

# SRHQ

## SRH U.S. Quality ETF

### Fund Description

SRHQ tracks an equally weighted index of US large-cap stocks screened based on three fundamental factors: value, growth, and quality.

### FactSet Analyst Report

SRHQ focuses on US large-cap companies that exhibit consistent revenue growth and low valuation. The selection process starts with an investable universe comprising the top 1,000 US companies by market cap. The initial universe is narrowed down using three fundamental exclusionary screens based on value, growth, and quality. The value criterion removes companies with excessively high market valuations compared to their fundamental value, as measured by a company's free-cash-flow ratio. The growth screen excludes companies that do not exhibit at least moderate long-term revenue growth, as indicated by a company's five-year average revenue growth rate. Lastly, the quality metric removes companies that have excessive or inconsistent growth, as measured by a company's annual revenue growth rate in the past five years. Additionally, the index screens out firms subject to a pending acquisition transaction. Remaining securities are selected and weighted equally. The index rebalances and reconstitutes annually.

