MFO Premium

Webinar Briefing

4 January 2022

Agenda

- **Year-end 2021 review of market performance, mutual funds, ETFs**
- **Demo features since July & September webinars … 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

- **Formatted Excel Export**
  - Titles and Rating Colors
  - All Applicable Tools

- **New MultiSearch Screening Metrics/Options**
  - Exponential Moving Averages and Momentum
  - Screen By Benchmark
  - Ferguson Mega Ratio and Yearly Ferguson Metrics Back To 2008 (via Analyze)
  - "Super Bull" Evaluation Periods
  - Decade Evaluation
  - After Tax Measures
  - Adjustable Columns
  - Early Cycles (S&P 500 Back To 1926)
  - Expanded, More Descriptive Column Headers
  - Excess Return and MAXDD In Calendar Year and Period Performance Analyze Tools
  - "SubFamily" Designation and SubAdviser
  - Expanded Bond Metrics (e.g., Effective Duration, Average Coupon)

Reference Only

Planned Improvements

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

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 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 240 search criteria across 108 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
  - Incremental data enables publishing 1-2 days within 1st of month
  - 12,300 (32,000 all share class, ASC), including 620 CEFs, 2,650 ETFs, 130 ETNs, 2,200 Insurance Funds, across 176 categories, plus 2,200 indexes
  - Main database begins 1960, surviving only, plus SP500/LGovBnd to 1926
- All performance and risk metrics computed internally from monthly total return data
  - 108 Display (or evaluation) period, including decadal, 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 Edge, but OK on Firefox, 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.