



Value Line®

PRODUCT GUIDE

VALUE LINE SELECT®  
ETFs

Quarterly Sales (in millions)			
Jun. 30	Sep. 30	Dec. 31	Mar. 31
55,182	53,784	61,400	67,000
40,432	57,081	60,000	61,400
68,925	69,331	61,400	67,000
64,000	65,000	67,000	67,000

Quarterly Sales Growth			
Jun. 30	Sep. 30	Dec. 31	Mar. 31
-26.73%	6.13%	-3.33%	9.07%
70.47%	21.46%	1.86%	2.99%
-7.15%	-6.25%	9.07%	2.99%
6.25%	4.62%	2.99%	2.99%

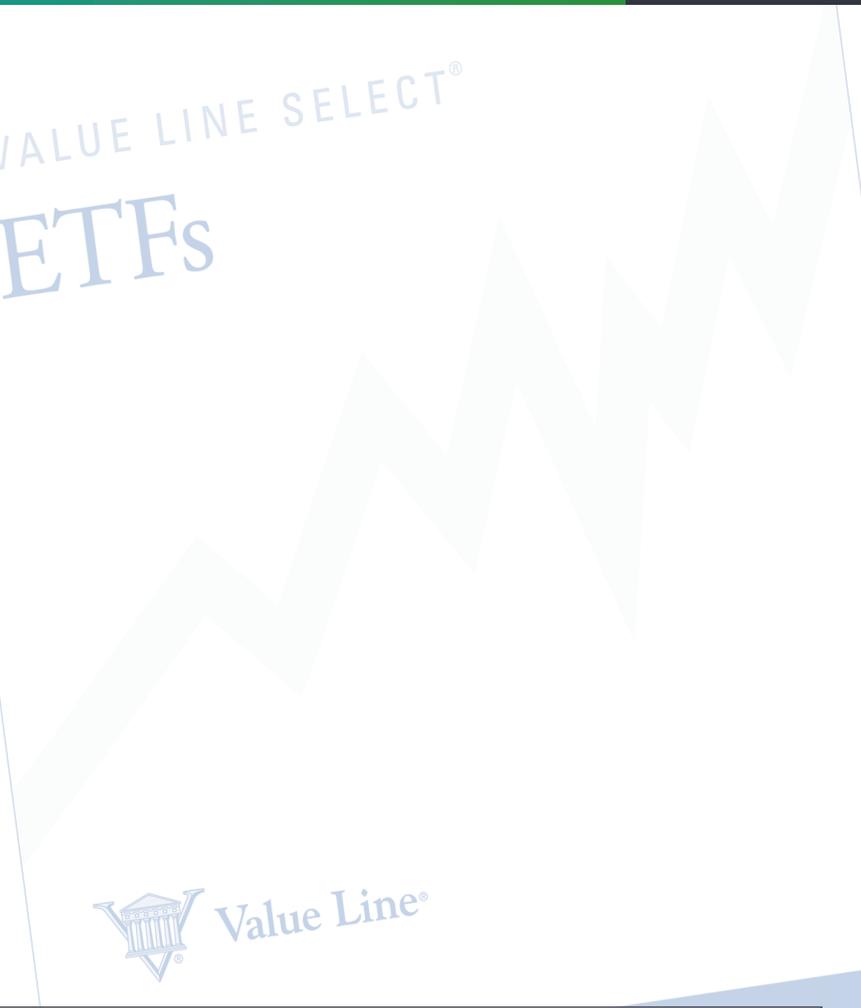
Quarterly Earnings Per ADR			
Jun. 30	Sep. 30	Dec. 31	Mar. 31
0.37	0.61	0.72	0.72
0.00	0.57	0.53	0.73
2.30	2.06	0.73	2.15
2.40	2.45	2.15	2.85
2.70	2.80	2.85	3.10

Quarterly Earnings Per ADR Growth				
Jun. 30	Sep. 30	Dec. 31	Mar. 31	Year
100.00%	-6.56%	-26.39%	478.95%	478.95%
NMF	261.40%	37.74%	95.45%	95.45%
4.35%	18.93%	194.52%	4.65%	4.65%
12.50%	14.29%	32.56%	35.56%	35.56%

Quarterly Dividends Paid				
Jun. 30	Sep. 30	Dec. 31	Mar. 31	Year
—	—	0.64	0.32	0.96
—	—	0.48	0.72	1.20
—	—	0.747	0.518	1.265
—	—	0.757	0.73	1.487



Value Line®

Value Line Select:® ETFs

sk ratio, market... ratio is on the loftier side, which... ively high tracking error indicates... Meanwhile, the somewhat lofty... trade size, and that liquidity could... rther supported by the ETF's high... ated to liquidity. As we mentioned... pe of heavy exposure to one specific... ructural Integrity metric that offers... indicates that CARZ has been out-... its expense ratio, it is ranked above

the automobile manufacturing sector... k at CARZ. Indeed, the stocks in this... E multiples, which suggests that the... this ETF's appeal, as do several of... or for the faint of heart, but ough... investment vehicle.

