

QGRO

American Century U.S. Quality Growth ETF

Analyst Report

The American Century STOXX U.S. Quality Growth ETF tracks an index that tries to identify U.S. companies that have higher growth potential and stronger financial fundamentals relative to rivals. The index screens stocks based on growth, quality, and income, using measures like sales, profitability, cash flow, and return on assets and equity. By focusing on larger companies with sound fundamentals and less volatility, QGRO attempts to mitigate some of the risk inherent in growth equities. The fund aims to have 35 percent to 65 percent of its portfolio in high-growth stocks, and 30 percent to 65 percent in so-called stable growth companies that exhibit attractive profitability and valuation. QGRO has a larger allocation to mid cap names than some single-factor quality and growth ETFs on the market, making it appealing for investors who want some diversification out of the large cap space. Money managers have long recognized that certain factors, when deployed during certain market conditions, have consistently rewarded investors, such as volatility, value, quality, growth, and price momentum. Factor ETFs have proliferated in recent years and there are many active and passive ETF options that target single factors or a combination. QGRO is reasonably priced for a multi-factor index fund, though it's more expensive than ultra-low-cost plain-vanilla index ETFs. QGRO also owns a relatively narrow slice of the market, so investors sacrifice diversification in exchange for the factor strategy. QGRO could make a good complement for a core equity holding for investors who want a multi-factor approach and believe in American Century's strategy. Investors should compare price, performance, and portfolio against plain-vanilla index funds and other multi-factor ETFs in the U.S. equity space, as well as quality, growth, and dividend-focused ETFs.

ESG Themes and Scores

6.75/10

ESG Rate

58.63%

Global Percentile

60.17%

Peer Percentile

Performance Data

	QGRO	ETF Database Category Average	Factset Segment Average
1 Month	5.10%	3.28%	2.87%
3 Month	4.36%	3.37%	2.59%
YTD Return	13.62%	14.24%	11.13%
1 Year Return	23.69%	23.19%	15.28%
3 Year Return	4.81%	3.98%	1.18%
5 Year Return	16.08%	9.45%	3.16%

Top 5 Holdings

Symbol	Holding	% Assets
BKNG	Booking Holdings Inc.	3.05%
VLTO	Veralto Corporation	3.05%
AMZN	Amazon.com, Inc.	3.01%
NOW	ServiceNow, Inc.	2.58%
KMB	Kimberly-Clark Corporation	2.50%

Vitals

Issuer	American Century Investments
Brand	American Century
Structure	ETF
Expense Ratio	0.29%
Inception	Sep 10, 2018
Index Tracked	American Century U.S. Quality Growth Index

ETF Database Themes

Category	Large Cap Growth 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: U.S. - Total Market Growth
Category	Size and Style
Focus	Total Market
Niche	Growth
Strategy	Growth
Weighting	Fundamental

