

AUSF

Global X Adaptive U.S. Factor ETF

Fund Description

AUSF tracks an index of US large- and mid-cap stocks with exposure to value, momentum, and/or low volatility factors. Factor exposure is determined by the recent performance of each factor.

FactSet Analyst Report

AUSF's portfolio rotates between three sub-portfolios with exposure to different investment factors: value, momentum, and low volatility. Each factor portfolio consists of 100 large- and mid-cap stocks, although fund documents do not describe how these portfolios are constructed. AUSF is premised on the theory that factor performance tends to mean-revert, so outperforming factors should be avoided. At each quarterly rebalance, the fund's index ranks the total-return performance of each factor over the past 2 years. AUSF then holds the two weakest performing factor portfolios, equally weighted. If there is little difference (2% or less) between the two best performing factors, the fund will hold all three factor portfolios, giving 20% weight to the best performer and 40% each to the other two.