Avantis US Equity ETF

US Large Cap Blend Stock

Ticker	AVUS
Inception Date	2019-09-24
Asset Class	US Equity
Peer Group	Multi-Cap Core Funds
Max Manager Tenure	5.69
Turnover Ratio	0.01
AUM (Mil.)	$8,490
Benchmark	S&P 500 Total Return
Dividend Yield	1.28%
Expense Ratio	0.15%

Fund Description

The Avantis U.S. Equity ETF (AVUS) is an actively managed exchange-traded fund designed to provide broad exposure to U.S. equities while systematically emphasizing value and profitability factors. Launched in 2019, AVUS invests across all market capitalizations, targeting companies with lower valuations (price-to-book ratios) and higher profitability metrics. This strategy aims to enhance long-term returns while maintaining the diversification and cost efficiency of passive indexing. The fund is ideal for investors seeking a disciplined, research-driven approach to U.S. equity markets with a tilt toward undervalued, high-quality companies.

Parent

Avantis Investors, a subsidiary of American Century Investments, combines academic rigor with practical portfolio management. The firm is privately held and emphasizes a research-driven culture, leveraging insights from financial science to build systematic, factor-based strategies. Eduardo Repetto, Avantis' Chief Investment Officer and a former Co-CIO at Dimensional Fund Advisors (DFA), leads a team focused on minimizing costs and turnover while targeting mispriced securities. Avantis' competitive edge lies in its ability to blend indexing benefits with active enhancements, such as tilting toward value and profitability. The firm has a history of closing strategies to protect investor outcomes, though AVUS remains open as of 2025.

People

AVUS is managed by a seasoned team with deep expertise in factor-based investing:

- **Eduardo Repetto, PhD**: Co-founder and CIO of Avantis. Former Co-CEO and Co-CIO at DFA. Holds a PhD in Aeronautics from Caltech. Oversees strategy design and research.
- **Daniel Ong, CFA**: Senior Portfolio Manager. 14 years at DFA managing international and emerging markets equities. BS in Economics (UC), MS in Finance (Chicago Booth).
- **Mitchell Firestein**: Senior Portfolio Manager. Former VP at DFA, specializing in emerging markets. BS in Management (Tulane).
- **Ted Randall**: Senior Portfolio Manager. Managed U.S. and international equities at DFA. MBA (UCLA), BS in Business (USC).
- **Matthew Dubin**: Joined in 2024, bringing fresh perspectives to portfolio management.

All managers are significant investors in Avantis funds, aligning their interests with shareholders.

Process

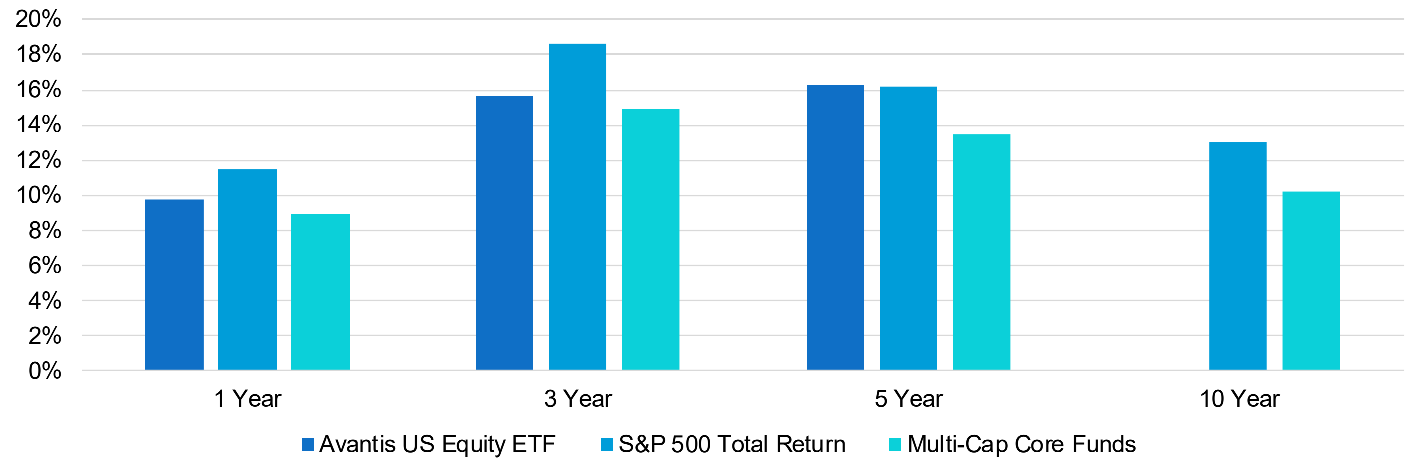
AVUS employs a disciplined, repeatable process:

- **Factor Tilting**: Overweights stocks with low price-to-book ratios and high profitability, aiming to capture long-term premia.
- **Diversification**: Holds 2,313 securities across sectors and market caps, with the top 10 holdings comprising 21.9% of assets.
- **Risk Controls**: Limits sector and security concentration, ensuring compliance with SEC diversification rules.
- **Cost Efficiency**: Uses futures and swaps to manage cash flows, minimizing turnover (1.0%) and trading costs.
- **Liquidity Management**: Regular stress testing and adherence to SEC liquidity requirements.

