

RAUS RACWI US ETF

Fund Description

RAUS is passively managed to track an index that selects US stocks based on four fundamental value factors. Selected positions are then market-cap weighted in the portfolio, aiming to outperform pure market-cap US equity indexes.

FactSet Analyst Report

RAUS aims to track the Research Affiliates Cap-Weighted Index (RACWI), which offers a different approach to traditional cap-weighted indexing. RACWI seeks to address structural flaws such as excessive turnover and the tendency to buy high/sell low when stocks are added or dropped based on market value. Instead of choosing index constituents purely by size, RACWI selects stocks based on their fundamental valuation metrics such as, adjusted sales, cash flow, shareholder returns, and book value/intangibles. The fund uses a representative sampling of index securities. These companies are then cap-weighted, resulting in an index that closely mirrors the S&P 500 in makeup and volatility, but aims to deliver stronger returns by avoiding costly selection inefficiencies. The index is reconstituted and rebalanced annually in March. The fund does not take defensive positions during market declines.

