

VNMC

Natixis Vaughan Nelson Mid Cap ETF

Fund Description

VNMC is an actively-managed, non-transparent fund of US mid-cap companies that are believed to be temporarily out of favor or misunderstood. The fund utilizes the Natixis/NYSE non-transparent model.

FactSet Analyst Report

VNMC is one of Natixis first active, non-transparent ETFs which discloses holdings on a monthly basis with a 15-day lag. The fund selects mid-cap companies that the fund manager believes have lower price-to-book ratios and lower forecasted growth values based on business fundamentals, economic margin analysis and discounted cash flow models. Selected securities may take the form of exchange-traded stocks and REITs. Fund managers have the flexibility to allocate up to 20% of the funds assets in large- and small-cap companies. Holdings are represented in a proxy portfolio published on its website daily which correlates to the funds holdings. This structure enables arbitrage opportunities and minimize return deviation between the proxy and the actual portfolio. Still investors should take into account greater price disparity during volatile markets due to its non-transparent nature.