The process avoids market timing, focusing instead on structural equity factors validated by academic research.

Performance

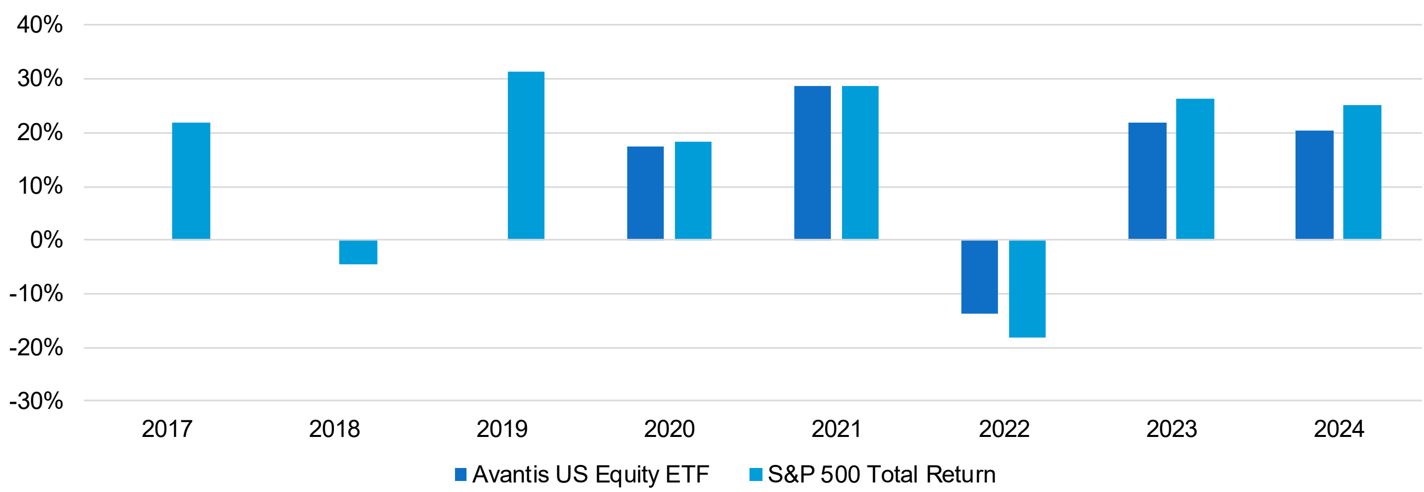
Trailing Returns



	1 Year	Rank	3 Year	Rank	5 Year	Rank	10 Year	Rank
Avantis US Equity ETF	9.73%	46	15.68%	49	16.26%	14	---	---
S&P 500 Total Return	11.50%	---	18.62%	---	16.22%	---	13.05%	---
Multi-Cap Core Funds	8.97%	---	14.92%	---	13.51%	---	10.22%	---

