



ETF & Mutual Fund Rankings: All Cap Growth Style

The All Cap Growth style ranks ninth out of the twelve fund styles as detailed in our [1Q21 Style Ratings for ETFs and Mutual Funds](#) report. [Last quarter](#), the All Cap Growth style ranked ninth as well. It gets our Neutral rating, which is based on an aggregation of ratings of 27 ETFs and 497 mutual funds in the All Cap Growth style as of January 19, 2021. See a recap of our [4Q20 Style Ratings here](#).

Figures 1 and 2 show the five best and worst rated ETFs and mutual funds in the style. Not all All Cap Growth style ETFs and mutual funds are created the same. The number of holdings varies widely (from 18 to 2,345). This variation creates drastically different investment implications and, therefore, ratings.

[Learn more about the best fundamental research](#)

Investors seeking exposure to the All Cap Growth style should buy one of the Attractive-or-better rated ETFs or mutual funds from Figures 1 and 2.

The best fundamental data in the world, proven in [The Journal of Financial Economics](#), drives our research. Our [Robo-Analyst technology](#)¹ empowers our unique [ETF and mutual fund rating methodology](#), which leverages our rigorous analysis of each fund's holdings.² We think advisors and investors focused on prudent investment decisions should include analysis of fund holdings in their research process for ETFs and mutual funds.

Figure 1: ETFs with the Best & Worst Ratings – Top 5

Ticker	Allocation of ETF Holdings			Predictive Rating
	Attractive-or-better Stocks	Neutral Stocks	Unattractive-or-worse Stocks	
Best ETFs				
SPGP	33%	54%	13%	Very Attractive
ONEQ	16%	54%	25%	Attractive
FDMO	18%	45%	36%	Attractive
TTAC	27%	43%	29%	Attractive
ADME	24%	55%	20%	Attractive
Worst ETFs				
VFMO	14%	30%	42%	Neutral
FCTR	6%	31%	59%	Neutral
ALFA	12%	26%	55%	Neutral
MILN	19%	28%	50%	Unattractive
FPX	4%	20%	65%	Very Unattractive

* Best ETFs exclude ETFs with TNAs less than \$100 million for inadequate liquidity.

Sources: New Constructs, LLC and company filings

Principal Quality ETF (PSET) and Siren DIVCON Leaders Dividend ETF (LEAD) are excluded from Figure 1 because their total net assets (TNA) are below \$100 million and do not meet our liquidity minimums.

¹ Harvard Business School features the powerful impact of our research automation technology in the case [New Constructs: Disrupting Fundamental Analysis with Robo-Analysts](#).

² See how our models and financial ratios are superior to Bloomberg and Capital IQ's (SPGI) analytics in the [detailed appendix of this paper](#).



Figure 2: Mutual Funds with the Best & Worst Ratings – Top 5

Ticker	Allocation of Mutual Fund Holdings			Predictive Rating
	Attractive-or-better Stocks	Neutral Stocks	Unattractive-or-worse Stocks	
Best Mutual Funds				
LSIFX	48%	18%	29%	Attractive
AMIGX	23%	64%	7%	Attractive
SAGYX	48%	18%	29%	Attractive
GTILX	41%	54%	5%	Attractive
GTLLX	41%	54%	5%	Attractive
Worst Mutual Funds				
CPOAX	0%	21%	60%	Very Unattractive
ILLX	0%	21%	64%	Very Unattractive
PEEAX	4%	24%	60%	Very Unattractive
IALAX	0%	21%	64%	Very Unattractive
ADOAX	14%	30%	30%	Very Unattractive

* Best mutual funds exclude funds with TNAs less than \$100 million for inadequate liquidity.

Sources: New Constructs, LLC and company filings

Invesco S&P 500 GARP ETF (SPGP) is the top-rated All Cap Growth ETF and ClearBridge Aggressive Growth Fund (LSIFX) is the top-rated All Cap Growth mutual fund. SPG earns a Very Attractive rating and LSIFX earns an Attractive rating.

First Trust U.S. Equity Opportunities ETF (FPX) is the worst rated All Cap Growth ETF and ACM Dynamic Opportunity Fund (ADOAX) is the worst rated All Cap Growth mutual fund. Both earn a Very Unattractive rating.

