



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

The All Cap Growth style ranks sixth out of the twelve fund styles as detailed in our [4Q17 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the All Cap Growth style ranked sixth as well. It gets our Neutral rating, which is based on an aggregation of ratings of 11 ETFs and 478 mutual funds in the All Cap Growth 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 Growth style ETFs and mutual funds are created the same. The number of holdings varies widely (from 20 to 2201). This variation creates drastically different investment implications and, therefore, ratings.

Investors seeking exposure to the All 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.<sup>1</sup> 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	
<b>Best ETFs</b>				
ONEQ	26%	37%	31%	<b>Attractive</b>
RPG	21%	43%	37%	<b>Attractive</b>
QQQE	28%	33%	38%	<b>Attractive</b>
QQEW	28%	33%	38%	<b>Attractive</b>
PDP	19%	49%	31%	<b>Attractive</b>
<b>Worst ETFs</b>				
QQXT	24%	29%	45%	<b>Neutral</b>
FTC	19%	40%	40%	<b>Neutral</b>
FAD	15%	36%	40%	<b>Neutral</b>
GURU	12%	37%	45%	<b>Neutral</b>
FPX	16%	25%	43%	<b>Neutral</b>

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

Sources: New Constructs, LLC and company filings

Arrow QVM Equity Factor ETF (QVM) is excluded from Figure 1 because its total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

<sup>1</sup> 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	
<b>Best Mutual Funds</b>				
FLGEX	47%	40%	10%	Very Attractive
JGISX	34%	44%	20%	Very Attractive
JGIRX	34%	44%	20%	Very Attractive
JPGSX	34%	44%	20%	Very Attractive
ADCYX	38%	40%	21%	Very Attractive
<b>Worst Mutual Funds</b>				
TFCGX	2%	30%	34%	Very Unattractive
FOCAX	5%	44%	43%	Very Unattractive
JLGAX	6%	45%	48%	Very Unattractive
SGFFX	22%	44%	32%	Very Unattractive
SAGAX	10%	27%	55%	Very Unattractive

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

Sources: New Constructs, LLC and company filings

RBB Summit Global Investments Global Low Volatility Fund (DWUGX) is excluded from Figure 2 because its total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

Fidelity NASDAQ Composite Index Tracking Stock (ONEQ) is the top-rated All Cap Growth ETF and Fidelity Large Cap Growth Enhanced Index Fund (FLGEX) is the top-rated All Cap Growth mutual fund. ONEQ earns an Attractive rating and FLGEX earns a Very Attractive rating.

First Trust Equity Opportunities ETF (FPX) is the worst rated All Cap Growth ETF and Virtus Zevenbergen Innovative Growth Stock Fund (SAGAX) is the worst rated All Cap Growth mutual fund. FPX earns a Neutral rating and SAGAX earns a Very Unattractive rating.

