

GSSC

TR Activebeta US Small Cap Equity ETF

Analyst Report

The Goldman Sachs ActiveBeta US Small Cap Equity ETF (GSSC) offers broad exposure to small-cap stocks with Goldman's multi-factor twist. GSSC tracks a proprietary index that takes a multi-factor approach, looking for stocks that exhibit good value, strong momentum, high quality, and low volatility. Top holdings include Trex, Deckers Outdoor and Boston Beer Company.

The case for investing in small companies is the growth potential compared to mega-cap stocks that may have already hit their peak. The downside is that small companies also come with a fair amount of risk. Changes in regulations, economic circumstances, or access to credit could send share prices tumbling. While some exposure to small companies is standard for many portfolios, investors should avoid the risk of leaning too heavily on a notably volatile segment.

GSSC is reasonably priced for a multi-factor ETF, though more expensive than the iShares Core S&P Small-Cap ETF (IJR), the plain-vanilla index ETF that is among the biggest in the small-cap segment. There are other differences besides cost. GSSC owns more than twice as many stocks as IJR. It also has a smaller slice of its portfolio invested in micro-cap stocks. Does Goldman's factor twist work? There's limited performance history to go on since GSSC was launched in mid-2017, but it did outperform IJR during the pandemic turmoil of the first five months of 2020.

ESG Themes and Scores

5.25/10

ESG Rate

18.13%

Global Percentile

9.01%

Peer Percentile

Performance Data

	GSSC	ETF Database Category Average	Factset Segment Average
1 Month	4.55%	4.18%	2.39%
3 Month	10.23%	9.36%	6.78%
YTD Return	14.85%	16.46%	12.87%
1 Year Return	33.73%	35.40%	25.71%
3 Year Return	18.35%	16.08%	9.38%
5 Year Return	7.54%	4.89%	3.33%

Top 5 Holdings

Symbol	Holding	% Assets
FTOXX	Goldman Sachs Trust Financial Square Treasury	1.44%
BE	Bloom Energy Corporation Class A	1.01%
CRDO	Credo Technology Group Holding Ltd.	0.70%
STRL	Sterling Infrastructure, Inc.	0.65%
IESC	IES Holdings, Inc.	0.58%

Vitals

Issuer	Goldman Sachs
Brand	Goldman Sachs
Structure	ETF
Expense Ratio	0.20%
Inception	Jun 28, 2017
Index Tracked	Goldman Sachs ActiveBeta US Small Cap Equity

ETF Database Themes

Category	Small Cap Growth Equities
Asset Class	Equity
Asset Class Size	Micro-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Small Cap
Category	Size and Style
Focus	Small Cap
Niche	Broad-based
Strategy	Multi-factor
Weighting	Tiered

