

MFUS

PIMCO RAFI Dynamic Multi-Factor U.S. Equity ETF

Fund Description

MFUS tracks an index of US companies that are selected and weighted by a combination of fundamental and technical factors.

FactSet Analyst Report

MFUS is a US-focused, multi-factor fund that aims for increased exposure to outperforming investment factors. It calculates a fundamental weight using four fundamental metrics: current book value, last five years of de-levered sales, cash flow, and dividends plus buybacks. Each security is also scored on five investment factors: value, low volatility, quality, momentum, and size. For the value, quality, and low volatility portfolios, stocks are ranked by the factor score. The top 25% by fundamental weight are selected. The momentum portfolio selects the top 50%. The size portfolio includes all of the small-cap firms from the other four portfolios. All sub-portfolios are weighted by fundamental weight. The factor portfolios are equally weighted to start, and the dynamic element of the index adjusts the weight of each factor based on momentum and long-term reversal signals. The index uses a rolling rebalance, only rebalancing 25% of each sub-portfolio every quarter.

