

SMOT

VanEck Morningstar SMID Moat ETF

Fund Description

SMOT tracks an index made up of two equally-weighted sub-portfolios, comprised of small- and mid-cap companies believed to have durable competitive advantages and attractive valuations.

FactSet Analyst Report

SMOT tracks an index of small- and mid-cap companies with sustainable competitive advantages and attractive valuations, determined by looking at qualitative and quantitative factors. The index provider selects narrow and wide moat companies from the eligible universe. Narrow moats are believed to maintain a competitive advantage for at least ten years, while wide moats for at least 20 years. The selected securities are screened to exclude the bottom 3% based on the lowest float market capitalization, then ranked by momentum to only include the top 80%. After that, those with the lowest current market price/fair value ratios are selected. The index is equally weighted and divided into two sub-portfolios that target 75 companies each. Each sub-portfolio follows a semi-annual, staggered alternating quarters rebalance and reconstitution schedule.

