

VLU

SPDR S&P 1500 Value Tilt ETF

Fund Description

VLU tracks an index that weights securities according to a combination of fundamental factors, and aims to find those with lower prices relative to valuations.

FactSet Analyst Report

VLU aims for a broad portfolio with a value bias. It holds the entire S&P 1500 underweighting stocks that don't show value characteristics, whereas typical value funds would omit them altogether. Using a weighting system that weights size 'buckets' based on fundamental factors like cash flow, dividends and book value, it ranks its constituents in order of composite valuation. A sub-portfolio allocation factor is then derived, such that a sub-portfolio with relatively low valuation will have a higher allocation factor than one with a relatively high valuation. The index is rebalanced annually.