

HQGO

Hartford US Quality Growth ETF

Fund Description

HQGO tracks a multifactor index of US large-cap stocks with strong growth potential, while also increasing exposure to quality and momentum. The index is designed to alleviate the concentration risk inherent in cap-weighted indices.

FactSet Analyst Report

HQGO employs an integrated multi-factor approach designed to reduce concentration risk by 5% relative to vanilla cap-weighted indices. It establishes risk parameter constraints at the company, size, and sector levels to achieve diversification. The universe begins with the 500 highest-ranking US growth stocks, determined based on a composite score derived from growth profit-to-assets ratio and five-year sales growth. The index combines value, quality, and momentum inputs to select stocks, with a particular focus on the quality aspect. These three elements also influence the weighting, along with other considerations. A rules-based, proprietary methodology is then applied, utilizing an optimization process to amplify exposure to quality while avoiding value and momentum drawbacks. The portfolio will hold 75-175 securities. Investments may also include cash and cash equivalents. Reconstitution and rebalancing occur in March and September.