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Overview

Our goal in creating the Zacks Mutual Fund Rank is to quite simply help investors select funds that will outperform the market in the future. This is very different than the most popular fund rating systems which have been focused on past performance. And as we all know “Past Performance is no guarantee of future results”

This guide will provide you with all of the tools necessary to utilize the Zacks Mutual Fund Rank including how to:

▪ EVALUATE your current funds
▪ FIND better funds
▪ TRACK your funds and know when to sell them

Before going any further, take the time now to bookmark the Funds Homepage on Zacks.com as that is where you will find the resources discussed in this guide.

www.zacks.com/funds
Evaluate Your Current Funds

The rating system for the Zacks Mutual Fund Rank works exactly like our popular Zacks Rank for stocks. Meaning that funds are ranked on a scale from 1 to 5 (see chart below).

<table>
<thead>
<tr>
<th>MF Rank</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strong Buy</td>
</tr>
<tr>
<td>2</td>
<td>Buy</td>
</tr>
<tr>
<td>3</td>
<td>Hold</td>
</tr>
<tr>
<td>4</td>
<td>Sell</td>
</tr>
<tr>
<td>5</td>
<td>Strong Sell</td>
</tr>
</tbody>
</table>

Why is “1” the Best Instead of “5” Like Other Fund Rating Systems?

1.) The Zacks Rank for stocks employs the same 1 to 5 rating system and we wanted continuity between them for the benefit of our customers.

2.) The most popular fund rating systems give #5 ratings to their best funds and yet history shows that these systems don’t help investors pick better funds. So we don’t want to follow in their path.

Where to Find Ratings for Your Funds

One at a Time – Quote Box: In the top left corner of Zacks.com you will always have access to our quote box. Just enter the ticker for one of your funds and hit the “Go” button. This will take you to the Profile page for the fund where you will quickly find its rank along with other pertinent information.

All at Once – Portfolio Tracker (premium feature): Many of you may already have a portfolio tracker set up on Zacks.com to track your stocks. If so, then just add all of your mutual fund holdings to see their current rankings.

If you don’t have a portfolio tracker on Zacks.com, then set it up at: www.zacks.com/portfolios/mypor
You should hold on to your funds that are ranked 1 (Strong Buy), 2 (Buy) and 3 (Hold). However, if you have any Sell rated funds (#4 or #5 ranked), then you should strongly consider selling them now and replace them with higher ranked funds. In the next section we will talk about all the best ways to find better funds.

Find Better Funds

We have created many great ways for you to narrow down the universe of 18,000+ funds we rank to the few that meet your unique criteria. Read on to discover the resources available to you.

Daily Mutual Fund Commentary

We write fresh, daily articles featuring top ranked funds in specific categories like Large Cap, Balanced, Technology etc. Also we feature top ranked funds by leading fund families like Fidelity, Vanguard and more. You'll find these every day in the top left section of our mutual fund home page.
Top Funds by Fund Family

Some investors are devoted to fund families they’ve had success with in the past. Simply there is no better way to find the best funds within each family than our “Research By Family” tool. You'll find it located on the mutual fund homepage on the right side of the screenshot above. Just go to the drop down box that says “Choose Fund Family” and then select the group you want to research. All the data about the funds in that family is free except for the mutual fund rank which is a premium feature.

Top Funds by Category

We have divided up all the mutual funds into over 40 categories including; Growth, Technology, Income, High Yield Bonds, Global and more. In the middle of the mutual fund homepage you'll find a free display of the top 10 funds for the featured category of the day (see example below). To access the full list of funds for that category or to check out one of the other 40 categories, then you'll need premium access.
Find Similar Funds (premium feature)

Let’s say that you have a mutual fund whose current rank is only a 3, 4 or 5. Most likely you will want to see if there are any alternatives that are similar to your fund… but higher ranked. You’ll get your answers by using the “Find Similar Mutual Funds” tool in the upper right section of Zacks.com’s mutual fund homepage. Just enter your mutual fund ticker and you will get four additional funds that compare favorably to yours. Below is an example of the similar funds tool for a poorly rated technology fund. Just click all the different tabs to compare the funds on various levels such as Performance, Risk Factors and more.

Fund Comparison Tool (premium feature)

This works like our “Find Similar Mutual Funds” tool, but in this case you enter up to 5 fund tickers that you want to compare. This is a great feature for investors who have a limited choice of funds they can pick from in a 401K offering or retirement plan. You’ll find this tool in the upper right portion of our mutual fund homepage.
**Mutual Fund Screener**

We have created one of the most robust, yet easy to use, mutual fund screeners on the web. You can select from up to 50 different data points to narrow down the universe of mutual funds to the ones that meet your unique criteria. All of the screening criteria are free to use except for the Zacks Mutual Fund Rank which is a **premium feature**.

Once you create a screen, then press “Save Screen” to keep that setting for your own personal use in the future.

Below is a sample screen of Zacks # 1 Ranked funds with low expense ratios and no loads.
Track Your Funds

Now that you have evaluated your funds and hopefully found even better funds, you will want to track them on Zacks.com. Free members will get anytime online access to the price performance of their funds. Premium members we will also receive daily email alerts notifying them of any changes to the rankings of their funds.

To set up a free portfolio tracker: Click Here

To set up a premium portfolio tracker with daily email alerts: Click Here

Closing Comments

Like we shared from the outset of this guide, our goal is to help you select mutual funds that will outperform the market in the future. In order to do that we shared with you how to:

- EVALUATE your current funds
- FIND better funds
- TRACK your funds and know when to sell them

You will find all the resources referenced in this guide and more on our Mutual Fund homepage at www.zacks.com/funds

If you have any questions concerning how to use the mutual fund rank or the resources on Zacks.com then please contact our customer support team at

E-mail: support@zacks.com

Phone: 800.767.3771 Ext. 9339 (Outside the US call 312.265.9339)