XMAG
Defiance Large Cap ex-Mag 7 ETF

Fund Description

XMAG tracks an index that provides exposure to large-cap stocks in the US, excluding the seven largest technology stocks. The strategy aims to mitigate the overconcentration and volatility of a select few stocks. Portfolio holdings are market-cap weighted.

FactSet Analyst Report

XMAG is passively managed to provide exposure to the stocks similar to the S&P 500 Index, while deselecting the Magnificent 7 Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla. The objective is to provide a more broad, balanced representation of the US equity market as compared to other broad-based index funds. Constituents are selected from the 700 largest stocks, ranked by descending market capitalization. The top 500 are selected, removing the seven stocks named above. Each share class for a stock is considered on a stand-alone basis. Entry and exit buffers are employed for each position to manage turnover and maintain stability of the index. An entry buffer requires a stock to meet more stringent criterion to be added, while exit buffers specify a threshold in which the holding will be sold. Holdings are weighted by free-float market capitalization. The portfolio is reconstituted and rebalanced quarterly.