

# JHMF

## John Hancock Multifactor Financials ETF

### Fund Description

JHMF tracks an index of large- and midcap US equities from the financial sector. Stocks are selected by market cap and weighted based on multiple factors: size, value, profitability and momentum.

### FactSet Analyst Report

JHMF offers multi-factor exposure to the US financials sector. The fund selects stocks by market cap, pulling the largest 1,000 US financial stocks. The funds factors size, value (relative price) and profitability are not used in selection, and serve to modify rather than completely replace market-cap weighting. The size factor breaks the eligible universe into three buckets, with the smallest funds (ranked 201 to 1000 by size) receiving the largest overweight, expect a bias to midcaps rather than small-caps. The value factor relies on price/book as a signal and groups stocks accordingly into five buckets. Stocks with the lowest valuation receive the greatest overweight. The profitability factor (operating profit to book value) is treated in the same manner as the value factor. The momentum factor, based on 11-month returns, wherein smaller low-momentum stocks are barred from receiving an overweight they might otherwise earn. The index is reconstituted and rebalanced on a semiannual basis.