



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 [1Q18 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the All Cap Blend style ranked second as well. It gets our Attractive rating, which is based on an aggregation of ratings of 99 ETFs and 793 mutual funds in the All Cap Blend style as of January 16, 2018. See a recap of our [4Q17 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 4660). 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				
DYLS	34%	48%	15%	Very Attractive
PWC	19%	41%	31%	Very Attractive
LRGF	21%	47%	30%	Very Attractive
PKW	30%	45%	24%	Very Attractive
TTFS	27%	46%	26%	Very Attractive
Worst ETFs				
MAGA	11%	40%	47%	Unattractive
MRGR	3%	24%	52%	Unattractive
URE	10%	15%	46%	Unattractive
LTL	19%	6%	51%	Unattractive
DIG	2%	1%	81%	Very Unattractive

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

Sources: New Constructs, LLC and company filings

Eight ETFs 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				
HILGX	41%	49%	6%	Very Attractive
HFLGX	41%	49%	6%	Very Attractive
SVFYX	27%	52%	17%	Very Attractive
SVFFX	27%	52%	17%	Very Attractive
SMVLX	27%	52%	17%	Very Attractive
Worst Mutual Funds				
RSINX	9%	17%	59%	Very Unattractive
WCPSX	0%	0%	100%	Very Unattractive
COREX	0%	1%	2%	Very Unattractive
OEPSX	0%	2%	94%	Very Unattractive
UEPSX	12%	10%	38%	Very Unattractive

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

Sources: New Constructs, LLC and company filings

Mutual Fund Series Trust: Catalyst/Lyons Tactical Allocation Fund (CLTIX, CLTCX) is excluded from Figure 2 because its total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

WisdomTree Trust: Dynamic Bearish US Equity Fund (DYLS) is the top-rated All Cap Blend ETF and Hennessy Funds Trust: Cornerstone Large Growth Fund (HILGX) is the top-rated All Cap Blend mutual fund. Both earn a Very Attractive rating.

ProShares Trust: Ultra Oil & Gas (DIG) is the worst rated All Cap Blend ETF and ProFunds: Europe 30 ProFund (UEPSX) is the worst rated All Cap Blend mutual fund. Both earn a Very Unattractive rating.

The Danger Within

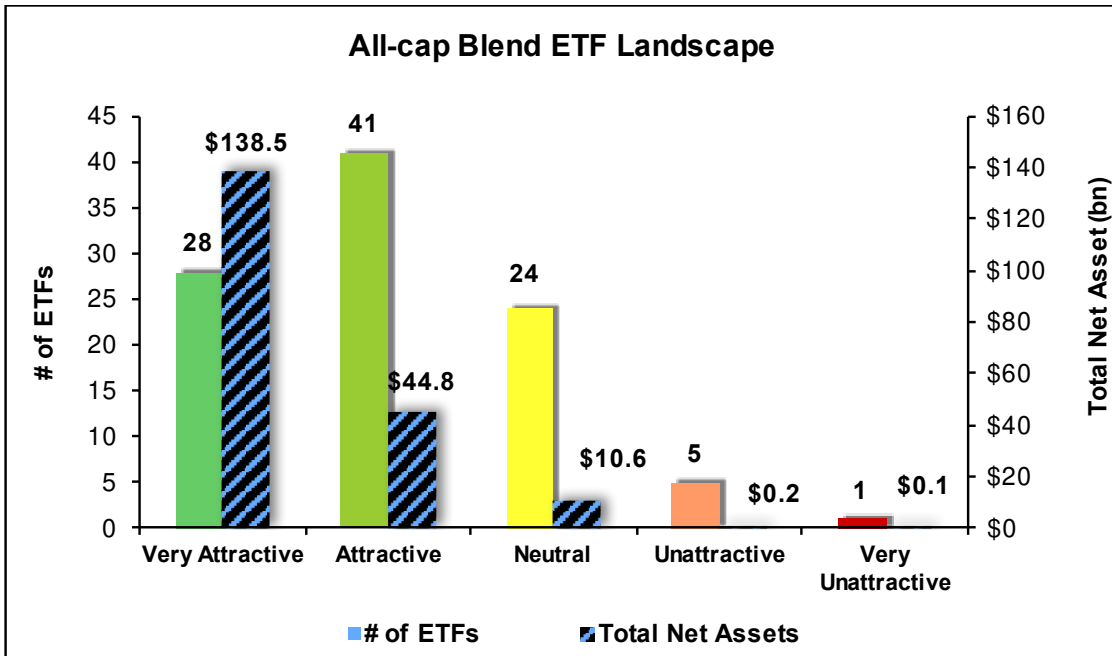
Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what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

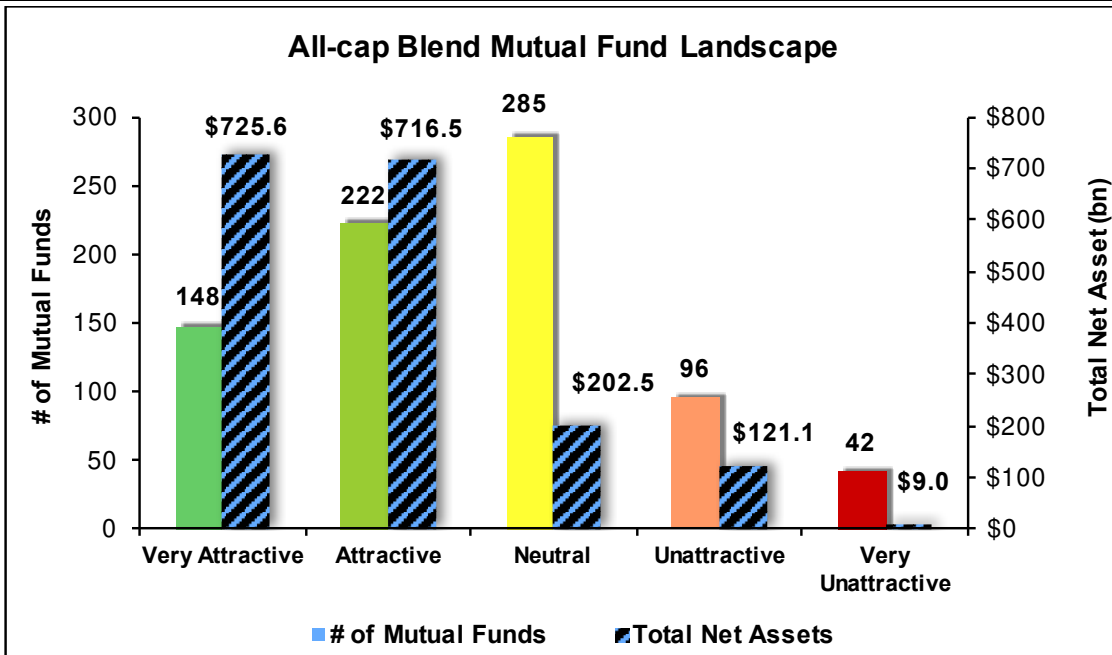
Figures 3 and 4 show the rating landscape of all All Cap Blend ETFs and mutual funds.

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

This article originally published on [January 17, 2018](#).

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

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1. **Comprehensive** - All relevant publicly-available (e.g. 10-Ks and 10-Qs) information has been diligently reviewed, including footnotes and the management discussion & analysis (MD&A).
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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