

The Barron's 400 Index, or B400, seeks to track the performance of the most fundamentally sound companies with the best growth prospects in the U.S. The objective of B400 is to provide a benchmark to investors seeking long-term capital appreciation through diversified exposure to U.S. equities. The Index uses fundamental analysis and a growth at a reasonable price (GARP) methodology to select the top 400 constituents in the U.S. equity universe after filtering for liquidity and diversification over size and sectors. B400 was created jointly by Barron's, MarketGrader, and Dow Jones Indexes, and launched on the cover of Barron's in 2007.

## Index Rules

### Underlying Universe

MarketGrader North American coverage universe of approximately 6,000 companies.

### Objective

Designed to serve as the basis of investment funds providing access to investors to some of the most promising stocks in the U.S.

### Weighting

The index is equally weighted.

### Rebalance Frequency

Semi-annually on the third Friday of March and September.

### Selection Criteria

Stocks are selected based on their overall MarketGrader fundamental score on a scale of one hundred (100). Score is calculated based on 24 fundamental factors across Growth, Value, Profitability and Cash Flow.

### Market Cap Requirements

All selections must have a minimum float-adjusted market cap of \$250 million. At least 25% of all selections (100 companies) must have a total market cap above \$3 billion.

### Liquidity Requirements

All selections must have a minimum three month average daily traded dollar volume of \$2 million.

### Sector Limits

The number of selections in a single economic sector cannot exceed 20% of the index (80 companies). REITs are ineligible.

Ticker: **B400**

Index Calculation:

The New York Stock Exchange

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## Performance

Cumulative total return Jan. 1998 - Aug. 2020\*

All data as of Aug. 31, 2020



### Calendar Year Returns

	B400 TR	DWCF TR	SPX TR
2020*	1.40%	9.28%	9.74%
2019	22.08%	30.90%	31.49%
2018	-12.96%	-5.30%	-4.38%
2017	19.66%	21.16%	21.83%
2016	18.26%	12.62%	11.96%
2015	-3.10%	0.44%	1.38%
2014	7.05%	12.48%	13.69%
2013	41.60%	33.47%	32.39%
2012	15.08%	16.38%	16.00%
2011	0.52%	1.07%	2.11%
2010	23.97%	17.51%	15.06%
2009	41.12%	28.55%	26.46%
2008	-39.21%	-37.23%	-37.00%
2007	6.15%	5.61%	5.49%
2006	12.73%	15.78%	15.79%
2005	11.96%	6.38%	4.91%
2004	23.46%	12.46%	10.88%
2003	45.10%	31.67%	28.68%
2002	-9.83%	-20.86%	-22.10%
2001	-0.64%	-10.98%	-11.89%
2000	15.89%	-10.90%	-9.10%
1999	24.24%	23.57%	21.04%
1998	13.14%	23.42%	28.58%

YTD values through 08/31/2020

### Annualized Returns

	B400 TR	DWCF TR	SPX TR
3-Years	6.10%	13.80%	14.50%
5 -Years	8.30%	13.80%	14.50%
Since 08/31/07	8.00%	9.10%	9.20%
Since 12/31/97	10.50%	8.00%	7.80%

### Cumulative Returns

	B400 TR	DWCF TR	SPX TR
3-Years	19.30%	47.60%	50.20%
5 -Years	48.70%	90.60%	96.50%
Since 08/31/07	171.70%	211.70%	212.70%
Since 12/31/97	865.20%	473.20%	453.70%

### Standard Deviation

	B400 TR	DWCF TR	SPX TR
3-Years	21.70%	17.78%	17.04%
5 -Years	18.86%	15.51%	14.90%
Since 08/31/07	19.11%	16.12%	15.60%
Since 12/31/97	18.59%	15.77%	15.26%

Frequency: Monthly

### Sharpe Ratio

	B400 TR	DWCF TR	SPX TR
3-Years	0.28	0.78	0.85
5 -Years	0.44	0.89	0.97
Since 08/31/07	0.42	0.56	0.59
Since 12/31/97	0.56	0.51	0.51

Frequency: Monthly

DWCF = Dow Jones U.S. Total Stock Market Index  
SPX = S&P 500 Index

\*The Barron's 400 index was first published on August 29, 2007. All estimated daily historical closing prices prior to that date are based on back-testing (i.e., calculations of how the index might have performed in the past if it had existed). Backtested performance information is purely hypothetical and is solely for informational purposes. Backtested performance does not represent actual performance, and should not be interpreted as an indication of actual performance. Past performance is not indicative of future results.