### The Danger Within

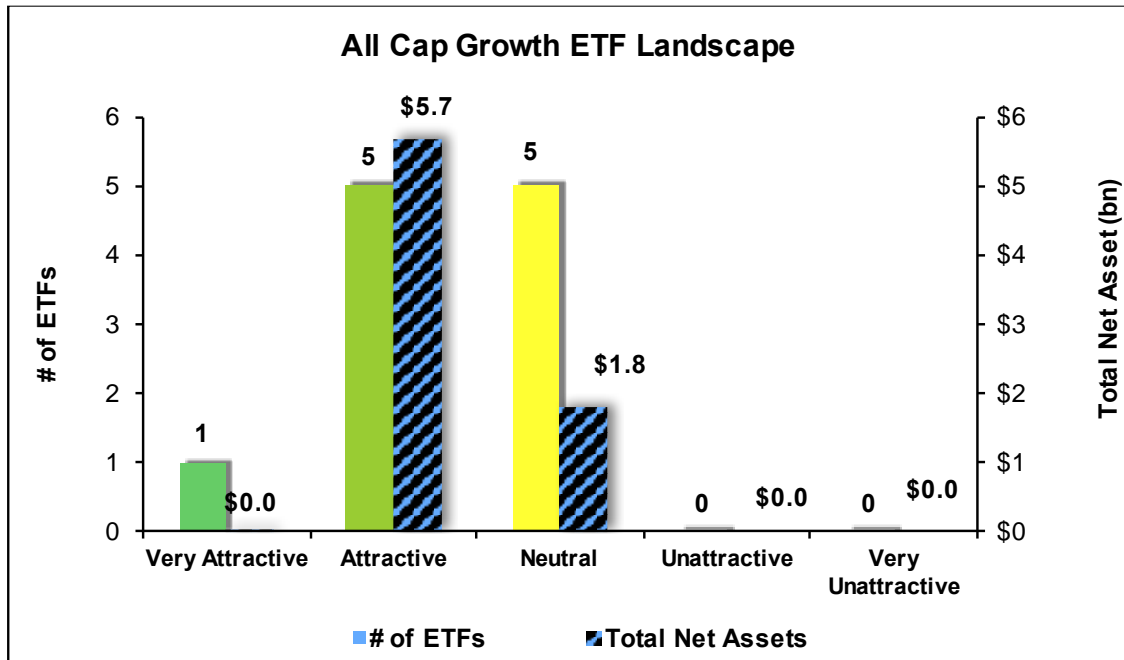
Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what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

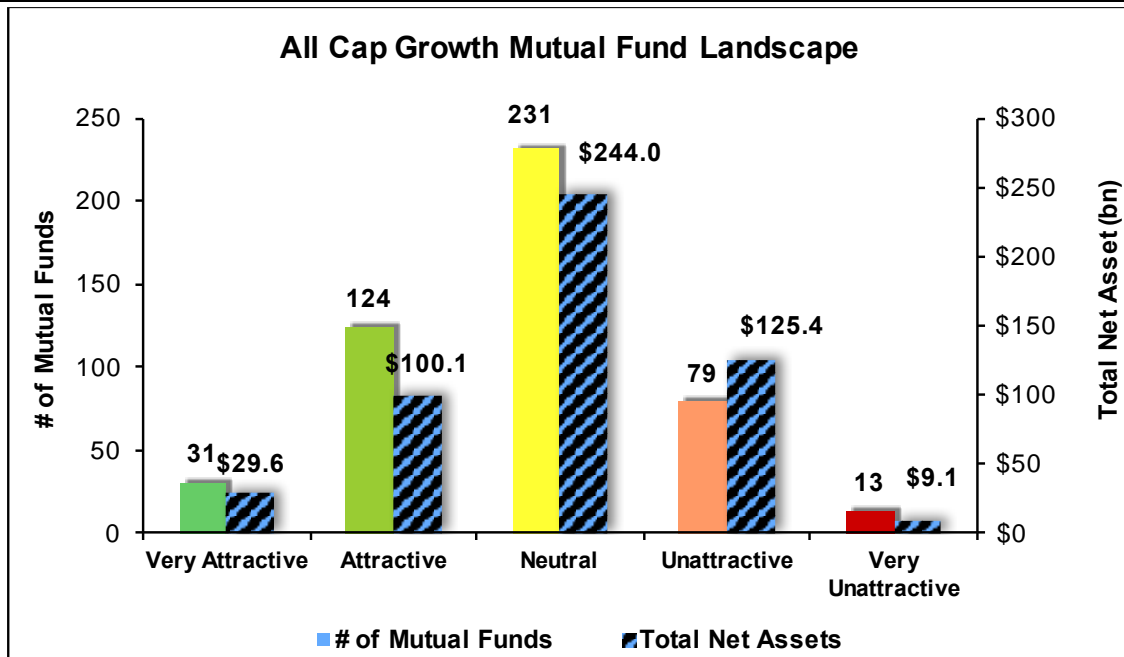
Figures 3 and 4 show the rating landscape of all All Cap Growth ETFs and mutual funds.

**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

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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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