



ETF & Mutual Fund Rankings: All Cap Value Style

The All Cap Value style ranks fourth out of the twelve fund styles as detailed in our [1Q19 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the All Cap Value style ranked fourth as well. It gets our Neutral rating, which is based on an aggregation of ratings of 26 ETFs and 369 mutual funds in the All Cap Value style as of January 22, 2019. See a recap of our [4Q18 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 Value style ETFs and mutual funds are created the same. The number of holdings varies widely (from 18 to 1554). This variation creates drastically different investment implications and, therefore, ratings.

Get the best fundamental research

Investors seeking exposure to the All Cap Value style should buy one of the Attractive-or-better rated ETFs or mutual funds from Figures 1 and 2.

Our [Robo-Analyst technology](#)¹ empowers our unique [ETF and mutual fund rating methodology](#), which leverages our rigorous analysis of each fund's holdings.² 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				
DVP	73%	27%	0%	Very Attractive
FVAL	41%	41%	16%	Very Attractive
COWZ	58%	33%	8%	Very Attractive
ROUS	41%	37%	18%	Very Attractive
LRGF	34%	44%	19%	Very Attractive
Worst ETFs				
VONV	26%	33%	39%	Neutral
IWD	26%	33%	39%	Neutral
LVHD	21%	38%	40%	Neutral
KNOW	26%	49%	25%	Neutral
AMCA	19%	39%	39%	Neutral

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

Sources: New Constructs, LLC and company filings

Three ETFs (QVAL, GMFL, PY) are excluded from Figure 1 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

¹ Harvard Business School features the powerful impact of our research automation technology in the case [New Constructs: Disrupting Fundamental Analysis with Robo-Analysts](#).

² 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				
FDSWX	66%	20%	13%	Very Attractive
FDSTX	66%	20%	13%	Very Attractive
FDSBX	66%	20%	13%	Very Attractive
FVSAX	35%	34%	19%	Very Attractive
FDSAX	66%	20%	13%	Very Attractive
Worst Mutual Funds				
MVEIX	23%	37%	23%	Unattractive
MGWBX	15%	44%	38%	Very Unattractive
MGWAX	15%	44%	38%	Very Unattractive
ATVAX	24%	43%	32%	Very Unattractive
UPUPX	9%	22%	62%	Very Unattractive

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

Sources: New Constructs, LLC and company filings

Six mutual funds (AQVVX, AQVYX, AQVPX, LSVMX, LVAMX, VALAX) are excluded from Figure 2 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

ETF Series Deep Value ETF (DVP) is the top-rated All Cap Value ETF and SunAmerica AIG Focused Dividend Strategy Fund (FDSWX) is the top-rated All Cap Value mutual fund. Both earn a Very Attractive rating.

iShares Russell 1000 Pure U.S. Revenue ETF (AMCA) is the worst rated All Cap Value ETF and Upright Investments Upright Growth Fund (UPUPX) is the worst rated All Cap Value mutual fund. AMCA earns a Neutral rating and UPUPX 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.

