

ARKQ

ARK Autonomous Technology & Robotics ETF

Analyst Report

The ARK Autonomous Technology & Robotics ETF (ARKQ) 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.

Like several other ARK ETFs, the fund's biggest holding is Tesla, reflecting ARK's high conviction in the value of the electronic carmaker's technology. Other top investments as of March 2020 include 3D printing companies like Stratasys Ltd. and Protolabs, Chinese online retailer JD.com, and Teradyne, a robotics and automation company.

ARKQ's management fee of 75 basis points might seem pricey in the ultra-low-cost world of passive ETFs, but it's cheap for active management. It appears to be worth it. In the three years through March 2020, ARKQ outperformed passive rivals like the Global X Robotics & Artificial Intelligence ETF (BOTZ) and the ROBO Global Robotics & Automation Index ETF (ROBO).

For skeptics worried ARK has been lucky rather than good, ARK's flagship Innovation ETF (ARKK) has routinely outperformed passive rivals like State Street's popular index-tracking Technology Select Sector SPDR Fund (XLK). But ARK is known for idiosyncratic high-conviction bets, and the firm has come under fire for its outsized wager on Tesla.

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 favor of the prospect

ESG Themes and Scores

6.75/10

ESG Rate

58.45%

Global Percentile

62.21%

Peer Percentile

Performance Data

	ARKQ	ETF Database Category Average	Factset Segment Average
1 Month	5.06%	2.96%	2.74%
3 Month	1.69%	3.92%	-2.74%
YTD Return	-5.03%	10.28%	-2.02%
1 Year Return	-0.22%	17.35%	3.67%
3 Year Return	-13.58%	1.79%	-3.67%
5 Year Return	12.21%	4.83%	1.83%

Top 5 Holdings

Symbol	Holding	% Assets
TSLA	Tesla, Inc.	14.36%
TER	Teradyne, Inc.	9.91%
KTOS	Kratos Defense & Security Solutions, Inc.	9.45%
IRDM	Iridium Communications Inc.	6.41%
TRMB	Trimble Inc.	4.64%

Vitals

Issuer	ARK Investment Management LP
Brand	ARK
Structure	ETF
Expense Ratio	0.75%
Inception	Sep 30, 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)	Developed Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Global Robotics & AI
Category	Sector
Focus	Theme
Niche	Robotics & AI
Strategy	Active
Weighting	Proprietary

