

VALQ

American Century U.S. Quality Value ETF

Analyst Report

The American Century STOXX U.S. Quality Value ETF tracks an index that tries to identify undervalued large cap companies that have stronger financial fundamentals relative to rivals. The index screens stocks based on value, quality, and income. The fund aims to have 30 percent to 80 percent of its portfolio in value stocks, and 20 percent to 65 percent in stocks that exhibit sustainable income. 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. So-called value stocks — defined as companies with low share prices relative to their fundamentals — have historically outperformed the market over the long-term. Factor ETFs have proliferated in recent years and there are many active and passive ETF options that target different factors. Some target a single factor while others invest in a combination. VALQ is reasonably priced for a multi-factor index fund, though it's more expensive than ultra-low-cost plain-vanilla index ETFs. VALQ also owns a relatively narrow slice of the market, so investors sacrifice diversification in exchange for the factor strategy. VALQ 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, value, and dividend-focused ETFs.

ESG Themes and Scores

6.87/10

ESG Rate

64.32%

Global Percentile

86.39%

Peer Percentile

Performance Data

	VALQ	ETF Database Category Average	Factset Segment Average
1 Month	3.80%	3.16%	2.95%
3 Month	4.52%	8.47%	7.48%
YTD Return	4.67%	12.58%	9.63%
1 Year Return	15.60%	26.29%	18.52%
3 Year Return	13.88%	14.26%	9.20%
5 Year Return	9.00%	6.60%	4.09%

Top 5 Holdings

Symbol	Holding	% Assets
LMT	Lockheed Martin Corporation	2.51%
BMJ	Bristol-Myers Squibb Company	2.44%
PG	Procter & Gamble Company	2.40%
MRK	Merck & Co., Inc.	2.36%
CSCO	Cisco Systems, Inc.	2.28%

Vitals

Issuer	American Century Investments
Brand	American Century
Structure	ETF
Expense Ratio	0.29%
Inception	Jan 11, 2018
Index Tracked	American Century U.S. Quality Value Index

ETF Database Themes

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

FactSet Classifications

Segment	Equity: U.S. - Total Market Value
Category	Size and Style
Focus	Total Market
Niche	Value
Strategy	Value
Weighting	Fundamental

