

THE FACTS

Mutual Fund Observer

mutualfundobserver.com



THE OBSERVER IN NUMBERS

Number of readers: **25,000**
“unique visitors” per month

Readers who identify as financial
advisers or investment managers:
14.2%

110 fund profiles

14,400 discussion board
threads, and **3.3 million**
discussion board views

405 Great Owl Funds, top
decile performers over all trailing
periods: including **227** equity,
34 hybrid, **144** fixed income

2.1 million visits through
July 2015. **25** countries with a
thousand or more visits. India ranks
4th, behind the US, Canada and
the UK.

— as of June 2015

OUR MISSION

The Mutual Fund Observer writes for the benefit of intellectually curious, serious investors—managers, advisers, and individuals—who need to go beyond marketing fluff, beyond computer-generated recommendations and beyond Morningstar’s coverage universe.

We are non-profit, non-commercial, independent and accessible. Our special focus is on innovative, independent new and smaller funds. MFO’s mission is to provide readers with calm, intelligent arguments and to provide independent fund companies with an opportunity to receive thoughtful attention even though they might not yet have drawn billions in assets. Its coverage universe has been described as “the thousands of funds off Morningstar’s radar,” a description one fund manager echoes as “a Morningstar for the rest of us.”

WHAT THE OBSERVER PROVIDES

A **monthly commentary**, featuring a variety of voices that speak from many different perspectives but who all share the same values: intelligence, respect, civility.

Profiles of funds you ought to know more about. We ask three questions to start:

1. Is there any reason this fund should even exist, other than because the manager needs a job?
2. Is there any reason to believe that the manager can execute the strategy?
3. Is there any reason to believe that the manager will end up sabotaging it?

If we find satisfactory answers to all three, we start digging through the public record, proceed to speak with the managers and end up defending a judgment.

Rich analytics focusing on risk, as well as rosters of distinguished and disastrous funds.

A **lively discussion board**, whose active members are diverse, lively, passionate...and occasionally hilarious.

OUR HISTORY

In the 1990s, the mutual fund industry was drunk on its own success. The market was booming, returns of 150–200% were not uncommon, money was pouring in, bad ideas were instantly popular and star managers could do no wrong. The financial media, true to their role as the industry’s pornographers, provided fawning coverage of the industry’s giants and geniuses. In response to “insatiable demand for information about mutual funds,” there was even a mass market Mutual Funds Magazine launched in 1994.

Everyone knew what you should buy (“The One Fund You MUST OWN NOW!”), but no one told you the truth: a lot of this was self-promotional marketing crap rolled out in support of poorly-conceived, sloppily-executed investing crap.

Until FundAlarm. Roy Weitz, JD, CPA, professional investor and sharp-eyed skeptic, launched FundAlarm in 1996 with this explanation: “There are hundreds of resources, both on and off the Web, to help you identify the best mutual funds to buy. The sole purpose of FundAlarm is to help you identify those mutual funds that you should sell.” In the following 15 years, Roy published monthly lists of “Alarming” and “Most Alarming” funds along with relentlessly sharp, often hilarious monthly commentaries that pricked a lot of bubbles. His voice became legendary. In 2011, Roy decided that it was time to retire, and to retire FundAlarm. He approached the only other person ever trusted to write for FundAlarm, David Snowball, and encouraged him to launch “a site in the tradition of FundAlarm.”

In April 2011 we launched the Observer. We became a non-profit corporation in June 2015 and a federally tax-exempt 501(c)3 in July 2015.



Contact us

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Sessions

5,000

2,500

January 2012

January 2013

January 2014

January 2015

We think of this as the Observer's EKG, measuring the reassuring rhythms of our readership: a spike with each new issue, a lull during the volatile summer months and a steady rise, year after year, in the number of folks we reach.

OUR PEOPLE | The core four



DAVID SNOWBALL, PhD (Massachusetts). Cofounder, lead writer. David is a Professor of Communication Studies at Augustana College, Rock Island, Illinois, a nationally-recognized college of the liberal arts and sciences. For 25 years, David competed on then coached college debate teams with more than 1,500 individual victories and 50 tournament championships. When he retired from that research-intensive endeavor, his interest turned to researching fund investing and fund communication strategies. He served as closing moderator of Brill's Mutual Funds Interactive, was the Senior Fund Analyst at FundAlarm and wrote over 200 fund profiles. David lives in Davenport, Iowa, with his son Will and Will's loony compendium of unannounced school, music and sports commitments.



