

JHMM

John Hancock Multifactor Mid Cap ETF

Fund Description

JHMM tracks an index of US firms ranked 200-950 by size, weighted by multiple factors relative to their sector peers.

FactSet Analyst Report

JHMM is the midcap ETF in a suite of funds from John Hancock and Dimensional Fund Advisors (DFA). The funds DFA index applies multifactor methodology to the US midcap space, defined here as firms ranked 200-950 by market capitalization. (Allocators take heed of the massive overlap with large-cap sibling fund JHML, which covers the top 800 names.) JHMM applies its value and profit factors (P/B and operating profit/book, respectively) on a sector by sector basis, a thoughtful approach that should emphasize lower priced, higher profit names in each sector while reducing bets to any one sector. Smaller firms get an extra bump in weight while low momentum stocks (based on 11-month returns) are de-emphasized relative to their peers. The fund is rebalanced and reconstituted semi-annually with issuers capped at 4% each.

