

|                       |                       | PRODUCT GUIDE   |
|-----------------------|-----------------------|-----------------|
| Select a Category     | Select Items          |                 |
| Top Criteria          | ETF Rank ⑦            | 1 2 3 4 5 Add   |
| Description           | Active/Passive        | EQUAL 🗘 A 🗘 Add |
| Fees / Expenses       | Asset Type ⑦          | EQUAL \$ Add    |
| Performance           | Investment Strategy ⑦ | EQUAL 🗘 Add     |
| Portfolio Composition | Investment Category ⑦ | EQUAL 🗘 Add     |
| Fundamentals          | Forward Yield ⑦       | > \$            |
|                       | Expense Ratio         | >= 🗘            |
|                       | Performance 1D (%) ⑦  | > \$            |
|                       | Currency Hedged       | Add             |
|                       |                       | Add             |

# The New Value Line ETFs Service

The Most Trusted Name In Investment Research®

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## The New Value Line ETFs Service

Welcome to *The New Value Line ETFs Service*. We hope that this guide will make it easy for you to find good investments that will help you, and your clients, diversify their portfolios and achieve their financial goals.

### BACKGROUND

An ETF, or Exchange Traded Fund, is a marketable security that is usually modeled to emulate specific indices, industries, commodities, bonds, or a bundle of assets. The primary distinction between mutual funds and ETFs is that the latter trade on a stock exchange like an equity. Thus, ETFs are subject to price fluctuations similar to those of common stocks, as they are bought and sold during market hours.

Investors of all stripes have become increasingly enamored with the burgeoning ETF market. In part, this paradigm shift marks the rise of what has been dubbed the "passive" investment management style. That is to say, some research suggests that the expense of an actively managed method does not necessarily lead to market-beating returns over the long haul. Consequently, while passive investing has been around for decades, a surge in popularity of late, as the bull market of the 2010s went "straight up", has propelled the ETF market. Indeed, the ETF industry has ballooned in excess of 2000% over the past 15 years, with the lion's share of that growth achieved in the years since the 2007–2009 recession. Even many dedicated and successful "stock pickers" elect to "park" funds at times in ETFs, as they search for future opportunities. All told, whether you seek active or passive investments, it is our charge to provide investors with the research necessary to keep them equipped to make the most informed investment decisions.

### **PRODUCT OVERVIEW**

The New Value Line ETFs Service includes data, information, and analysis on more than 2,800 exchange traded funds (ETFs). It is designed to help investors build and manage a diversified portfolio of funds, and the core of the offering is a robust screener that enables you to enter customized and unique search criteria in order to surface only those ETFs that meet the specified parameters. Users have access to approximately 35 fields, including Value Line's proprietary ETF Rank. The fields are organized into six categories: Top Criteria, Description, Fees/Expenses, Performance, Portfolio Composition, and Fundamentals. Definitions and explanations of each field can be viewed by hovering over the question mark icons. A Help section is also included, and for good measure the "hover" definitions are also reproduced in the Value Line investing glossary under the Investment Education tab of our website.

We suggest that subscribers explore the broad array of data fields available and, in particular, utilize the Value Line ETF Rank. The Value Line Ranking System for ETFs is a unique, proprietary indicator developed by Value Line. Its goal is to predict an ETF's future performance relative to all other Value Line ranked ETFs. The quantitative formula behind the ETF Ranks includes several variables, including historical price action, leverage, volatility, and market capitalization. The ranks range from 1 (Highest) to 5 (Lowest). At any one time,

- 10% of the ranked ETFs will be ranked 1 (Highest)
- 30% will be ranked 2 (Above Average)
- 20% will be ranked 3 (Average)
- 30% will be ranked 4 (Below Average)
- 10% will be ranked 5 (Lowest)

To run a screen, simply find the fields that are important to your individual strategy, fill out the criteria, and click **Add** on the right (for each individual field). "Add" means you are making that factor, with the numbers you have inserted, one of the criteria in your particular screen. Once the required information has been entered and you click the Run Screen button, the screener will display the ETFs that meet those conditions. Adding additional fields, changing the numerical criteria, or removing fields can be accomplished at any time.

