%	Very Attractive
SMYIX	30%	31%	9%	Very Attractive
WSBFX	25%	36%	10%	Very Attractive
SVFFX	47%	35%	12%	Very Attractive
Worst Mutual Funds				
OEPIX	0%	4%	91%	Very Unattractive
COREX	0%	2%	1%	Very Unattractive
JFUAX	9%	30%	36%	Very Unattractive
OEPSX	0%	4%	91%	Very Unattractive
WCPSX	0%	0%	100%	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 (JNVIX, JNVSX, CLTIX, CLTCX, BHGIX) are excluded from Figure 2 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

ProShares Ultra Technology (ROM) is the top-rated All Cap Blend ETF and BMO Low Volatility Equity Fund (MLVEX) is the top-rated All Cap Blend mutual fund. Both earn a Very Attractive rating.

Dirxion Daily Energy Bull 3x Shares (ERX) is the worst rated All Cap Blend ETF and ProFunds Mobile Telecommunications Ultra Sector Pro Fund (WCPSX) is the worst rated All Cap Blend mutual fund. Both earn a Very Unattractive rating.

The Danger Within

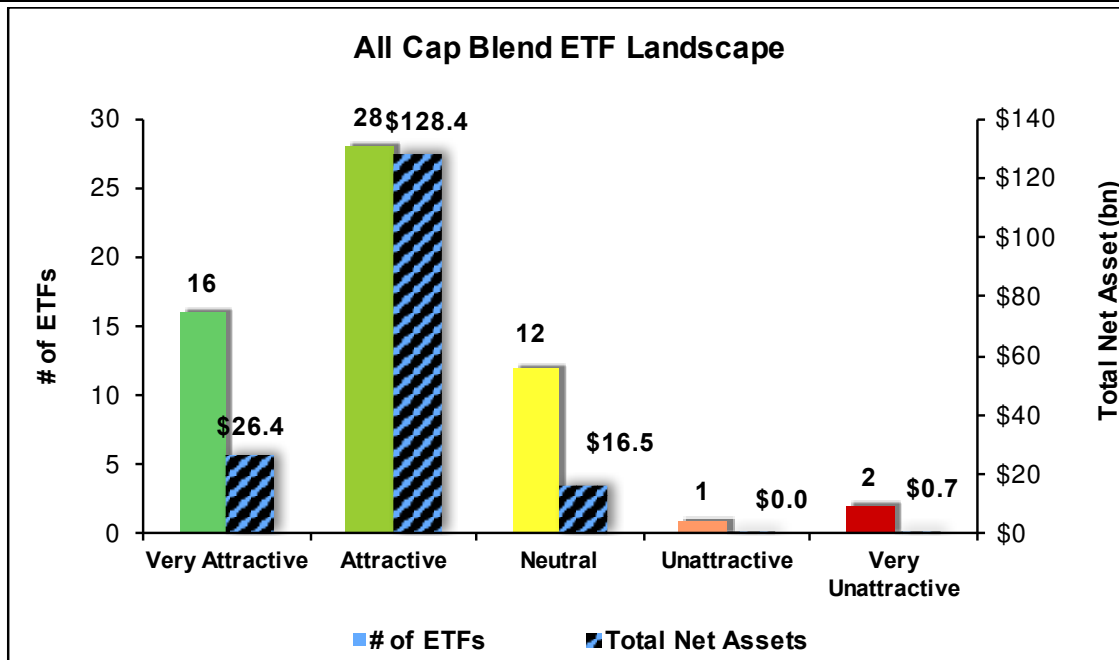
Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what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

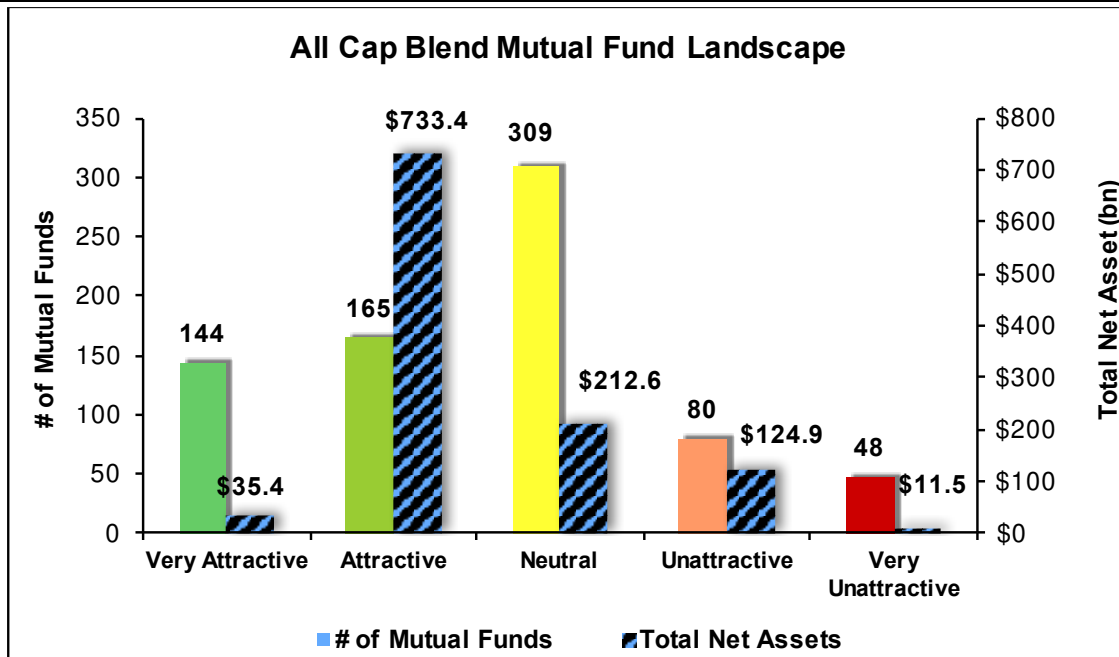
Figures 3 and 4 show the rating landscape of all All Cap Blend ETFs and mutual funds.

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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