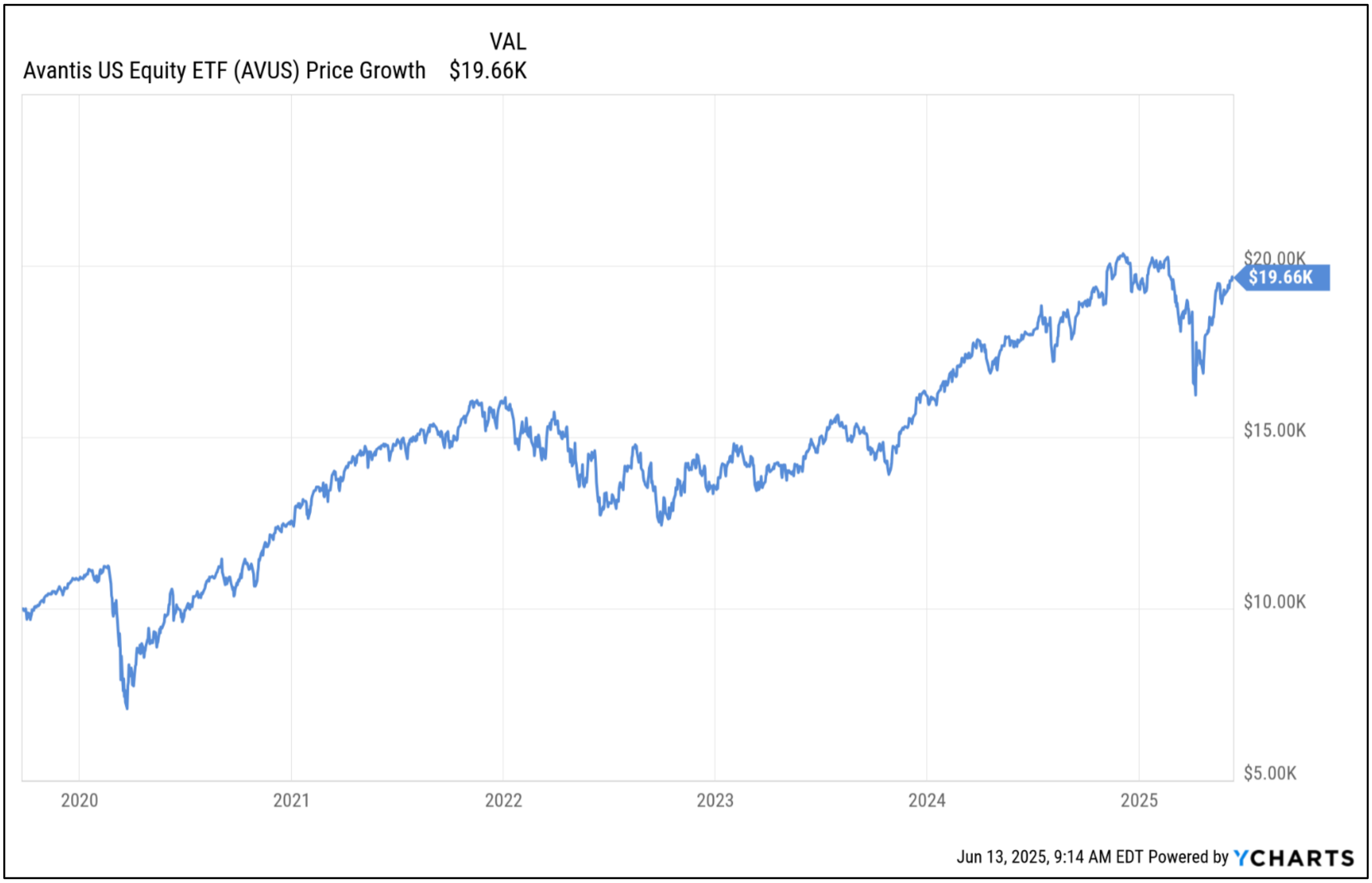
Annual Performance

Annual Returns



	2017	2018	2019	2020	2021	2022	2023	2024
Avantis US Equity ETF	---	---	---	17.52%	28.74%	-13.81%	21.78%	20.43%
S&P 500 Total Return	21.83%	-4.38%	31.49%	18.40%	28.71%	-18.11%	26.29%	25.02%

Growth of $10,000 Investment

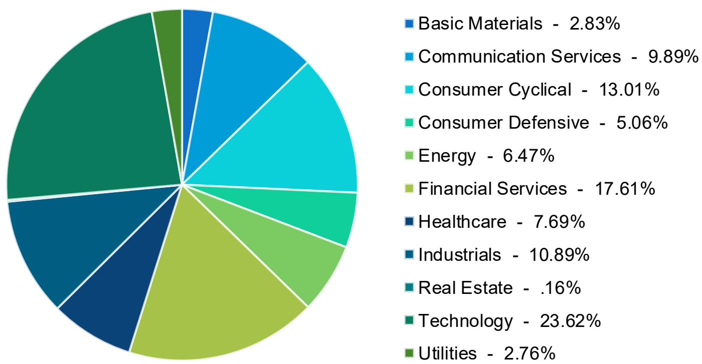


Source: Ycharts. Past performance is no guarantee of future results. All returns shown are historical and reflect the reinvestment of dividends and capital gains. The hypothetical growth of $10,000 is for illustrative purposes only and does not represent an actual investment. Investment returns and principal value will fluctuate, and investors may experience gains or losses. Performance does not reflect the impact of taxes, advisory fees, or transaction costs, which would reduce returns. Please consult a financial professional before making investment decisions.

AVUS has delivered competitive risk-adjusted returns, slightly lagging the Russell 3000 in strong bull markets but demonstrating resilience during downturns.

