MFO Premium

Webinar
7 August 2018

Agenda

- **Site updates since January 2018 webinar**
- **On-line demonstrations of newest features**
- **Planned improvements**
- **Q & A … break often**
- Origin and motivation behind MFO Premium search tools
- Underlying database, methodology, and limitations

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
Host Cam, Participants Voice Only	Questions via Chat
VoIP & Phone Enabled	Participants on Mute Initially

Updates

- **Lipper Global Data Feed**
  - CEFs, Insurance Funds
  - Full Holdings Data … Top 10 Breakouts … Active Share

- **MultiSearch Column Grouping and Control**
  - Summary, Period Metrics, MFO Designations, Management, AUM …

- **Upside and Downside Capture Metrics**
  - Amount of positive and negative return captured versus various indexes
  - SP500, USBond, US6040, and ACIxUS over evaluation period specified

- **Calendar Year and Period Performance Analyses**
  - Return, Return vs Peer, Batting Averages, Rank, Category Averages, Peer Count
  - Yearly (to '60) … YTD … 1, 2, 3, 6, 9, 10 MO … 1, 1.5, 2, 2.5, 3, 5, 7, 10, 12, 15, 20, 25, 30, 40, 50 YR

- **Ferguson Metrics**
  - Help identify consistent outperformers … "funds you can live with"

Planned Improvements

- **Holdings Data**
  - Top 10, Benchmark, Alpha, Tracking Error, Active Share …
- **Portfolio storage**
  - Assignable holdings allocation
  - Risk & performance metrics at portfolio level
- **Search criteria storage**
- **MultiSearch additional periods**
  - YTD … 1, 2, 3, 6, 9, 10 MO
  - 1, 1.5, 2, 2.5, 3, 5, 7, 10, 12, 15, 20, 25, 30, 40, 50 YR
- **Fund Flows**
- **Trend**
- **Plotting**
  - Evaluating AnyChart, Flot, KoolChart

Highly Responsive To Subscriber Suggestions!

Background

- 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

Premium Pages

- **MultiSearch**
  - Main tool with 70 search criteria, across 21 evaluation periods
  - Pre-set Screens, Risk Profile, Correlation Matrix, Rolling Averages, Ferguson Metrics, Calendar Year and Period Performance
- **Score Card**
  - Fund family ratings based on absolute return vs peers
- **Three Alarm**
  - Legacy site Fund Alarm ratings (Three Alarm and Honor Roll)
  - Based on absolute return vs peers
- **Great Owls**
  - Based on risk-adjusted return vs peers

- **Portfolios**
  - Up to 10 WatchList of up to 25 funds
- **Dashboard**
  - Quick look summary of 121 funds profiled by David, mostly
- **Commentary**
  - Expands upon and previews main site
- **Averages**
  - Summary of 168 category risk and return averages across 10 periods
- **Welcome**
  - Summary or latest updates and samples of site contents
- **Definitions**
- **Login/Account**

Implementation

- Lipper Global Data Feed Service (LGDF) for U.S. Funds
  - Pull full data monthly on first Saturday of month, then incremental data through 4-5 business days to get all month ending performance
  - 12,600 funds (33,600 all share class), including 550 CEFs, 2150 ETFs, 2150 Insurance Funds, across 168 investment categories, plus 1500 indexes
  - Database begins January 1960, surviving funds only
- All performance and risk metrics computed internally from monthly total return data
  - 2360 parameters for each fund … always 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 Firefox, but AOK on Chrome, Opera, Edge, Safari … iPad/iPhone

Qualifications

- Screeners are quantitative only
  - MultiSearch, ThreeAlarm, HonorRoll, Great Owls, Fund Family Ratings
  - Only "David's Take" from main site profiles are qualitative
- Metrics based strictly on historical fund performance
  - Backward looking, past performance
- No accounting for surviorship bias
- No accounting for style drift
- No accounting for management or strategy changes

The performance data quoted represents past performance and does not guarantee future results.