



# **MFO Premium**

## **Webinar**

### **30 August 2017**

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# Agenda

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- Origin and motivation behind MFO Premium search tools
- Underlying database and methodology
- On-line demonstrations of various tools
- Limitations and planned improvements
- Q & A ... break every 20 minutes

***Highlight unique insights that MFO search tools provide individual investors and financial advisers ... and the attendant benefits to themselves and their clients***

Zoom Web Conferencing

Session Recorded ... Will Post

First Time MFO Using Zoom

Questions via Chat ... Q&A Breaks

VoIP & Phone Enabled

Participants on Mute Initially



# Background

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- Internal research to identify funds that minimized downside performance across full market cycles
  - MAXDD, Ulcer Index, Martin Ratio, Recovery Time
  - Evaluation periods of interest, like from November 2007 to present ... or from August 2000 to October 2007
- Not readily available from tradition services, like Morningstar
- So, we created the tools ourselves
- Continue to find other metrics/ratings not readily available
  - Three Alarm Funds, Fund Family Scorecard, Correlation
  - Several beta testers help enhance ... Thank you!
- Realized such tools may be of interest to other investors and financial advisers



# Implementation

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- Lipper Data Feed Service (LDFS) for U.S. Open End funds
  - Updated monthly on 4th business day
  - 10,000 funds (29,000 all share class), including 2,000 ETFs, across 155 investment categories, plus 5,000 indexes
  - Database begins January 1960, surviving funds only
- All performance and risk metrics computed internally from monthly total return data
  - 1600 parameters for each fund ... growing
- Site maintained using standard web languages
  - DataTables output and Select2 styling (Open source MIT license)
  - UserBase by Encodable provides login/account manager
  - SiteGround is web host
  - Optimized for Chrome, but AOK on IE, Edge, Firefox, Safari ... iPad/iPhone



# Demonstrations

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- Dashboard
  - 100+ funds profiled by David (mostly ... with Sam Lee, myself, others)
- Score Card
- Three Alarm
  - Legacy site Fund Alarm ratings
- MultiSearch
  - Main tool with 60 search criteria, simultaneously across 21 periods
  - Pre-set Screens, Risk Profile, Correlation
- Definitions
- Home Page
  - Login/Account
- Averages, Great Owls, Commentary (Time Permitting)



# Limitations & Future Plans

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## Qualifications

- Quantitative only ... based strictly on historical fund performance ... backward looking
- No accounting for survivorship bias, style drift, management or strategy changes

## Improvements

- Rolling averages, add'l eval periods, multi-period, group correlate
- Other metrics ... fund flows, trend, up/down capture
- Portfolio metrics and storage
- Plotting ... preferably, open source

***Strive To Address Subscriber Suggestions Soonest!***



## Chat Questions & Comments (1 of 2)

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- What is the difference between Great Owls and Honor Roll, and why the distinction?
- Gimme the worst drawdown, the most turnover ;) ... just teasing.
- Cool tool you created.
- Dodge & Cox runs high turnover or they did.
- TA or HR funds has to be worst or best in one of the 3 periods or all 3 periods?
- American Funds has been consistent and they have done a good job. They are not a boutique.
- You don't like American ... is that because of the many share types? They've done well despite the "asset bloat."
- Any particular fund families you like?
- I love the Fund Family Scorecard ... I'm a financial advisor and it helps me screen calls too !
- Can you show us how to search for lowest drawdown with maximum return?
- \*\*\* Fund Family Scorecard



## Chat Questions & Comments (2 of 2)

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- Where do you see Definitions again?
- Do you have something that speaks to year-in year-out consistency?... Like what percentage of years does the fund beat its category?
- Do you plan to include close end funds in the future?
- Can you save a ticker list like a 401k list?
- Great presentation! Thanks
- Will you get the Lipper Leader Ratings?
- Can you do rolling period analysis rolling 2 year, 3 year vs peer group analysis? ETA on rolling period?
- Thank you. Very well presented!
- Please post! Thanks
- Is the excel button create a spreadsheet? If so, how?
- Please explain the top three criteria for a fund to be on the honor role.
- I noticed some of the reviews David provider are from years ago. If his view of a fund changes will the review be updated?