

SMDX

Intech S&P Small-Mid Cap Diversified Alpha ETF

Fund Description

SMDX is an actively managed fund of US small- to mid-cap companies found in the S&P 1000 Index. It utilizes volatility, correlation, profitability, and valuations to identify and select stocks.

FactSet Analyst Report

SMDX is designed to provide exposure to mid- and small- size companies in the US equity market by actively managing a portfolio of the constituents of the S&P 1000 Index. It does not seek to track the index but rather outperform it through improved diversification. Although actively managed, the fund abides by its investment process consisting of three steps. The first step includes identifying which securities can contribute to the funds goal of a more balanced and diversified portfolio through analyzing each stocks volatility, correlation, profitability, and valuation. Second, each stock is given target weights used to spread out risk and return across the portfolio. Lastly, weekly rebalances are done for maintenance and to ensure enhanced returns. Note that the fund may invest in securities not included in the index from time to time to help manage specific risks. Exposure to individual securities may also be adjusted based on changes in market conditions or liquidity need.