

CIZ

VictoryShares Developed Enhanced Volatility Wtd ETF

Fund Description

CIZ tracks an index of 500 ex-US developed-market stocks screened for positive earnings weighted by volatility. The fund can hold up to 75% cash in market downturns.

FactSet Analyst Report

The security is being delisted. The last day of trading on an exchange is October 22, 2024. CIZ offers international large-cap exposure with downside protection. The fund takes a two-pronged approach to risk reduction low-vol weighting and cash toggle. The index screens out companies with negative earnings in any of the last four quarters, selects 500 constituents and overweights those with low price volatility. The index applies 20% country cap and 25% sector cap with semi-annual reconstitution starting each March. Furthermore, in the event of a 12% decline in its equity holdings, 75% of the portfolio will be moved to cash or cash equivalents and it has logic to buy back equities in severe downturns. CIZ will move back into stocks gradually if the market continues to decline, or immediately if the market recovers. This sort of rules-based market timing can help limit losses, though there is a risk that the fund will act too late (cash-toggles only occur at month-end). Sibling fund CIL offers the same exposure but without the cash toggle.



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