

DFNV

TrimTabs Donoghue Forlines Risk Managed Innovation ETF

Fund Description

DFNV tracks an index that seeks to provide risk-managed exposure to US all-cap companies with strong free cash flow and R&D investments.

FactSet Analyst Report

DFNV is a risk-managed fund that invests primarily in US companies of all market capitalization that exhibit strong free cash flow and innovation. These companies are those that represents the top 25% of the eligible universe based on (1) quality of earnings (2) profits generated from R&D (3) degree of R&D investment relative to total assets (4) assets turnover and (5) financial leverage. Target weight is allocated to each security based on the combination of the five factors and market cap. Based on the target weight, the index selects up to 120 names or until 90% of the cumulative security weight has been included, whichever occurs first. As part of its risk management, the passively-managed fund utilizes a rules-based model to provide downside protection during bearish market conditions. This model allows the fund to invest up to 50% of its asset to US Treasuries and other cash equivalents based on the daily buy-sell signal.

