

ARKF

ARK Fintech Innovation ETF

Analyst Report

The ARK Fintech Innovation ETF (ARKF) is an actively-managed fund from the team at ARK Invest that tries to pick the companies best positioned to profit from advancements in energy, automation, manufacturing, materials and transportation. The advisory firm, led by Catherine Wood, has an impressive track record doing what most stock pickers fail to do: beating the market. This fund aims to pick the winners in financial technology such as blockchain, transaction innovation, and customer platforms. The fund owns about 40 stocks. Its top holding is mobile payment company Square Inc., real estate listings giant Zillow, and MercadoLibre, an online trading site for Latin American markets. ARKF also owns sizable slugs of tech and social media giants like Apple and Pinterest.

ARKF launched in late 2019, years after some of its closer competitors, so it lags in size but has still raised more than \$100 million in assets. ARKF's management fee of 75 basis points might seem expensive in the ultra-low-cost world of passive ETFs, but it's cheap for active management. It might look like an especially good bargain compared with passive competitors such as the ETFMG Prime Mobile Payments ETF (IPAY) which charges the same fee as ARKF, or the Global X FinTech ETF (FINX) which costs 68 basis points. Any actively-managed product is ultimately a bet on the portfolio managers who pick the stocks. ARK's products are geared toward investors who have the fortitude and faith to ride out short-term blips in the hopes of earning long-term alpha.

ESG Themes and Scores

5.13/10

ESG Rate

22.97%

Global Percentile

23.14%

Peer Percentile

Performance Data

	ARKF	ETF Database Category Average	Factset Segment Average
1 Month	7.03%	2.91%	2.21%
3 Month	10.67%	4.94%	3.64%
YTD Return	14.20%	5.26%	4.65%
1 Year Return	59.90%	24.92%	22.30%
3 Year Return	13.42%	11.58%	2.68%
5 Year Return	9.17%	9.93%	1.83%

Top 5 Holdings

Symbol	Holding	% Assets
SHOP	Shopify, Inc. Class A	10.04%
COIN	Coinbase Global, Inc. Class A	8.08%
HOOD	Robinhood Markets, Inc. Class A	6.62%
Other	MUTUAL FUND (OTHER)	5.38%
XYZ	Block, Inc. Class A	5.27%

Vitals

Issuer	ARK Invest LLC
Brand	ARK
Structure	ETF
Expense Ratio	0.75%
Inception	Feb 04, 2019
Index Tracked	N/A

ETF Database Themes

Category	Large Cap Growth Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Growth
Region (General)	Developed Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Global FinTech
Category	Sector
Focus	Theme
Niche	FinTech
Strategy	Active
Weighting Scheme	Proprietary

