MFO Premium

Webinar Briefing

8 January 2025

Answers To Session Questions (1 of 2)

- How can MultiSearch include S&P 500 back 100 years?
  - "S&P 500" formally goes back to March 1957
  - Before March 1957, the composite index was called "S&P 90," but we continue to refer to it as S&P 500 … a convenient misnomer
  - The Goyal database used in MFOP for indexes before 1960 comes from the Center for Research In Security Prices (CRSP)
- Can user fix name column in MultiSearch during horizontal scroll?
  - Not currently in MultiSearch proper, but will revisit
  - The ticker symbol is repeated for each metric group and the name will appear when hover cursor over symbol … best so far
  - The name column is fixed in Yearly and Fixed Period tools via Analyze
- Which tools are free and which require subscription to MFOP?
  - Tools on top line of navigation bar are free (e.g., Three Alarm, QuickSearch), while those on 2nd line require subscription (e.g., MultiSearch)

Answers To Session Questions (2 of 2)

- Are there studies showing benefits of active versus passive on the site?
  - No, not MFOP, but on some recent articles on MFO:
    - On Active vs Passive Equity Mutual Funds
  - The site includes screening criteria and metrics to make your own studies, based for any category or fund grouping (e.g., fund family, profiled funds):
    - MFO Premium Introduces ETF Benchmarks
- Have you considered a study of so-called “buffered” funds and how they might be an alternative to 60/40 funds?Can user fix name column in MultiSearch during horizontal scroll?
  - No yet, but we know they have gotten attention lately
  - The site does include risk and return performance on all buffered funds

Agenda

- **Year-end 2024 review of market performance, mutual funds, ETFs**
- **Demo features across site and recent updates**
- **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

- Expanded **Fund Family Scorecard**
  - Introduced "Parent" and "White Label" Motivated by MFO piece: You Too Can Start an ETF (aka *Who runs this strategy anyway?!)*
  - Family annual revenue based on assets AUM and ER
- Introduced **Price-Based Metrics**
  - Affects ETFs, ETN, but especially CEFs
- Introduced **Quarterly Metrics**
  - Replicate metrics based on LGDF that Barron's stopped publishing
  - **Lipper Mutual Fund Investment Performance Averages: Specialized Quarterly Summary Report**
- Expanded **Averages**
  - Peer groups of Category, SubType, Type
  - Other classifications, like actively managed funds and ETFs (symbols AV-ACTIVE and AV-ETFS, respectively)

Reference Only

Planned Improvements

- **Finish Flows**
  - Fixed Period Flows
  - Search Criteria in MultiSearch
- **Add To @MFOPremium**
  - Getting Started w/MFOP
- **Portfolios Tool**
  - Expanded Metrics
- **Premium Risk Profiles**
  - Showing All Eval Periods
- **Uncorrelated Funds Finder**
- **Demographics Summary**
- **Expanded Plotting**
  - Bar Charts To Calendar Year and Period Performance
  - Pie Charts To Allocation & Holdings
  - 10 mo SMA
- **MultiSearch Refine Options**
  - Eliminate Criteria
  - Better Column Selection
- **Expanded Model Portfolios**
- **Preference Copy**
- **Tablet/Phone App**
- **Employ Server-Side Processing**

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 300 search criteria across 145 evaluation periods
  - ETFs, Mutual & Insurance Funds, CEFs, ETNs, Interval, Indexes, Averages, Reference
  - All share classes available, but defaults to oldest
  - Pre-set Screens, Risk Profiles, Flows, Correlation, Rolling Averages, Trend, Ferguson, Compare, Calendar Year and Period Performance, MFO Charts, Quick Analytics
  - 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**
  - 176 category (plus subtype/type) 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 and post full performance data each Saturday, typically
  - Pull and post flow data 1st and 3rd Saturday, typically
  - 12,919 Funds (30,989 all share class), including 6,502 Mutual Funds; 3,866 ETFs; 1,965 Insurance Funds; and 516 CEFs in 176 categories; plus 2,039 Indexes
  - Main database begins 1960, surviving only, plus SP500/LGovBnd to 1926
- All performance metrics computed from monthly total return data
  - 145 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)
  - HighCharts plotting (MFO 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.