



1Q24 ETF and Mutual Fund Style Ratings Recap

At the beginning of each quarter, we rank each of the twelve ETF and Mutual Fund “style” categories from best to worst with our [Style Ratings Report](#). These rankings are forward-looking and indicate how each style should perform going forward.

This analysis is available to [Professional](#) and [Institutional](#) members and enables investors to better allocate capital by identifying which funds to buy and which funds to avoid. More reliable & [proprietary](#) fundamental data, as shown in [The Journal of Financial Economics](#), provides a [new source of alpha](#) and 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

Some of the best funds include Fidelity Stocks for Inflation (FCPI), Hennessy Cornerstone Large Growth Fund (HILGX), First Trust Capital Strength ETF (FTCS), and Madison Mid Cap Fund (MMCRX). Some of the worst funds include Alger Weatherbie Enduring Growth ETF (AWEG), Neuberger Berman Mid Cap Intrinsic Value Fund (NBRAX), Harbor Human Capital Factor U.S. Small Cap ETF (HAPS), and Rational Real Assets Fund (IGOAX).

Last quarter’s Style Ratings can be found [here](#). Last quarter’s Style Recap is available [here](#).

The following are our style analyses for the first quarter of 2024.

- [All Cap Blend](#)
- [All Cap Growth](#)
- [All Cap Value](#)
- [Large Cap Blend](#)
- [Large Cap Growth](#)
- [Large Cap Value](#)
- [Mid Cap Blend](#)
- [Mid Cap Growth](#)
- [Mid Cap Value](#)
- [Small Cap Blend](#)
- [Small Cap Growth](#)
- [Small Cap Value](#)

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Disclosure: David Trainer, Kyle Guske II, Hakan Salt, and Italo Mendonça receive no compensation to write about any specific stock, sector, style, or theme.

Questions on this report or others? Join our [Society of Intelligent Investors](#) and connect with us directly.

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](#).



It's Official: We Offer the Best Fundamental Data in the World

Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. Legacy fundamental datasets suffer from significant inaccuracies, omissions and biases.
2. Only our “novel database” enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

Forthcoming in [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms' data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- “[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 *S&P Global’s (SPGI) Adjustments* individually.” – pp. 14, 1st para.
- “A final source of differences [between New Constructs’ and S&P Global’s data] is due to data collection oversights...we identified cases where Compustat did not collect information relating to firms’ income that is useful in assessing core earnings.” – pp. 16, 2nd para.

Superior Models

A top accounting firm features the superiority of our ROIC, NOPAT and Invested Capital research to Capital IQ & Bloomberg’s in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details.

Key quotes from the paper:

- “...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [as New Constructs does] can investors get an accurate calculation of ROIC.” – pp. 8, 5th para.
- “The majority of the difference...comes from New Constructs’ machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies.” – pp. 4, 2nd para.

Superior Stock Ratings

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Indiana’s Kelley School of Business. Bloomberg features the paper [here](#).

Key quotes from the paper:

- “the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant.” – pp. 6, 3rd para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3rd para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



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