

THE Zacks Mutual Fund Rank GUIDE



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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).

MF Rank	Recommendation
1	Strong Buy
2	Buy
3	Hold
4	Sell
5	Strong Sell

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/myport

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](#).

The screenshot displays the Zacks Mutual Fund website interface. On the left is a navigation menu with sections for 'Top Zacks Features' (including Free Membership, Premium Home, Zacks Rank, Equity Research, My Portfolio, Stock Screener, Profit Tracks, Mutual Funds, Options, Zacks Video, RSS Feed, and Profit from the Pros) and 'Subscription Services' (including Product Guide, Zacks Premium, Zacks Elite, Method for Trading, Chart Patterns Trader, and Double Your Money). The main content area is divided into three primary sections: 'Mutual Fund Commentary', 'Mutual Fund Research', and 'Top Ranked Funds - Equity - Sector Technology'. The 'Mutual Fund Commentary' section lists various fund categories such as 'Best of Funds', 'Top 5 Technology Funds', 'Best of Fund Family', 'Top JPMorgan Funds', 'Best Performing Funds Year to Date', 'Top 5 Best Performing Financial Funds', 'Highest Yielding Zacks #1 Ranked Funds', and 'Top 5 Highest Yielding Diversified Bond Funds'. The 'Mutual Fund Research' section includes tools for finding similar funds and comparing multiple funds. The 'Top Ranked Funds' section is currently displaying 'Equity - Sector Technology' funds.

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](#).

Subscription Services

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Highest Yielding Zacks #1 Ranked Funds

Top 5 Highest Yielding Government Bond Funds

Top 5 Highest Yielding Diversified Bond Funds
 Top 5 Highest Yielding Bond Funds
 Highest Yielding Zacks #1 Funds Archive

Zacks Mutual Fund #1 Rank List

Research By Family
 Find mutual funds within Mutual Fund Families/ Companies.

Choose Fund Family ▼

Top Equity - Sector Health Funds

YTD 1 Mo 3 Mos 6 Mos 1 Yr 3 Yrs 5 Yrs 10 Yrs

Category: Equity - Sector Health ▼ Rank: All ▼ Quote: Go

Name	Symbol	Zacks Rank	NAV	1 Yr	3 Yrs	5 Yrs
Delaware Healthcare A	DLHAX	1	10.86	83.8%	N/A	N/A
Manning & Napier Life Sciences	EXLSX	1	11.65	68.1%	0.9%	6.7%
JHT Health Sciences Trust Ser I	JEHSX	1	14.84	48.1%	2.3%	N/A
Kinetics Medical Fund NL	MEDRX	1	19.90	42.3%	4.5%	6.8%
Rydex Biotechnology Inv	RYOIX	1	27.91	41.6%	6.6%	7.2%
Eaton Vance WW Health Sciences A	ETHSX	1	9.97	26.8%	4.2%	5.5%
ProFunds Biotech Ultra Sector Svc	BIPSX	1	53.68	26.7%	1.1%	6.4%
Franklin Biotechnology Discovery A	FBDIX	1	66.39	24.4%	0.8%	5.4%
Fidelity Select Biotechnology	FBIOX	1	75.33	24.2%	2.0%	6.7%
Fidelity Adv Biotechnology I	FBTIX	1	8.05	23.9%	1.8%	6.4%

[See All Equity - Sector Health Funds](#)

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.

[Screener](#)
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[Best of Funds](#)
[Best of Fund Family](#)
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Overview Performance Portfolio Risk Factors Cost Structure							
Fund	Symbol	Zacks Rank 	NAV	1 Yr. Total Return	Exp. Ratio	Avg. Mkt. Cap	Manager Tenure
Munder Technology A	MTFAX	4	\$4.10	57.5%	3.46 Above Average	68151 Above Average	01-DEC-99
Fidelity Adv Technology A	FADTX	1	\$21.40	96.5%	1.23 Below Average	77801 Above Average	01-JAN-05
Fidelity Adv Commcnctns Equipmt A	FDMAX	1	\$9.31	94.1%	1.4 Below Average	38088 Below Average	01-MAY-03
Munder Internet Fund A	MNNAX	1	\$25.48	75.6%	2.62 Above Average	47212 Below Average	01-DEC-99
Henderson Global Technology A	HFGAX	1	\$17.47	71.6%	1.81 Average	52487 Above Average	01-AUG-01

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.

Zacks.com: Mutual Fund Screener Zacks.com Logout
 BETA VERSION 3.2
 Switch to Stock Screener | New Screen | Edit Criteria | Edit View | Export | Save Screen | My Screens | Predefined

My Criteria (4 Items)
 20 Matches. Run Screen

Add All	Fund Name	Ticker	Net Asset Value (NAV)	Mutual Fund Rank	Load	Objective Description	Expense Ratio
+	Vanguard Extended Market Index Inv	VEXMX	32.8	1	N	Equity - Growth	.3
+	DFA US Large Cap Val Portfolio	DFLVX	17.12	1	N	Equity - Growth	.3
+	Lord Abbett Mid-Cap Value I	LMCYX	13.1	1	N	Equity - Growth	.46
+	Vanguard Extended Market Index Inst	VIEIX	32.82	1	N	Equity - Growth	.09
+	Vanguard Extended Market Index Adm	VEXAX	32.81	1	N	Equity - Growth	.15
+	Vanguard Capital Value Inv	VCVLX	9.13	1	N	Equity - Growth	.45
+	Schwab Fundml US Lg Co Indx TM Inst	SFLNX	8.18	1	N	Equity - Growth	.35
+	Schwab Fundml US S/M Co Indx TM Ins	SFSNX	8.9	1	N	Equity - Growth	.35
+	Vanguard Mid-Cap Growth Index Inv	VMGIX	18.83	1	N	Equity - Growth	.3
+	Vanguard Mid-Cap Value Index Inv	VMVIX	17.67	1	N	Equity - Growth	.3
+	DFA Tax-Managed US Mktwide Value II	DFMVX	12.09	1	N	Equity - Growth	.26
+	DFA Tax-Managed US Mktwide Value	DTMMX	12.56	1	N	Equity - Growth	.4
+	DFA US Large Cap Value II	DFCVX	8.14	1	N	Equity - Growth	.23

Add Tickers To Portfolio Click To Edit Criteria

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)