

# SCIU

## Scientific Beta US ETF

ETF Category: Core - Multi-factor  
As of 06/30/2020



### KEY FEATURES



#### Outperformance Potential

SCIU seeks to outperform market capitalization weighted indexes by accessing factors that have historically earned outsized returns.



#### Rooted in Academic Research

The methodology behind Scientific Beta was developed by the EDHEC Risk-Institute in France, a leading academic institution for applied research in finance.



#### Reduce Costs

SCIU offers a low fee structure due to its passive nature, and therefore can be used to potentially reduce the costs of a portfolio consisting of more expensive actively managed strategies.

### FUND DETAILS

Inception Date	05/12/2015
Underlying Index	SciBeta United States MBMS Four-Factor ERC Index
Number of Holdings	397
Assets Under Management	\$24.83 mil
Total Expense Ratio	0.19%
30-Day SEC Yield	2.08%
Distribution Frequency	Semi-Annually

### TRADING DETAILS

Ticker	SCIU
CUSIP	37954Y103
Exchange	NYSE Arca
Bloomberg IOPV Ticker	SCIUIV
Index Ticker	SBUXRHMG

### PERFORMANCE (%)

	Current Quarter	Year to Date	One Year	Five Year	Since Inception
SCIU at NAV	18.33%	-9.81%	-2.42%	6.99%	6.50%
SCIU at Market Price	18.06%	-9.93%	-2.52%	6.95%	6.46%
SciBeta United States MBMS Four-Factor ERC Index	18.45%	-9.75%	-2.23%	7.23%	6.74%
S&P 500 Index	20.54%	-3.08%	7.51%	10.73%	10.12%

### TOP 10 HOLDINGS (%)

Holdings Subject to Change

Walmart Inc	1.31%	Costco Wholesale Corp	0.74%
Gilead Sciences Inc	1.12%	Duke Energy Corp	0.73%
Activision Blizzard Inc	0.92%	Verizon Communications Inc	0.69%
Merck & Co Inc	0.82%	Dominion Energy Inc	0.67%
JPMorgan Chase & Co	0.77%	Clorox Co	0.67%

The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. High short term performance of the fund is unusual and investors should not expect such performance to be repeated. Returns for periods greater than one year are annualized. Market price returns are based upon the midpoint of the bid/ask spread at the close of the exchange and do not represent the returns you would receive if you traded shares at other times. For performance data current to the most recent month end, please call 1-888-493-8631, or visit [www.globalxetfs.com](http://www.globalxetfs.com).

### INDUSTRY BREAKDOWN (%)



Information Technology	16.39%
Health Care	15.43%
Financials	13.47%
Utilities	9.90%
Consumer Staples	9.26%
Industrials	8.75%
Consumer Discretionary	8.43%
Communication Services	6.45%
Real Estate	5.54%
Others*	6.38%

\* Materials 4.02%, Energy 2.36%

### RISK CHARACTERISTICS SINCE ETF INCEPTION

	SciBeta United States MBMS Four-Factor ERC Index	S&P 500 Index
Annualized Volatility	18.73%	19.28%
Beta	0.97	1.00
Sharpe Ratio	0.36	0.52

### ADDITIONAL HOLDINGS DETAILS

	SciBeta United States MBMS Four - Factor ERC Index	S&P 500 Index
Price to Book	2.68x	3.55x
Average Market Capitalization	\$61,689.95 mil	\$53,013.12 mil

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## THE SCIENTIFIC BETA US APPROACH

1. Start with the 500 largest stocks in the US by market capitalization.
2. Create four individual factor indexes: Value (Price to Book), Size (Free Float Market Cap), Momentum (52 week returns excluding most recent month), and Low Volatility (Standard Deviation of weekly returns over the last 104 weeks). Each factor index selects the 250 stocks that most exhibit the particular factor. The bottom 20% (50 stocks) that have the lowest multi-factor score are removed.
3. Weight the stocks in each factor index according to Scientific Beta's multi-strategy approach which seeks to improve upon the diversification of a capitalization-weighted index. This approach averages the weights produced by four diversified weighting schemes: Maximum Deconcentration, Diversified Risk Weighted, Maximum Decorrelation, and Efficient Maximum Sharpe Ratio.
4. Combine the four individual factor indexes to create one multi-factor index. They are combined in a manner that seeks to reduce the tracking error of the multi-factor index to a broad US benchmark index. This approach overweights the factor indexes with less tracking error to the broad US benchmark index and underweights the factor indexes with higher tracking error.
5. Rebalance the index quarterly.

## DEFINITIONS

SciBeta United States MBMS Four-Factor ERC Index	The objective of the Scientific Beta United States Multi-Beta Multi-Strategy Equal Risk Contribution Index is to outperform traditional market capitalization-weighted indexes, with lower volatility. The method to achieve outperformance relative to traditional market capitalization-weighted indexes is derived from a proprietary process for selecting and weighting index components from the initial universe. The components of the Underlying Index are selected from a universe of the largest 500 U.S. stocks as measured by free-float market capitalization. The Underlying Index's components are selected by applying four factors that have been widely recognized by academic literature to outperform market capitalization weighted-indexes over the long run: Value, Size, Low-Volatility and Momentum. Finally, components are weighted by employing a proprietary, multi-step process that combines multiple weighting methodologies to diversify the risks associated with any one weighting scheme.
S&P 500 Index	S&P 500 Index tracks the performance of 500 leading U.S. stocks and captures approximately 80% coverage of available U.S. market capitalization. It is widely regarded as the best single gauge of large-cap U.S. equities.
Annualized Volatility	The annualized standard deviation of the daily returns of the security using the closing levels of the index during the 22 index-day period preceding that day.
Beta	Measures the volatility of the Fund price relative to the volatility in the market index and can also be defined as the percent change in the price of the Fund given a 1% change in the market index. A beta below one suggests that the fund was less volatile than the market benchmark.
Sharpe Ratio	Measures the return for each unit of risk. The risk free rate is subtracted from the mean return and is divided by the standard deviation of returns.
Price to Book	P/B or Price to Book is the share price of a security divided by the book value per share of the security.

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