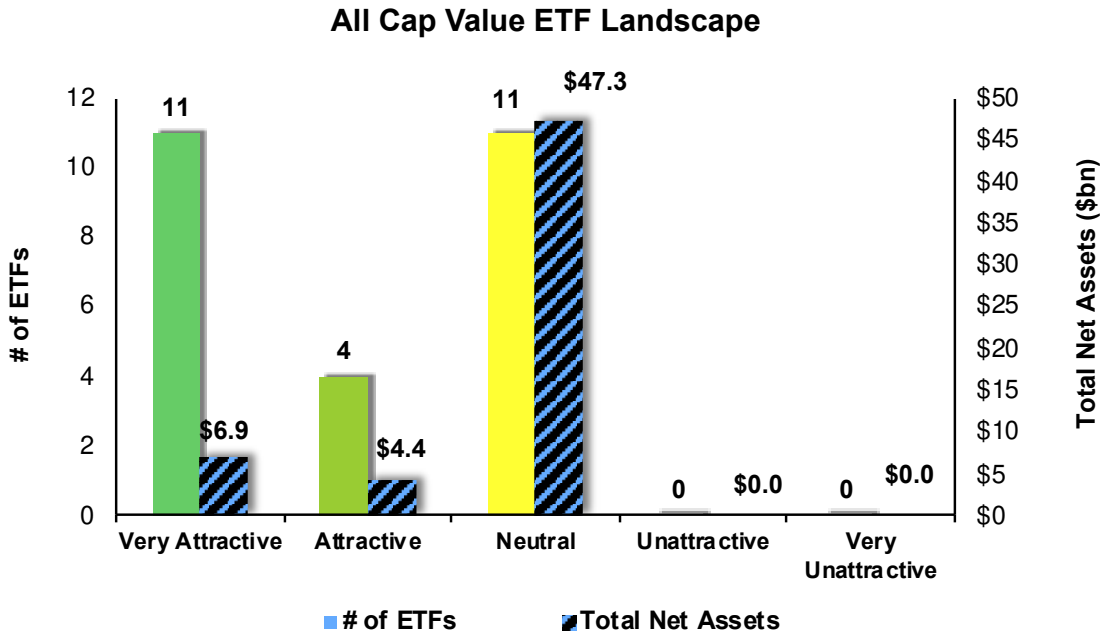
PERFORMANCE OF HOLDINGS = PERFORMANCE OF FUND

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.



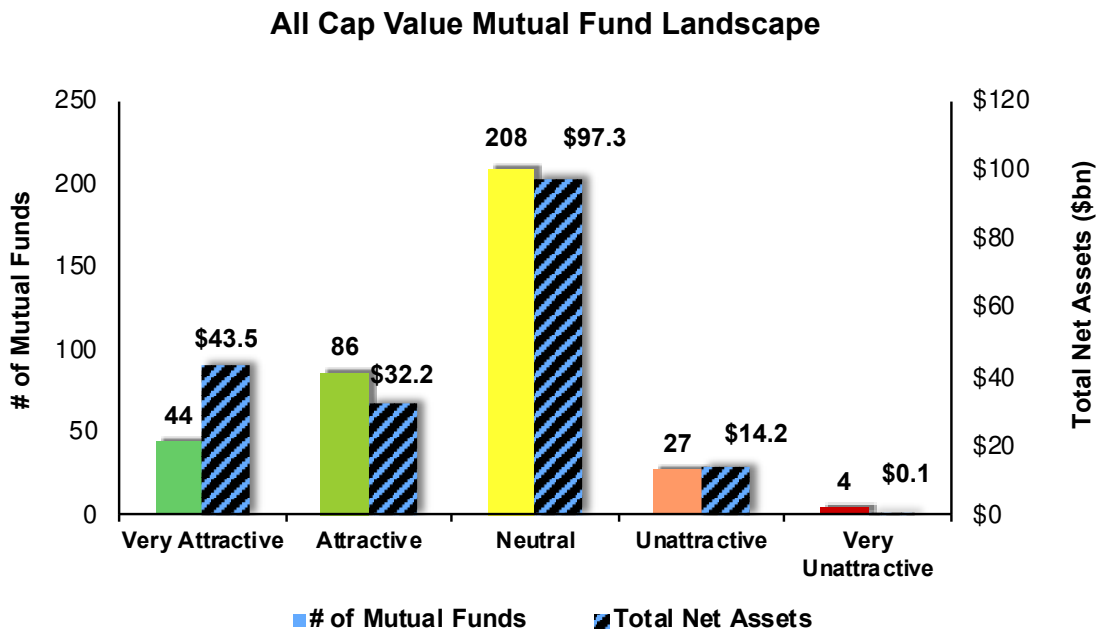
Figures 3 and 4 show the rating landscape of all All Cap Value ETFs and mutual funds.

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 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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