

HDRO

Defiance Next Gen H2 ETF

Fund Description

HDRO tracks a modified market-cap-weighted index that targets globally-listed firms in the hydrogen and fuel cell segment.

FactSet Analyst Report

HDRO is one of the first ETFs that capture the global hydrogen-based energy industry. The fund mainly focuses on pure-play companies those that derive at least 50% of their revenue from hydrogen-based energy sources and fuel cell technologies. HDRO selects stocks by market-cap to construct its narrow portfolio, holding at least 25 constituents. In the event that fewer than 25 eligible pure-play stocks are included, non-pure-play companies, excluding vehicle manufacturers, may be selected. Holdings are weighted in tiers first by market-cap, with a minimum aggregate weight of 85% for pure-play companies and a single security weight cap of 10% (4% for industrial gas). Weights are then adjusted using a liquidity overlay. The index is reconstituted and rebalanced quarterly.