

VMAX

Hartford US Value ETF

Fund Description

VMAX tracks a multifactor index of US large-cap stocks with favorable value characteristics and comparatively lower market valuations. The index is designed to alleviate the concentration risk inherent in cap-weighted indices.

FactSet Analyst Report

VMAX targets US value stocks within the large-cap space by employing an integrated multi-factor approach designed to reduce the concentration risk inherent in vanilla cap-weighted indices. It establishes risk parameter constraints at the company, size, and sector levels to achieve diversification. Starting with the largest 1,000 US companies, the index applies a rules-based, proprietary methodology that utilizes an optimization process to amplify exposure to value while avoiding quality and momentum drawbacks. The index combines value, quality, and momentum inputs to select stocks, with a particular focus on the value aspect. These three elements also influence the weighting, along with other considerations. Generally, the portfolio will hold 125-225 securities. Investments may also include cash and cash equivalents, as well as non-index securities considered beneficial for mirroring the index. Reconstitution and rebalancing occur in March and September.