

ARKK

ARK Innovation ETF

Analyst Report

The ARK Innovation ETF (ARKK) is the flagship actively-managed fund from the team at ARK Invest. The advisory firm, led by Catherine Wood, has an impressive track record doing what most stock pickers fail to do: beating the market.

ARKK has routinely outperformed passive rivals like State Street's popular index-tracking Technology Select Sector SPDR Fund (XLK). At one point, the fund made an exceptionally well-timed investment in Bitcoin, which turbocharged its performance. But ARK is known for high-conviction bets, and the firm has come under fire for its outsized wager on Tesla.

The stated goal of ARKK is to invest in companies that are poised to profit from "disruptive innovation" like artificial intelligence, DNA technologies, energy innovation, automation, financial technology and the increased use in cloud computing.

Like many of ARK's ETFs, ARKK has made a long-term bet on Tesla. Other top holdings include 3D printer firms like Protolabs, as well as companies involved in genetic therapies like Intellia Therapeutics.

Any actively-managed product is ultimately a wager 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 volatility in favor of long-term gains. ARKW's management fee might seem pricey in the ultra-low-cost world of passive ETFs, but it's cheap for active management, especially when the manager delivers significant alpha.

For investors worried ARK has been lucky rather than good, there are broad-based technology funds available for a fraction of the price, including XLK or the Vanguard Information Technology ETF (VGT).



ESG Themes and Scores

4.66/10

ESG Rate

17.73%

Global Percentile

19.72%

Peer Percentile

Performance Data

| | ARKK | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | 7.33% | 1.41% | 2.49% |
| 3 Month | 14.41% | 2.04% | 5.66% |
| YTD Return | 12.70% | 4.34% | 5.30% |
| 1 Year Return | 35.24% | 17.42% | 16.78% |
| 3 Year Return | -0.15% | 6.52% | 3.50% |
| 5 Year Return | 1.82% | 5.13% | 0.34% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|------------------------------------|----------|
| TSLA | Tesla, Inc. | 11.55% |
| ROKU | Roku, Inc. Class A | 8.67% |
| COIN | Coinbase Global, Inc. Class A | 7.35% |
| RBLX | Roblox Corp. Class A | 6.04% |
| PLTR | Palantir Technologies Inc. Class A | 5.73% |

Vitals

| | |
|---------------|----------------|
| Issuer | ARK Invest LLC |
| Brand | ARK |
| Structure | ETF |
| Expense Ratio | 0.75% |
| Inception | Oct 31, 2014 |
| Index Tracked | N/A |

ETF Database Themes

| | |
|-------------------|------------------|
| Category | All Cap Equities |
| Asset Class | Equity |
| Asset Class Size | Multi-Cap |
| Asset Class Style | Growth |
| Region (General) | North America |
| Region (Specific) | U.S. |

FactSet Classifications

| | |
|-----------|-------------------------------|
| Segment | Equity: Global Broad Thematic |
| Category | Sector |
| Focus | Theme |
| Niche | Broad Thematic |
| Strategy | Active |
| Weighting | Proprietary |