Once the screener is utilized to find a list of ETF candidates, the data can be printed or exported to Excel via the CSV tab, or printed. Clicking on the ticker of a specific ETF will open a detailed and expansive Value Line report on that security.

| NEW SCREEN EDIT CRITE | IRIA TICKER SEARCH    | HELP        |     |
|-----------------------|-----------------------|-------------|-----|
| Select a Category     | Select Items          |             |     |
| Top Criteria          | ETF Rank ⑦            |             | Add |
| Description           | Active/Passive ⑦      | EQUAL 🗘 A 🗘 | Add |
| Fees / Expenses       | Asset Type ⑦          | EQUAL 🗘 🛟   | Add |
| Performance           | Investment Strategy ⑦ | EQUAL 🗘 🛟   | Add |
| Portfolio Composition | Investment Category ⑦ | EQUAL 🗘 🛟   | Add |
| Fundamentals          | Forward Yield ⑦       | >           | Add |
|                       | Expense Ratio ⑦       | >= +        | Add |
|                       | Performance 1D (%) ⑦  | > \$        | Add |
|                       | Currency Hedged ⑦     | = \$ Y \$   | Add |
|                       | Performance 1M (%)    | >= \$       | Add |
|                       | Performance 3M (%) ⑦  | > •         | Add |
|                       | Performance 6M (%)    | > \$        | Add |
|                       | Performance YTD (%)   | >= \$       | Add |
|                       | Performance 1Y (%) ⑦  | >= •        | Add |

Use the Screener to find ETFs that match your unique criteria. As you select criteria, the number of matches is displayed. To see the ETFs that meet your criteria, click on **Run Screen**.

| NEW SCREEN EDIT CRITE | ERIA TICKER SEARCH    | HELP                   |             |
|-----------------------|-----------------------|------------------------|-------------|
| Select a Category     | My Criteria 3 Item(s) |                        | Clear All   |
| Top Criteria          | ETF Rank              |                        | Apply Clear |
| Description           | Asset Type            | EQUAL 🗘 Equities 🛟     | Apply Clear |
| Fees / Expenses       | Investment Category   | EQUAL 🔶 Technology I 🛊 | Apply Clear |
| Performance           | _                     |                        |             |
| Portfolio Composition |                       |                        |             |
| Fundamentals          | Matches: 12           |                        | Run Screen  |
|                       | Select Items          |                        |             |
|                       | ETF Rank ⑦            |                        | 5           |
|                       | Active/Passive ⑦      | EQUAL \$ A             | \$ Add      |
|                       | Asset Type ⑦          | EQUAL \$               | <b>\$</b>   |
|                       | Investment Strategy ⑦ | EQUAL \$               | Add         |
|                       | Investment Category ⑦ | EQUAL \$               | \$          |

After generating a list of ETFs, clicking the **Ticker** will take you to the detailed Value Line Report. The data can also be exported to Excel via the CSV tab.

| NEW SCREEN                                     | ESULTS | EDIT CRITE | RIA TICKER SEA | RCH HELP   |                     |
|--|--------|------------|----------------|------------|---------------------|
| 12 Matches                                     |        |            |                |            |                     |
| 🔤 CSV  | СОРҮ   |            |                |            | Search:             |
| Company Name                                   | ÷ -    | Ticker 🌲   | ETF Rank       | Asset Type | Investment Category |
| FIDELITY MSCI<br>INFORMATION<br>TECHNOLOGY INI |        | FTEC       | 2              | Equities   | Technology ETFs     |
| ISHARES GLOBAL<br>ETF                          | TECH   | IXN        | 2              | Equities   | Technology ETFs     |
| ISHARES US<br>TECHNOLOGY ET                    | F      | IYW        | 2              | Equities   | Technology ETFs     |
| INVESCO S&P<br>SMALLCAP INFO<br>ETF            | TECH   | PSCT       | 2              | Equities   | Technology ETFs     |
| INVESCO DYNAM<br>SEMICONDUCTOR                 | -      | PSI        | 2              | Equities   | Technology ETFs     |
| FIRST TRUST NAS<br>100-TECH SECTO              |        | QTEC       | 2              | Equities   | Technology ETFs     |
| VANECK VECTOR<br>SEMICONDUCTOR                 |        | SMH        | 2              | Equities   | Technology ETFs     |
| GLOBAL X INTERN<br>THINGS ETF                  | NET OF | SNSR       | 2              | Equities   | Technology ETFs     |
| ISHARES PHLX<br>SEMICONDUCTOR                  | RETF   | SOXX       | 2              | Equities   | Technology ETFs     |

