

QFHD

Pacer S&P 500 Quality FCF High Dividend ETF

Fund Description

QFHD is passive, tracking an index of 100 large-cap US companies with high dividend yield, cash generation, and capital efficiency. The fund excludes securities from the real estate and financial sectors.

FactSet Analyst Report

QFHD targets dividend-paying large-cap US companies with high dividend yields, and above average free cash flow (FCF) margin and FCF return on invested capital (ROIC). It tracks an index comprising the components of the S&P 500, screened to identify companies paying dividends consistently for 5 consecutive years. Companies in the real estate and financial sectors are excluded from the selection. Qualified securities are ranked in descending order by their FCF score with the top 50% ranked once again by the last 12 months dividend yield (LTM Dividend Yield). The top 100 companies are included in the index. Final constituents are weighted using LTM dividend yield as well, with individual capping at 4.5%. The index is reconstituted and rebalanced semi-annually with reviews every January and July. The fund will typically use a replication strategy, aiming to invest in all index components in the same approximate proportion as in the index.