



ETF & Mutual Fund Rankings: Mid Cap Blend Style

The Mid Cap Blend style ranks seventh out of the twelve fund styles as detailed in our [4Q17 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the Mid Cap Blend style ranked seventh as well. It gets our Neutral rating, which is based on an aggregation of ratings of 18 ETFs and 355 mutual funds in the Mid Cap Blend style as of October 19, 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 Mid Cap Blend style ETFs and mutual funds are created the same. The number of holdings varies widely (from 22 to 2319). 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.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				
XMLV	19%	54%	27%	Attractive
JKG	20%	40%	38%	Neutral
REGL	10%	66%	20%	Neutral
CZA	17%	40%	32%	Neutral
SCHM	17%	38%	38%	Neutral
Worst ETFs				
IWR	19%	37%	39%	Neutral
EQWM	15%	36%	41%	Neutral
MDY	16%	42%	35%	Neutral
CSD	12%	29%	34%	Neutral
RYJ	8%	19%	49%	Unattractive

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

Sources: New Constructs, LLC and company filings

Five ETFs (WBIA, WBID, WBIB, NFO, FVL) 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				
FMEIX	38%	38%	20%	Very Attractive
DNLYX	32%	40%	27%	Attractive
SFDYX	20%	38%	29%	Attractive
TMPIX	23%	49%	27%	Attractive
TMCPX	23%	49%	27%	Attractive
Worst Mutual Funds				
MDPIX	12%	31%	26%	Very Unattractive
PMVCX	14%	40%	42%	Very Unattractive
PAMVX	14%	40%	42%	Very Unattractive
DDDAX	17%	19%	54%	Very Unattractive
MDPSX	12%	31%	26%	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 (BALIX, HEQCX, HEQFX, SMDOX, WAMFX) are excluded from Figure 2 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

PowerShares S&P Mid Cap Low Volatility Portfolio (XMLV) is the top-rated Mid Cap Blend ETF and Fidelity Mid Cap Enhanced Index Fund (FMEIX) is the top-rated Mid Cap Blend mutual fund. XMLV earns an Attractive rating and FMEIX earns a Very Attractive rating.

Guggenheim Raymond James SB-1 Equity ETF (RYJ) is the worst rated Mid Cap Blend ETF and ProFunds Mid Cap ProFund (MDPSX) is the worst rated Mid Cap Blend mutual fund. RYJ earns an Unattractive rating and MDPSX earns a Very Unattractive rating.

The Danger Within

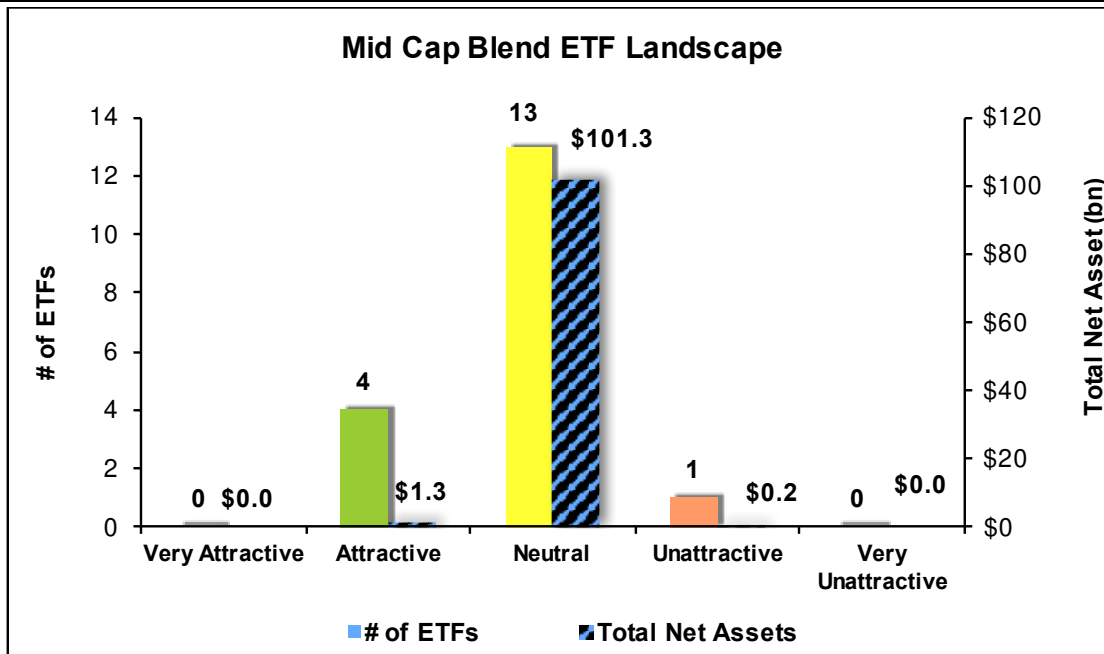
Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what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

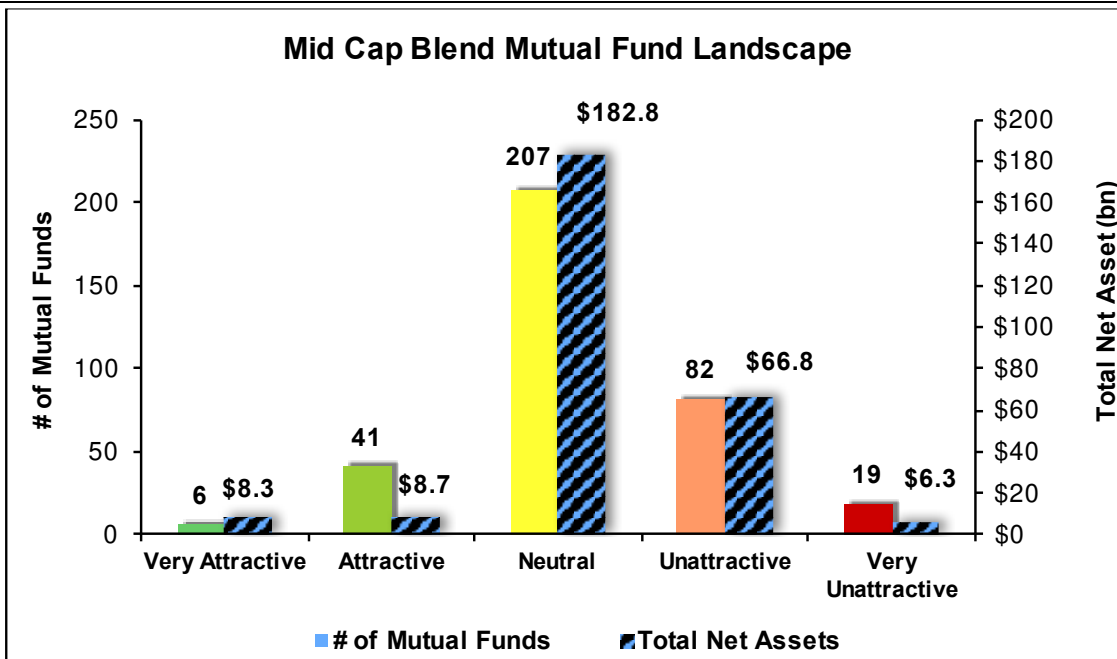
Figures 3 and 4 show the rating landscape of all Mid Cap Blend ETFs and mutual funds.

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

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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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