

VRAI

Virtus Real Asset Income ETF

Fund Description

VRAI tracks an equal-weighted index of US-listed real estate, infrastructure and natural resources equities. The index selects stocks using fundamental factors primarily dividend growth.

FactSet Analyst Report

VRAI aims to deliver equity income via exposure to the real assets industries: real estate, natural resources and infrastructure. The companies may include REITs, oil, metals, agriculture, forestry, utilities telecoms and MLPs. The index screens out companies using dividend payout ratio, debt to EBITDA ratio, and 3-year dividend growth. Firms passing this screen are ranked by dividend growth, within each of the three industry types the top 30 in each are selected for a total of 90 names. Stocks are equally weighted quarterly, subject to a cap of 20% total on MLPs. Equal weighting provides added diversification and a small-cap tilt, relative to cap weighting or dollar-dividend weighting. The fund holds US-listed securities, so ex-US exposure is possible via ADR.