INDQ

Pacer ActiveAlpha India Quality ETF

Fund Description

INDQ is a passively managed ETF, providing a narrow portfolio of publicly traded Indian equities screened for quality, value, growth, size, low volatility, and momentum factors.

FactSet Analyst Report

INDQ follows a rule-based selection methodology that screens for Indian companies considered to have strong fundamentals, consistent earnings growth, and trading at attractive valuations. The investment process begins with the stocks in the Nifty 500 Index and Nifty Microcap 250 Index that meet basic size and liquidity requirements. The investment universe is screened for quality factors such as ROE, ROCA, ROA, cash flow stability, and low debt levels. Further screening is conducted based on P/E and EV/EBIT ratios, to surface 50-60 of the most undervalued companies. The names are then scored for risk-adjusted momentum, with the top 20-30 companies forming the index. Index holdings are weighted based on a composite score for quality, value, and momentum. The index is reconstituted and rebalanced quarterly, but the fund is non-diversified.