

DVLU

First Trust Dorsey Wright Momentum & Value ETF

Fund Description

DVLU tracks an index of 50 large- and mid-cap value stocks exhibiting relative strength. Holdings are weighted by value metrics.

FactSet Analyst Report

DVLU combines two strategies: momentum and value. The index initially whittles down its large- and mid-cap universe by conducting a relative strength analysis. A point and figure chart is created for each security, comparing the stocks daily performance to that of the broader universe. Each stock is classified as a buy or a sell using this method, and the sells are filtered out. From this short list, DVLU selects the 50 securities with the highest value scores. Value scores are calculated from four metrics: price/sales, price/book, price/earnings, and price/cash flow. Selected stocks are also weighted by their value scores. DVLU is rebalanced quarterly.

