

DSTL

Distillate US Fundamental Stability & Value ETF

Fund Description

DSTL tracks an index of large-cap stocks that score favourably for financial indebtedness, fundamental stability, and valuation. The portfolio is equally weighted, modified by free cash flow.

FactSet Analyst Report

DSTL's index screens a universe of about 500 US-listed stocks for 100 firms that score highly on fundamental metrics primarily free cash flow. First, the process removes any companies with less than five years of cash flow data available. Next, the index scores each component on three factors: financial indebtedness (a proprietary debt-to-income metric), fundamental stability (volatility of historical and projected cash flows), and valuation (free cash flow-to-enterprise value). DSTL holds the 100 highest-scoring firms, with quarterly reconstitution. Each holding receives a minimum weight of 2/3%, with the remaining 1/3 of the portfolio weight apportioned according to free cash flow. The portfolio is reconstituted quarterly.