

CFA

VictoryShares US 500 Volatility Wtd ETF

Fund Description

CFA tracks an index of the largest US stocks by market cap, screened for positive earnings and weighted by volatility.

FactSet Analyst Report

CFA combines a simple quality screen with a straightforward low-volatility weighting scheme. The 500 in the fund's name has no ties to the S&P 500. Instead, CFA takes the largest 500 publicly traded US stocks within the Nasdaq Global Index, screened for consecutive positive earnings in the last four quarters, and weights them inversely to their recent price volatility. Meaning, stocks with lower volatility receive a higher weighting while those with higher volatility receive a lower weighting. This produces a bigger basket than you'll find in low-vol SPLV and min-vol USMV. Sister funds CFO and CDC can move to cash in down markets and CDC also screens for high dividend yield.