

WBIY

WBI Power Factor High Dividend ETF

Fund Description

WBIY tracks an index of 50 US firms selected for high forecasted dividend yield and strong fundamental factors. Holdings are weighted by forecasted dividend yield.

FactSet Analyst Report

WBIY aims to pick the highest-yielding US stocks with the strongest fundamentals by culling out 50 names from a universe of 3000 securities of any capitalization. Potential holdings must have positive earnings from continuing operations, stable or growing dividends, and at least enough cash flow to cover their dividend payments. The selection pool is further narrowed down by a combination of expected dividend yield (determined from option premiums) and the three power factors (P/S, P/FCF and P/E) from continuing operations. The 50 holdings are weighted by expected dividend yield, with quarterly rebalancing. WBIY's premise is that by screening its portfolio for quality fundamentals, it can reduce risk while providing exposure to high-yield stocks. However, the funds stringent criteria create such a small portfolio that single-name risk becomes a potential issue (individual holdings are capped at 5%). And like all high-yield portfolios, WBIY is subject to interest rate risk.