The Danger Within

Buying a fund without analyzing its holdings is like buying a stock without analyzing its business and finances. Put another way, research on fund holdings is necessary due diligence because a fund's performance is only as good as its holdings' performance. Don't just take our word for it, [see what Barron's says](#) on this matter.

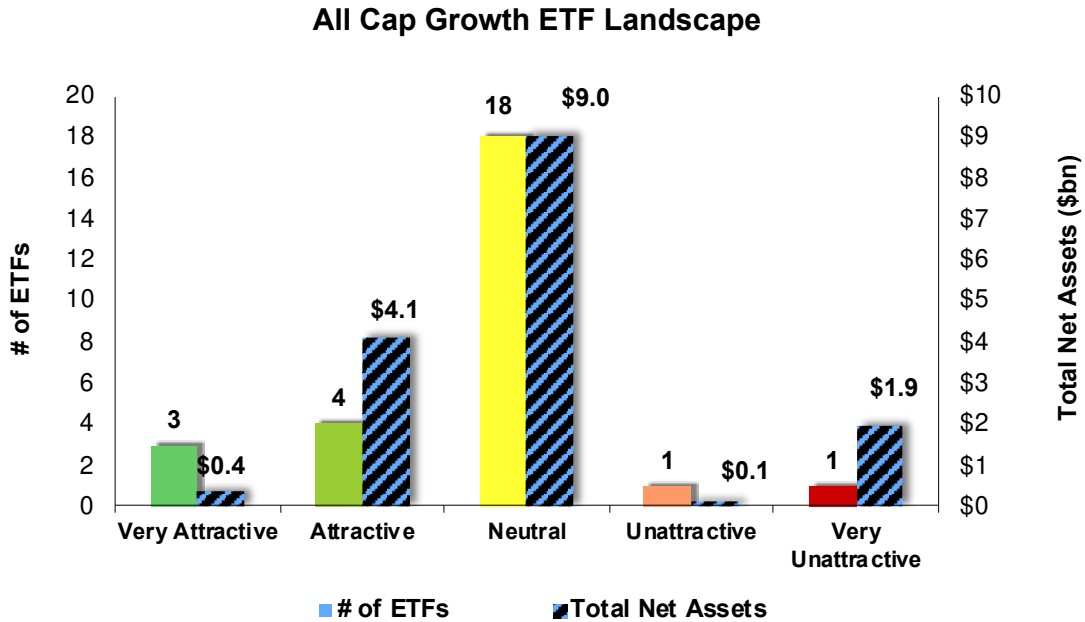
PERFORMANCE OF HOLDINGS = PERFORMANCE OF FUND

Analyzing each holding within funds is no small task. Our [Robo-Analyst technology](#) enables us to perform this diligence with scale and provide the [research needed](#) to fulfill the fiduciary duty of care. More of the biggest names in the financial industry (see [At BlackRock, Machines Are Rising Over Managers to Pick Stocks](#)) are now embracing technology to leverage machines in the investment research process. Technology may be the only solution to the dual mandate for research: cut costs and fulfill the fiduciary duty of care. Investors, clients, advisors and analysts deserve the latest in technology to get the diligence required to make prudent investment decisions.



