Mutual Fund Observer

MFO Premium

Webinar Briefing

15 July 2021

Agenda

- **Mid-year review of market performance, mutual funds, ETFs**
- **Demo latest features since April webinar … MultiSearch focus**
- **Q & A … break often**
- **Planned improvements**
- **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

- **Quick & Easy MultiSearch Column Selection**
  - Follows Selection Criteria Redesign ("Buttons")
  - Toggle column (metric) groups or individual columns

- **Stored MultiSearch Preferences**
  - Like Saved Watchlists and Searches
  - Save Up To 10 Viewing Preferences

- **New MultiSearch Screening Metrics/Options**
  - Lipper Leaders
  - Equity Portfolio Ratings
  - Debt and Currency Holdings
  - Smart Beta ETFs
  - APR & Sector Thresholds
  - Rolling Batting Averages (including new "Reamer Ratio & Rating")
  - Trend Ratings
  - New Display Periods (20-year Bond Bear, 40-year Bond Bull)
  - New Pre-Set Screens (Regional, Country, Largest)

Planned Improvements

Mutual Fund Observer

- **Portfolios Tool**
  - Expanded Metrics, including % Allocations
- **Plotting**
  - Likely adopt HighCharts
- **Premium Risk Profiles**
  - Showing all eval periods
- **Model Portfolios**
- **Mid-Month Update**
- **MFO Risk & Type Based Ratings**
- **Uncorrelated Funds Finder**
- **YouTube Tutorials**

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 December 2019 … 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, Trend, Ferguson Metrics
- Realized such tools may be of interest to other investors and financial advisers
  - Launched MFO Premium November 2015

Premium Only Pages

- **MultiSearch**
  - Main tool with 200 search criteria across 64 evaluation periods
  - ETFs, Mutual & Insurance Funds, CEFs, ETNs, Indices, Averages, Reference
  - All share classes available, but defaults to oldest
  - Pre-set Screens, Risk Profiles, Correlation Matrix, Rolling Averages, Trend, Ferguson Metrics, Compare, Calendar Year and Period Performance
  - Equity/Bond Allocations … some back to 1926!
- **Watchlists, Searches, Preferences, and Portfolios**
  - Save up to 25 each (10 preferences) … 100 funds in watchlists and 50 in portfolios
  - Portfolios provides risk and return metrics based on fund weightings % or $
- **Fund Family Score Card**
  - Fund family ratings based on absolute return vs peers
- **Averages**
  - Summary of 176 category risk and return averages across 10 periods
- **Dashboard of Launch Alerts**
  - Performance summary of all David's alerts

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 of Profiled Funds**
  - 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
  - Excel spread-sheet of ratings summary (Premium Only)

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 2nd drop
  - 12,200 (32,000 all share class, ASC), including 620 CEFs, 2,400 ETFs, 140 ETNs, 2,000 Insurance Funds, across 176 categories, plus 2,100 indexes
  - Main database begins 1960, surviving only, plus SP500/LGovBnd to 1926
- All performance and risk metrics computed internally from monthly total return data
  - 12,000 parameters for each fund (info 400; ratings 3,300; metrics 9,500)
  - 74 Display (or evaluation) period, including yearly, monthly, cycles, unique
- 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.