

IQIN

IQ 500 International ETF

Fund Description

IQIN tracks an index of developed market ex-US stocks. The index uses fundamental factors for selection and weighting.

FactSet Analyst Report

IQIN offers a straightforward, fundamentally-factored alternative to cap-weighted exposure to developed market ex-US stocks. The funds index evaluates stocks using three bottom-up factors: sales, market share and operation margin. Sales is compared across all firms regardless of sector, while market share and operation margin is sector-relative. The index creates a score for each stock, treating each factor equally, then uses the score to select and weight the portfolio. The top 500 are selected from an LMID universe. Stock price and market cap are ignored in the calcs, and therefore so is the momentum bias of cap-weighted indexes. Still, larger firms should still figure prominently, given heftier sales and market share. IQINs index predates the ETFs launch by more than 10 years, offering an extended record for comparison, albeit one without portfolio rebalancing expenses.

