

JPSE

JPMorgan Diversified Return U.S. Small Cap Equity ETF Analyst Report

The JPMorgan Diversified Return U.S. Small Cap Equity ETF (JPSE) tracks a broad index of small-cap U.S. stocks. The methodology combines risk-based portfolio construction with multi-factor security selection based on value, momentum, and quality. The case for investing in small companies is growth potential. 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.

The ETF marketplace has seen an explosion in recent years in “factor” funds covering every asset class. JPSE’s competition includes the iShares Edge Multifactor U.S.A. Small-Cap ETF (SMLF), the First Trust Small Cap Core AlphaDEX Fund (FYX), the Goldman Sachs ActiveBeta US Small Cap Equity ETF (GSSC), and the John Hancock Multifactor Small Cap ETF.

JPSE is reasonably priced for a multi-factor ETF. As of June 2020, its management fee is a bit below the average for the ETFdb small-cap growth category. However, it is still considerably more expensive than ultra-low-cost rivals like the Vanguard Small Cap Value ETF (VBR) and the iShares Core S&P Small-Cap ETF (IJR), which is among the biggest in the small-cap segment.

ESG Themes and Scores

5.43/10	21.8%	19.66%
ESG Rate	Global Percentile	Peer Percentile

Performance Data

	JPSE	ETF Database Category Average	Factset Segment Average
1 Month	4.40%	4.60%	5.02%
3 Month	14.49%	17.82%	15.38%
YTD Return	20.19%	19.36%	16.83%
1 Year Return	35.58%	34.50%	27.24%
3 Year Return	17.04%	16.14%	9.68%
5 Year Return	7.73%	5.10%	3.75%

Top 5 Holdings

Symbol	Holding	% Assets
TTMI	TTM Technologies, Inc.	0.67%
STRL	Sterling Infrastructure, Inc.	0.63%
UCTT	Ultra Clean Holdings, Inc.	0.60%
KLIC	Kulicke & Soffa Industries, Inc.	0.57%
MGMXX	JPMorgan Trust II U.S. Government Money Market Fund	0.54%

Vitals

Issuer	JP Morgan
Brand	JPMorgan
Structure	ETF
Expense Ratio	0.29%
Inception	Nov 15, 2016
Index Tracked	JPMorgan Diversified Factor US Small Cap Equity Index

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	Volatility

