

The Street

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A Newly Rated ETF Ranked at Buy

By Kevin Baker

NEW YORK (TheStreet Ratings) -- TheStreet.com Ratings initiated coverage of 27 exchange-traded funds, or ETFs, that accrued a sufficient track record of risk and performance data by the end of July 2012. Of the 27 newly rated exchange-traded funds, just one starts out at 'Buy' with grades of B- or better on superior first year results

Nine funds get initial 'Hold' level ratings of C+ to C- by finishing in the middle of the pack. Finally, 17 ETFs begin at 'Sell' with grades of D+ or worse after underperforming alternative ETF investments in the past year on a risk-adjusted return basis.

Here is the one newly rated ETF ranked at 'Buy':

1. Market Vectors CEF Muni Inc ETF

Market Vectors CEF Muni Inc ETF (XMPT) seeks to replicate as closely as possible the price and yield performance of the S-Network Municipal Bond Closed-End Fund Index. The underlying invests in municipal bonds issued by states, local government, or agencies, the income of which is exempt from US Federal income tax.

The fund turned in a stellar first year return earning a Reward grade of "A+". Lower volatility garnered a good Risk grade of "B+" validating the underlying strategy.

Expense Ratio: 1.43%

One Year Total Return: 27.3%

Rated "A+" by TheStreet Ratings:

Here are the nine newly rated ETFs ranked at 'Hold':

9. iShares MSCI ACWI ex US TS Index

iShares MSCI ACWI ex US TS Index (AXTE) seeks investment results that correspond generally to the price and yield

performance of the MSCI All Country World ex USA Telecom Services Index. The underlying index is designed to measure the combined equity market performance of the telecom sector of developed and emerging markets countries excluding the US.

Expense Ratio: 0.48%

One Year Total Return: -4.1%

Rated "C-" by TheStreet Ratings:

8. First Trust Small Cap Val AlphaDEX

First Trust Small Cap Val AlphaDEX (FYT) seeks investment results that correspond generally to the price and yield of an equity index called the the Defined Small Cap Value Index. The fund will normally invest at least 90 percent of its net assets in common stocks that comprise the index.

Expense Ratio: 0.70%

One Year Total Return: 11.7%

Rated "C-" by TheStreet Ratings:

7. ProShares Hedge Replication ETF

ProShares Hedge Replication ETF (HDG) seeks investment results, before fees and expenses, that track the performance of the Merrill Lynch Factor Model Exchange Series. The fund invests in a combination of equity securities and derivatives that ProShare Advisors believes should track the performance of the index.

Expense Ratio: 0.95%

One Year Total Return: 1.1%

Rated "C-" by TheStreet Ratings:

6. First Trust Mid Cap Growth AlphaDEX

First Trust Mid Cap Growth AlphaDEX (FNY) seeks investment results that correspond generally to the price and yield of an equity index called the Defined Mid Cap Growth Index. The fund attempts to replicate, before fees and expenses, the performance of the underlying index.

Expense Ratio: 0.70%

One Year Total Return: 9.6%

Rated “C-” by TheStreet Ratings:

5. Russell 2000 High Momentum ETF

Russell 2000 High Momentum ETF (SHMO) seeks investment results that closely correspond to the total return of the Russell-Axioma U.S. Small Cap High Momentum Index. The fund seeks to gain exposure to the factors exhibited in its index. The fund will normally invest at least 80 percent of its total assets in common stocks that comprise the index.

Expense Ratio: 0.30%

One Year Total Return: 11.9%

Rated “C” by TheStreet Ratings:

4. First Trust Mid Cap Val AlphaDEX

First Trust Mid Cap Val AlphaDEX (FNK) seeks investment results that correspond generally to the price and yield of an equity index called the Defined Mid Cap Value Index. The fund attempts to replicate, before fees and expenses, the performance of the underlying index.

Expense Ratio: 0.70%

One Year Total Return: 14.0%

Rated “C” by TheStreet Ratings:

3. iShares MSCI ACWI exUS Consumer Staples Index

iShares MSCI ACWI exUS Consumer Staples Index (AXSL) seeks investment results that correspond generally to the price and yield performance of the MSCI All Country World ex USA Consumer Staples Index. Component securities include those of food and drug retailers, food producers, tobacco companies and household products manufacturers.

Expense Ratio: 0.48%

One Year Total Return: 10.1%

Rated “C” by TheStreet Ratings:

2. First Trust Small Cap Gro AlphaDEX

First Trust Small Cap Gro AlphaDEX (FYC) seeks investment results that correspond generally to the price and yield of an equity index called the Defined Small Cap Growth Index. The fund will normally invest at least 90 percent of its net assets in common stocks that comprise the underlying index.

Expense Ratio: 0.70%

One Year Total Return: 14.9%

Rated “C” by TheStreet Ratings:

1. Schwab US Aggregate Bond ETF

Schwab US Aggregate Bond ETF (SCHZ) seeks to track the total return of the Barclays Capital U.S Aggregate Bond Index. The index measures the performance of the US investment grade, taxable bond market, including US Treasuries, government related and corporate bond, mortgage pass through securities, and commercial mortgage-backed securities.

Expense Ratio: 0.10%

One Year Total Return: 6.0%

Rated “C+” by TheStreet Ratings:

17 Newly Rated ETFs Ranked at 'Sell'

Fund (Ticker) Initial Rating	Expense Ratio	Total Return 1 Year
Precidian Maxis Nikkei 225 Index (NKY) D+	0.50	-5.73%
First Trust ISE Cloud Computing Idx (SKYY) D+	0.60	3.91%
First Trust Japan AlphaDEX (FJP) D+	0.80	-13.39%
First Trust Dev Mkt Ex-US AlphaDEX (FDT) D	0.80	-8.92%
Russell 2000 High Volatility ETF (SHVY) D	0.30	-7.79%
First Trust Europe AlphaDEX (FEP) D	0.80	-15.65%
First Trust Latin America AlphaDEX (FLN) D	0.80	-1.61%
First Trust Emerg Mkt AlphaDEX (FEM) D	0.80	-11.08%
First Trust South Korea AlphaDEX (FKO) D	0.80	-12.42%
IndexIQ Emerging Mkts MC ETF (EMER) D-	0.75	-11.58%
First Trust Brazil AlphaDEX (FBZ) D-	0.80	-10.78%
2x Levered CS Mrg Arb Lq Idx (CSMB) D-	0.55	-4.89%
First Trust China AlphaDEX (FCA) D-	0.80	-15.39%
iPath Pure Beta Copper ETN (CUPM) E+	0.75	-18.37%
UBS E-TRACS Internet IPO ETN (EIPO) E+	0.65	-31.29%
Direxion Daily Healthcare Bear 3X (SICK) E	0.95	-57.45%
iPath LngEnh S&P500 VIX MT Fut II (VZZB) E-	0.89	-41.08%

Source: TheStreet Ratings

Research Methodology

TheStreet.com Ratings condenses the available fund performance and risk data into a single composite opinion of each fund's risk-adjusted performance. This allows the unbiased identification of those funds that have historically done well and those that have underperformed the market. While there is no guarantee of future performance, these Investment Ratings

provide a solid framework for making informed, timely investment decisions. The funds listed below have reached their one year anniversary.

Funds rated A or B are considered "Buy" rated based on a track record of higher than average risk-adjusted performance. Funds at the C level are rated as "Hold," while underperformers at the D and E levels our model ranks as "Sell."

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