

CFO

VictoryShares US 500 Enhanced Volatility Wtd ETF

Fund Description

CFO tracks an index of the largest US stocks by market cap, screened for positive earnings and weighted by volatility. The fund can move to 75% cash maximum in market downturns.

FactSet Analyst Report

CFO attempts to provide broad exposure to US large-caps while reducing the amount of attendant volatility. To this end, it employs three moving parts: a simple quality screen, low-volatility weighting, and a cash toggle. The quality screen removes firms with negative earnings over the past four quarters. Low-volatility weighting gives more weight to stocks with lower price variability and ignores correlations. CFO then adds a cash toggle that is triggered by a 10% drop from CFA's all-time high and moves 75% into cash. In severe downturns, CFO will leg back in as stock prices drop.