Current Positioning

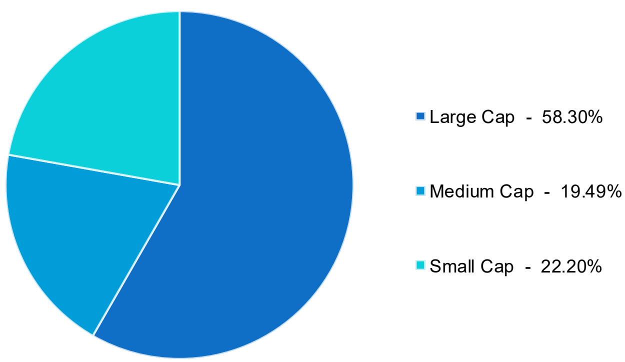
Sector Exposure



Style Exposure

	Value	Blend	Growth
Large	20.23%	28.65%	11.87%
Mid	9.30%	10.80%	4.78%
Small	6.19%	5.37%	2.81%

Market Cap Exposure



Top 15 Holdings

Name	Weight
Microsoft Corp	4.48%
Apple Inc	4.30%
NVIDIA Corp	4.29%
Amazon.com Inc	3.53%
Meta Platforms Inc	2.98%
Alphabet Inc	1.73%
JPMorgan Chase & Co	1.45%
Alphabet Inc	1.39%
Exxon Mobil Corp	1.02%
Broadcom Inc	1.00%
Visa Inc	0.97%
Costco Wholesale Corp	0.84%
Eli Lilly and Co	0.82%
Berkshire Hathaway Inc	0.77%
Netflix Inc	0.76%

AVUS currently holds approximately 1,958 stocks, with nearly all assets allocated to U.S. equities across all market capitalizations and sectors. The top 10 holdings—Microsoft, Apple, NVIDIA, Amazon, Meta Platforms, Alphabet (A & C shares), JPMorgan Chase, Exxon Mobil, and Visa—comprise about 26% of the portfolio.

Geographically, the fund is entirely U.S.-centric, with no allocation to foreign equities, bonds, or preferred stocks.

Sector positioning is broadly diversified, with significant weights in information technology, financials, consumer discretionary, communication services, and energy, mirroring the U.S. market's sector composition.

The market capitalization profile is multi-cap, but with a large-cap tilt, consistent with the fund's broad market approach.

Valuation metrics as of June 2025 include a price-to-earnings ratio and price-to-book ratio slightly below the S&P 500, reflecting the fund's systematic value tilt. The trailing 12-month dividend yield is about 1.3%.

This diversified, cost-effective positioning is consistent with AVUS's objective to deliver long-term capital appreciation through disciplined, factor-based security selection across the U.S. equity market

Price

AVUS's 0.15% expense ratio is highly competitive for an actively managed ETF, justified by its systematic process and strong historical performance. There are no sales loads, and the ETF structure ensures accessibility for all investors.

Risk

	Sharpe			Standard Deviation			Max Drawdown		
	3 Year	5 Year	10 Year	3 Year	5 Year	10 Year	3 Year	5 Year	10 Year
Avantis US Equity ETF	0.44	0.85	---	16.25%	15.75%	---	22.20%	22.20%	---
S&P 500 Total Return	0.63	0.86	0.68	15.59%	15.30%	16.00%	24.49%	24.49%	33.79%

Key risks include:

- **Factor Risk**: Value and profitability tilts may underperform in growth-driven markets.
- **Market Volatility**: Equity exposure subjects the fund to downturns, though diversification mitigates single-stock risk.
- **Concentration Risk**: Top 10 holdings account for 21.9% of assets.
- **Liquidity Risk**: Smaller holdings may face trading challenges in stressed markets.
- **Derivatives Risk**: Use of futures and swaps introduces complexity.

Avantis mitigates these risks through rigorous research, diversification, and low turnover.

Conclusion

The Avantis U.S. Equity ETF (AVUS) is a compelling choice for investors seeking a cost-effective, factor-driven approach to U.S. equities. Its experienced team, disciplined process, and focus on value and profitability provide a unique blend of active management and index-like efficiency. While factor tilts entail short-term volatility, AVUS's long-term track record and low fees make it a robust core holding for patient investors.

Sources: Avantis Investors, AVUS Fund Overview

Disclosures

Investment Insights.com is a publisher of financial education content and is ***not a registered investment advisor, broker-dealer, or financial planner****. The information provided on this website is for* ***general informational and educational purposes only*** *and does* ***not constitute investment advice, a recommendation, or a solicitation to buy or sell any security****.*

Model portfolios, mutual fund reviews, and ETF analyses reflect the views of the author at the time of publication. They are ***not tailored to any individual's financial situation, investment objectives, or risk tolerance****. This content is illustrative in nature and should not be relied upon as a basis for making investment decisions.*

Investing involves risk*, including the potential loss of principal. Past performance is not indicative of future results. Investment returns will fluctuate, and investors may receive more or less than their original investment upon redemption.*

ETF shares are bought and sold at market price (not NAV) and may trade at a premium or discount. Brokerage commissions and trading costs may apply. ***Diversification does not guarantee a profit or prevent loss.***

Before investing, investors should carefully review the fund's prospectus, which includes information about investment objectives, risks, charges, and expenses. ***Prospectuses are available from the fund provider's website*** *and should be read carefully before investing.*