MFO Premium

Webinar Briefing

12 July 2022

Agenda

- **Mid-year 2022 review of market performance, mutual funds, ETFs**
- **Demo features since January webinar**
- **Planned improvements**
- **Origin and motivation behind MFO Premium search tools**
- **Site roadmap, 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:

1) **sort through the vast number of funds** based on numerous criteria,
2) **maintain candidate lists and form a stable of funds** warranting due diligence,
3) **monitor risk and return performance** of current portfolios.

Zoom Web Conferencing	Session Recorded … Will Post
Host Cam, Participants Voice Only	Questions via Chat
VoIP & Phone Enabled	Participants on Mute Initially

Updates

- **[MFO Interactive Charts]**
  - Up to 12 funds
  - Fixed and tailorable periods
  - Relative, absolute, linear and logarithmic scaling
- **[Quick Access Analytics]**
  - Navigation bar link to Chart, Compare, Correlate, Rolling Averages, Trend & Momentum, and Ferguson for up to 12 funds
- **RATE Reference Indices**
  - Supports annuity modeling in Portfolios tool
- **Expanded Fund Family Ratings**
  - Added 1, 3, and 5 year to better assess near-term performance.
- **Calendar Year APR and MAXDD Screening Criteria**
- **Calendar Month Ratings**
- **Additional Display Periods**
  - Taper and Normalization

Reference Only

Planned Improvements

- **Portfolios Tool**
  - Expanded Metrics, including % Allocations
- **Expanded Charts**
  - Bar [calendar and period returns]
  - Pie [allocations]
- **Risk Profiles**
  - Showing all eval periods
- **Exclude SubType(s)**
- **Auto-Include Selected Metric(s)**
- **Personalized Tax Bracket [RAT]**
- **Model Portfolios**
- **Fund Flows**
- **Mid-Month [Daily?] 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 and Momentum, 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, Charts, 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 1-3 days within 1st of month
  - 12,521 (32,169 all share class, ASC), including 6,966 OEFs; 525 CEFs; 2,805 ETFs; 135 ETNs; 2,090 Insurance Funds, across 176 categories, plus 2,218 indexes
  - Main database begins 1960, surviving only, plus SP500/LGovBnd to 1926
- All performance and risk metrics computed internally from monthly total return data
  - 113 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 and HighCharts (licensed) is charting software
  - 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.