

DFRA

Donoghue Forlines Yield Enhanced Real Asset ETF

Fund Description

DFRA tracks an index that seeks to provide exposure to US real assets companies of all sizes with strong free cash flow, earnings, and dividend yield.

FactSet Analyst Report

DFRA invests primarily in US-listed companies of all market capitalization that are included in the real assets industry group. Sectors that comprise this group are as follows: real-estate related sectors, infrastructure-related sectors, commodities related sectors, and natural resources related sectors. Eligible securities are scored depending on their ability to generate profit and pay dividends using a fundamental evaluation that includes (1) quality of earnings (2) free cash flow profitability and (3) dividend yield. Those that represent the top 25% of the scored equity universe are considered for inclusion. Target weight is allocated to each security based on the combination of the three factors and market-cap. Based on the target weight, the index selects up to 75 stocks or until 90% of the cumulative security weight has been included, whichever occurs first. The fund may also invest in derivative instruments to maximize gains. The index is rebalanced and reconstituted quarterly.

