MFO Premium

Webinar Briefing

15 January 2020

Agenda

- **Site updates since May 2019 webinar**
  - New homepage via WordPress framework and MemberPress user portal
- **Review and demo newest metrics, tools, features**
- **Planned improvements**
- **Q & A … break often**
- **Origin and motivation behind MFO Premium search tools**
- **Site page summaries, 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

- **Portfolios**
  - Risk and return metrics of weighted fund holdings
  - Data back to November 2007 (beginning of current cycle)
  - APR, Martin, Sharpe, MAXDD, MFO Risk, MFO Rating
  - Store up to 10
- **Equity/Bond Allocation Pre-Set Screens**
  - 10% Increments … 100/00, 90/10, 80/20 … 10/90, 00/100
  - US, Global, GlobalxUS
  - One pair (SP500/LGovBnd) back to 1926!
- **Reference**
  - Indices and Funds via MultiSearch SubType
- **Calendar Year and Fixed Period Returns**
  - Data from Analyze tool now on MultiSearch results table

More Updates

- **Include Options**
  - MultiSearch “Include Averages” and “Include Benchmarks”
- **Benchmarks**
  - Lipper Global or Peer Index via MultiSearch SubType
- **Expense Ratio Rating**
  - Anything but 5
- **Down and Bear Market Deviations**
  - Ratings within Type not Category
  - Scale is 1 to 10 vs 1 to 5
- **Three Alarm Risk Rating**
- **Expanded Averages**
  - All MultiSearch ratings and metrics for given Display period
  - Plan to incorporate option in Portfolios tool for younger funds
- **Best Funds of Decade**

Planned Improvements

- **Holdings Data**
  - Top 10 … Sectors, Geolocation, Stocks/Bonds
  - Alpha, Tracking Error, Active Share
- **Fund Flows**
- **Premium Profiles**
  - Enhanced Risk Profiles showing all evaluation periods
- **Mid-Month Update**
- **Exclude Categories Option**
- **MFO Risk & Type Based Ratings**
- **Uncorrelated Funds Finder**
- **Plotting**

Highly Responsive To Subscriber Suggestions!

Reference Only

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 traditional services, like Morningstar
- So, we created the tools ourselves
- Continue to find other metrics/ratings not readily available
  - Three Alarm, Fund Family Scorecard, Correlation, Rolling Averages
  - Several beta testers help enhance … Thank you!
- Realized such tools may be of interest to other investors and financial advisers

Premium Only Pages

- **MultiSearch**
  - Main tool with 80 search criteria across 46 evaluation periods
  - ETFs, Mutual Funds, Insurance Funds, CEFs, Indices, Averages, Reference
  - All share classes
  - Pre-set Screens, Risk Profiles, Correlation Matrix, Rolling Averages, Trend, Ferguson Metrics, Compare, Calendar Year and Period Performance
  - Equity/Bond Allocations Per-Set Screens … some back to 1926!
- **Watchlists and Portfolios**
  - Up to 10 with up to 25 funds each
  - Portfolios provides risk and return metrics based on fund weightings
- **Fund Family Score Card**
  - Fund family ratings based on absolute return vs peers
- **Averages**
  - Summary of 168 category risk and return averages across 10 periods
- **Welcome**
  - Downloadable Excel spread sheet of latest ratings

Public Access Pages

- **QuickSearch**
  - MultiSearch “Lite” with 9 search criteria across 5 evaluation periods
  - Risk Profiles
  - ETFs & Mutual Funds … oldest share class only
- **Three Alarm & Great Owls**
  - Three Alarm (& Honor Roll) Ratings based on legacy Fund Alarm site
  - Great Owl Ratings based on Martin ratio
- **Dashboard**
  - Quick-look performance of 120+ profiled funds (by David mostly)
- **Definitions**
- **Blog**
  - Less formal than Commentary, but more formal than Discussion Board
- **Welcome**
  - Summary of latest updates and screenshots of site contents

Implementation

- Lipper Global Data Feed Service (LGDF) for U.S.
  - Pull full data monthly on first Saturday of month
  - Best when falls after 4 business days, else requires 2^{nd} drop
  - 12,200 (32,700 all share class), including 550 CEFs, 2150 ETFs, 2150 Insurance Funds, across 168 investment categories, plus 1900 indexes
  - Main database begins 1960, surviving only, plus SP500/LGovBnd to 1926
- All performance and risk metrics computed internally from monthly total return data
  - 6300 parameters for each fund
- Site maintained using standard web languages
  - DataTables output and Select2 styling (Open source MIT license)
  - WordPress framework with MemberPress as login/account manager
  - DreamHost is web host
  - Optimized for Firefox, but OK on Chrome, Opera, Edge, Safari (macOS, iOS)

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.