A sample ETF Report.

| IXN ISHARES GLOBAL TEC   |   | ETF Rank 2 - Above Avg.  |
|--|---|--|
| ETF Overview   |   | IXN Sector Weights   |
| Fund Type  | Technology ETFs                         |  |
| Issuer   | BLACKROCK                               | # Software & Services 48.5%  |
| Benchmark Index Sa   | P GLOBAL 1200 INFO TECH<br>SECTOR INDEX | #Tech Hardware & Equip 31.1%   |
| Date of Inception  | 11/12/2001                              | = Semiconductors &<br>Semiconductor Equip 20.3%  |
| AUM (million)  | \$3,502.78                              | # Cash and/or Derivatives 0.1%   |
| Number of holdings in the ETF  | 136                                     |  |
| Assets in top ten holdings   | 54.21%                                  |  |
| Expense Ratio  | 0.46%                                   | Price Chart  |
| Dividend Yield   | 1.02%                                   | SMA 9: 211.83 SMA 50: 203.49 SAR (0.02,0.2): 198.70 220.00   |
| Price Fundamentals of IXN  |   | 200.00   |
| Current Price  | \$218.07                                | 160.00   |
| 52-Week High   | \$219.61                                | 120.00   |
| 52-Week Low  | \$148.76                                | Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020   |
| NAV (12/31/2019)   | \$201.59                                | Volume Chart   |
| 1Yr ETF Ret (01/10/2020)   | 50.26%                                  |  |
| Risk Statistics  |   | #Volume SMA 50: 5.2 m 200.0 m 200.0 m 10.0 m   |
| Beta (against S&P 500)   | 1.15                                    | n 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020  |
| Standard Deviation   | 18.16%                                  |  |
| R <sup>2</sup>   | 66.12%                                  |  |
| Asset Allocation  E US Stocks (79.02%)  Non-US Stocks (20.05%)  Bonds (0.00%)  Offer (0.00%) |   | Key Points       • Thinly traded global tech ETF • Exposure to large-cap stocks       • Moderate expense ratio but high trading costs       Reasons to Buy     Reasons to Sell |
|  |   | Growing dechnologies Growing dechnologies Growing dechnologies Growing dechnologies  |
| The data on the front page and all the eport's text and the sector weights ch                | s charts (except the sector weigh       | its chart) in the report represent market data as of 01/10/2020, while th  |

The Value Line ETF reports contain a great deal of information, data, and analysis on each ETF, including an overview of that fund, risk statistics, fundamentals, and a holdings summary. Graphical representations of recent performance, asset allocation, and trading volume are also provided.

For users who already have an ETF in mind, and want to head straight to that fund's Value Line report, a Ticker Search feature is available. Simply click on the **Ticker Search** tab, enter the ticker, and click on **Get Report**.

### **PRODUCT ACCESS**

In addition to separate availability, *The New Value Line ETFs Service* is now a component of the Value Line Research Center, Value Line's most extensive product offering, which provides data, information, and analysis on approximately 3,400 individual stocks, 20,000 mutual funds, more than 500,000 options, and much more. All of these services can be accessed via our password-protected website: **www.valueline.com**.

All told, *The New Value Line ETFs Service* includes a wealth of information, ranks, and analysis on more than 2,800 exchange-traded funds, and the screener and Value Line reports make it easy for users to find worthwhile investment candidates, no matter the strategy employed.

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