

EMEM

Sophus Capital Emerging Market ETF

Fund Description

EMEM is actively managed, seeking long-term capital appreciation through exposure to emerging market equities across all market capitalizations. Company selection uses a proprietary quantitative system.

FactSet Analyst Report

EMEM targets emerging market companies with sustainable earnings growth trading at attractive valuations. The fund uses a proprietary quantitative ranking system, the Sophus Capital Emerging Markets Alpha Model, which evaluates more than 4,000 companies. The model assesses factors such as improving earnings growth, positive earnings revisions, attractive valuations, and the potential for earnings surprises. Companies ranked in the top quintile then undergo extensive fundamental analysis, including a review of financial statements, competitive positioning, business strategy, management quality, market standing, and relevant political and economic conditions. The strategy is based on the belief that emerging markets are less information-efficient due to investor bias, inconsistent disclosure standards, and limited research coverage, particularly among smaller companies. EMEM holds stocks of any size and can gain exposure through ADRs, GDRs, and other ETFs.