Index composition data as of Aug 31, 2020

### Index Bio

Average Market Cap	\$54,575.95
Median Market Cap	\$12,134.80
Average 3 Mo. Volume (Dollars)	\$327,165,643.70
Average 3 Mo. Volume (Shares)	3,009,038.00
Most Recent Rebalance	3/23/20
Companies Replaced	183
Sector with Biggest Increase	Technology
Sector with Biggest Decrease	Energy
Companies Overlapping S&P 500	188

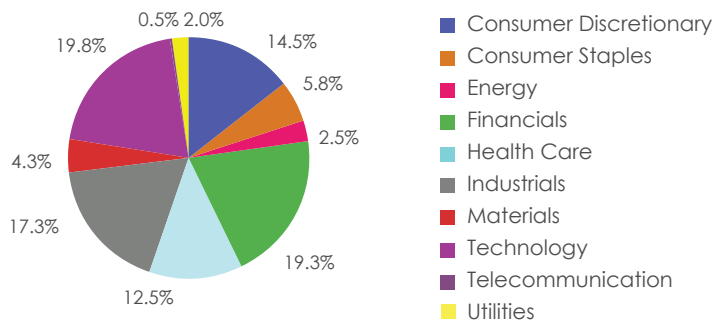
### Fundamental Attributes

	Median
Trailing P/E Ratio	23.3
Forward P/E Ratio	20.6
Earnings Yield	4.5%
Price/Tangible Book Ratio	5.8
Revenue Change - 3 Years	25.0%
Operating Income Change - 3 Years	39.0%
Operating Margin	16.5%
Earnings per Share (EPS) 3-Year Growth	15.1%
Total Debt to Capital	42.7%
Return on Equity	17.5%
Dividend Yield	1.00%
Beta	1.06

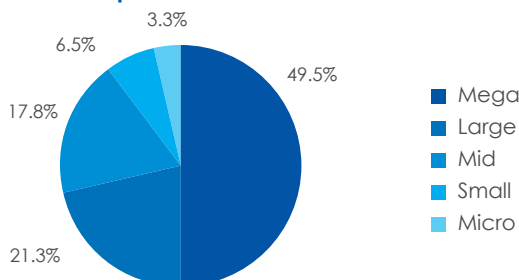
### Median and Average grades

	Median	Average
Barron's 400 Index	59.0	58.3
S&P 500	50.1	48.5
Dow Jones Industrial Average	55.6	49.1
NASDAQ Composite	54.2	53.4

### Sector Breakdown



### Market Cap Breakdown



### Top 20 Stocks by Fundamentals

Ticker	Name	Grade
VRTX	Vertex Pharmaceuticals Incorpo-	● 88.48
CHRS	Coherus BioSciences, Inc.	● 86.60
IBCP	Independent Bank Corporation	● 83.56
TER	Teradyne, Inc.	● 83.12
INVA	Innoviva, Inc.	● 81.87
INTC	Intel Corporation	● 80.85
FBC	Flagstar Bancorp, Inc.	● 80.66
PRDO	Career Education Corporation	● 80.62
REGI	Renewable Energy Group, Inc.	● 80.59
VCTR	Victory Capital Holdings, Inc. Class	● 79.38
PFSI	PennyMac Financial Services, Inc.	● 79.18
BPMP	BP Midstream Partners LP	● 78.84
INTU	Intuit Inc.	● 78.78
SFBS	ServisFirst Bancshares Inc	● 78.11
PB	Prosperity Bancshares, Inc.(R)	● 77.67
LOW	Lowe's Companies, Inc.	● 77.43
NBHC	National Bank Holdings Corpora-	● 77.27
REGN	Regeneron Pharmaceuticals, Inc.	● 76.35
EA	Electronic Arts Inc.	● 76.15
AMAT	Applied Materials, Inc.	● 75.75

### Most Selections Since Inception

Ticker	Name	Times
MSFT	Microsoft Corporation	40
AMGN	Amgen Inc.	39
NKE	NIKE, Inc. Class B	38
ROST	Ross Stores, Inc.	36
WMT	Walmart Inc.	35
TJX	TJX Companies Inc	34
PEP	PepsiCo, Inc.	33
AAPL	Apple Inc.	33
FDS	FactSet Research Systems Inc.	32
JNJ	Johnson & Johnson	32
IBM	International Business Machines	31
BBY	Best Buy Co., Inc.	31
TROW	T. Rowe Price Group	31
INTC	Intel Corporation	30
ORCL	Oracle Corporation	30
NVR	NVR, Inc.	29
AMAT	Applied Materials, Inc.	29
FAST	Fastenal Company	29
EMR	Emerson Electric Co.	28
UNH	UnitedHealth Group Incorporated	28