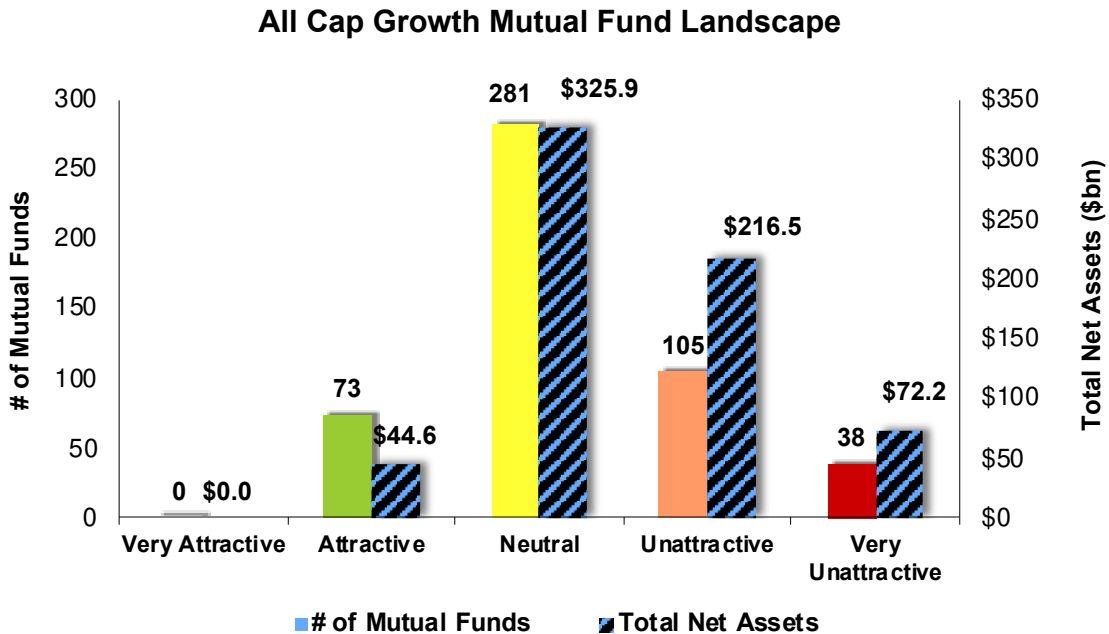
Figures 3 and 4 show the rating landscape of all All Cap Growth ETFs and mutual funds.

Figure 3: Separating the Best ETFs from the Worst Funds



Sources: New Constructs, LLC and company filings

Figure 4: Separating the Best Mutual Funds from the Worst Funds



Sources: New Constructs, LLC and company filings

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Disclosure: David Trainer, Kyle Guske II, Alex Sword, and Matt Shuler receive no compensation to write about any specific stock, style, or theme.

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Footnotes adjustments matter. We are the ONLY source.

We provide ratings, models, reports & screeners on U.S. 3,000 stocks, 700 ETFs and 7,000 mutual funds.

[The Journal of Financial Economics](#) reveals that:

- **Markets are inefficiently assessing earnings because no one reads the footnotes.**
- **Corporate managers hide gains/losses in footnotes to manage earnings.**
- **Our technology brings the material footnotes data to market for the first time ever.**

Combining human expertise with NLP/ML/AI technologies ([featured by Harvard Business School](#)), we shine a light in the dark corners (e.g. footnotes) of hundreds of thousands of financial filings to unearth critical details.

Forthcoming in The Journal of Financial Economics, the HBS & MIT Sloan paper, [Core Earnings: New Data and Evidence](#), proves our superior data drives uniquely comprehensive and independent debt and equity research.

This [paper](#) compares our analytics on a mega cap company to other major providers. The Appendix details exactly how we stack up against Bloomberg & Capital IQ.

Learn [more](#).

Quotes from HBS & MIT Sloan professors on our research:

Superior data:

"[New Constructs'] Total Adjustments differs significantly from the items identified and excluded from Compustat's adjusted earnings measures. For example... 50% to 70% of the variation in Total Adjustments is not explained by IBSPI Adjustments, OIADP Adjustments, or OPE Adjustments individually." – pp. 14, 1st para.

Pick better stocks:

"Trading strategies that exploit non-core earnings produce abnormal returns of 8% per year." – Abstract, 5th sentence

Risks of using legacy data providers:

"we identified cases where Compustat did not collect information relating to firms' income that is useful in assessing core earnings." – pp. 16, 2nd para.

Build better models:

"... the machine [NC's Robo-Analyst technology] learned and replicated human analysts' judgements based on their prior decisions. It did so with greater speed and scale to produce a database covering a broad cross-section of firms." – pp. 9, 2nd para.

Exploit market inefficiencies:

"...analysts and other market participants are slow to impound the implications of the distinction between core and non-core earnings, especially those disclosed from the footnotes section of the 10-K" – pp. 35, 1st para.

Fulfill fiduciary duties:

"These costs [of analyzing footnotes] point to the potential for increasing inequities in the usefulness of financial statements for sophisticated versus unsophisticated investors who differ in their technological capabilities for processing 10-K information" – pp. 35, 2nd para.



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