CHERYL WELSCH, MBA (Western Governors). Cofounder, technical director. Chip is the director of information technology for SUNY-Sullivan, where she's also served as instructor, academic adviser and member of the president's cabinet. Chip is responsible for making the Observer actually happen; in cooperation with our graphic designer, she also controls how the Observer looks and acts. She also writes our monthly Manager Changes feature and whittles away at the typosfest in our drafts.



CHARLES BOCCADORO, Post Graduate Diploma (von Karman Institute, Belgium), BS (MIT). Associate editor, data wizard. Described by *Popular Science* as "enthusiastic, voluble and nattily-dressed," Charles describes himself as "a recently retired aerospace engineer." He doesn't brag about a 30-year career that included managing programs like DARPA's Quiet Supersonic Platform, working with NASA, and receiving a host of industry accolades. Charles is renowned for thoughtful, data-rich analyses and is the driving force behind the Observer's fund ratings and fund screeners.



EDWARD STUDZINSKI, JD (Duke), MBA (Northwestern), CFA. Associate editor, curmudgeon. Ed co-managed The Oakmark Equity and Income Fund (OAKBX). At the Mercantile National Bank of Indiana, a rarity among banks in following a strict deep-value investment strategy, he managed two equity trust funds and MNB's investment portfolio. The bulk of his law career however was in government service as a Navy JAG. Ed knows more about the industry, its history, norms, quirks, peccadillos and players, than anyone we know, and he writes about them with clarity, vigor, and passion.

OTHER VOICES

The Observer has been honored by the editorial presence of some awfully distinguished members of the analytic community. They contribute insight and expertise that vastly enriches our offerings.

BRIAN HASKIN, founder of Daily Alts, a well-respected site for news, data and analysis on liquid alts funds. **SAM LEE**, principal of Severian Asset Management and former editor of the Morningstar ETFInvestor newsletter. **DAVID SMITH**, founder of FundFox, which tracks federal litigation affecting the mutual fund industry. Toiling ceaselessly behind the curtains are the friends of the Observer: graphic designer **BARBARA BRADAC**, researcher **DAVID WELSCH**, master programmer **ACCIPITER**, the shadowy **THE SHADOW** and countless dedicated readers and critics.



... and what's up with the owl?

It's a Great Horned Owl, actually. We sought to ground our visual identity in a creature whose nature and mythology captures our own aspiration. Since classical Greece, the owl has been associated with wisdom, foresight and, because of its exceptional night vision, the ability to see what others cannot. It travels at night, when mischief might be afoot, and so some Native American tribes view it as a protector spirit. The Great Horned Owl, an American native, is powerful and fiercely protective. Dubbed "tiger of the air" by early naturalists, it is fearless, silent and willing to strike creatures many times its size. Also cool-looking.

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OWL IMAGE © JUDY ARONOW 2015

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What the pros say

“The keenest observers of money that I know always read MFO, mostly for the matter-of-fact and, at times, irreverent commentary on the fund world. If this were Instagram it would be #nofilter.” **ARI I. WEINBERG**, contributor to *The Wall Street Journal* and *Pensions & Investments*.

MFO, is now “one of the most important financial publications of the day,” says

JOSH BROWN, chief executive of Ritholtz Wealth Management in New York.

JAVIER ESPINOSA, reporter for *The Wall Street Journal*: *David is, “an unpaid mutual-funds guru, the founder and editor of the free, noncommercial Mutual Fund Observer website. His mission: to provide advice for small investors, aided by a team of enthusiastic fellow volunteers.”*

MICHAEL JOHNSTON, 10 Mutual Fund Experts Worth Following: *“#2 David Snowball is...the publisher of the influential Mutual Fund Observer. This site has been praised for its constructive criticism of the mutual fund industry, and now reaches more than 25,000 subscribers. The monthly updates...contain an incredible amount of information.”*

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