

TMFE

Motley Fool Capital Efficiency 100 Index ETF

Fund Description

TMFE seeks to track an index of 100 US stocks selected based on fundamental criteria of company growth, profitability, and stability. Weighting of holdings are determined by a combination of capital efficiency score and market-cap.

FactSet Analyst Report

TMFE is passively managed to track an index of US stocks that scored the highest based on their capital efficiency. The score is determined by measuring a company's growth, profitability, and stability. The fund's initial universe includes all US-domiciled companies that are either active recommendations of a newsletter published by The Motley Fool (TMF) or are among the 150 highest rated US companies in TMF's analyst opinion database. From there, after passing through a liquidity screen, each stock is ranked based on their capital efficiency factor score, where the top 100 are selected for inclusion in the fund. Each company's weighting within the fund is determined by multiplying their respective market-cap to their capital efficiency score, with a cap of 5% per company. Reconstitution and rebalancing are done on a quarterly basis.