(by top 10 shown)

Sector	Industry	Company
Consumer, Cyclical	Automobile Manufacturing	Chrysler
Consumer, Cyclical	Automobile Manufacturing	Ford
Consumer, Cyclical	Automobile Manufacturing	General Motors
Consumer, Cyclical	Automobile Manufacturing	Stellantis
Consumer, Cyclical	Automobile Manufacturing	Subaru
Consumer, Cyclical	Automobile Manufacturing	Toyota
Consumer, Cyclical	Automobile Manufacturing	Vauxhall
Consumer, Cyclical	Automobile Manufacturing	Volkswagen
Consumer, Cyclical	Automobile Manufacturing	Volvo
Consumer, Cyclical	Automobile Manufacturing	Other

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# Value Line Select: ETFs

Welcome to *Value Line Select: ETFs*. We hope this guide will make it easy for you to find good investments that will help you diversify your portfolio.

## OVERVIEW

Published monthly, *Value Line Select: ETFs* is designed to help investors build and manage a diversified portfolio of exchange traded funds that are expected to outperform the broader market over the near and long term, without taking on undue risk. Every recommendation is hand-picked by the Value Line Research Department, which consists of more than 70 analysts, economists, quantitative specialists, and financial data professionals. Each month, regardless of the market climate, we provide a comprehensive 15–20 page report highlighting just one exchange traded fund (ETF) that is recommended for purchase. Features of the monthly report include:

- A detailed discussion of economic and stock market developments.
- A focused look at the recommended ETF, including its strategy, investment attributes, and expense structure.
- An expansive analysis of the ETF’s prospects and growth drivers that are expected over the near and long terms.
- A detailed overview of the ETF’s major components and, in particular, data and analysis on its top holding(s).
- A final overview clearly explaining why we’ve selected this ETF for your consideration.

This research provided in *Value Line Select: ETFs* includes statistical overviews of past and current performance, prospects, and other pertinent data. Investors will receive focused insight into the ETF’s competitive advantages, as well as any catalysts and opportunities that ought to propel its shares ahead of the broader market averages. In summation, the reports provide a clear and concise argument explaining the rationale behind each selection. Recommended ETFs are then added to the *Value Line Select: ETFs* Portfolio, and updates in regard to previous selections are included in the monthly reports.

## BACKGROUND

An ETF, or Exchange Traded Fund, is a marketable security that is essentially modeled after specific indices, industries, commodities, bonds, or a bundle of assets, such as an index fund. The primary distinction between mutual funds and ETFs is that the latter trade on a stock exchange like an equity. Indeed, ETFs are subject to price fluctuations similar to those of common stocks, as they are bought and sold during market hours. Additionally, among the ETF’s more compelling attributes are its increased daily liquidity and generally lower fees versus traditional mutual funds.

Individual retail investors and institutional financial advisors alike, have become increasingly enamored with the burgeoning ETF market. 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 lofty expense of an actively managed method does not necessarily equate to market-beating returns over the long haul. Indeed, value guru and financial icon Warren Buffett

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has long been a vocal proponent of passive investing and there is a bevy of historical evidence to support that point of view. Consequently, while passive investing has been around for decades, the irrefutable surge in popularity of late has propelled the ETF market. Indeed, the ETF industry has ballooned in excess of 2000% over the past 13 years, with the lion's share of that growth achieved in the years since the 2008–2009 recession. In fact, using the expansion of respective asset bases as a comparative measure, ETFs have blown away their kindred mutual fund alternatives, which have generated a mere 120% growth in assets over the aforementioned span. 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.

## SELECTION PROCESS

The Value Line Economics Department continuously evaluates the prospects of the economy and stock market, and our Research staff is always on the lookout for worthwhile investment ideas and strategies. Using a wide variety of criteria, including a host of proprietary Value Line ranks and ratings, financial estimates and projections, and analyst expectations, Value Line selects an ETF each month that possesses above-average growth prospects, a reasonable risk and expense profile, as well as healthy underlying business fundamentals and outlook. The following variables are included in the selection process (for definitions and more information in regard to the terms below, please consult the Investment Education section and glossary on [www.valueline.com](http://www.valueline.com)):

- Expense Ratio
- Tracking Error
- Annual Yield
- Earnings Yield
- Net Asset Value
- Risk-Adjusted Performance (Sharpe ratio)
- Underlying companies held in the ETF are well positioned in growing industries, and are ranked favorably by many proprietary Value Line ranks and ratings

- Underlying stocks appear undervalued or appropriately priced based on a number of valuation criteria, including P/E Ratio, Book Value, and others. We consult our proprietary computations and estimates as published in *The Value Line Investment Survey*.
- Value Line analysts expect that the ETF's components, overall, will experience healthy top- and bottom-line expansion over the quarters and years ahead

## SELL NOTIFICATIONS

Unlike an equities portfolio, owning a large number of ETFs tends to be unnecessary. Thus, we will regularly recommend that followers of the service sell their positions in previously highlighted ETFs, and apply the proceeds to one or more of the current holdings within the *Value Line Select: ETFs* Portfolio. Our reasons for selling an ETF can vary widely: from an issue that has performed very well where we think that taking profits is prudent, to the ETFs prospects deteriorating to a point where we think that better investment opportunities lie elsewhere.

## PRODUCT ACCESS

*Value Line Select: ETFs* is available via print and email.

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