

# JHMU

## John Hancock Multifactor Utilities ETF

### Fund Description

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

### FactSet Analyst Report

JHMU offers multi-factor exposure to the US utilities sector. The fund selects stocks by market cap, pulling utilities names from the largest 1,000 US stocks, effectively lopping off small caps. JHMUs factors size, value (also called relative price) and profitability 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. The value factor relies on price/book as a signal and groups stocks accordingly into 5 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.

