

# XOUT

## GraniteShares XOUT US Large Cap ETF

### Fund Description

XOUT tracks a market-cap weighted index of US large-cap stocks selected based on a proprietary, quantitative scoring methodology excluding potentially underperforming companies.

### FactSet Analyst Report

XOUT flips the investment process by focusing on what stocks are eliminated from the underlying index. The fund seeks to detect US large-cap stocks positioned to potentially underperform and leaves them out of the index and underlying investment portfolio. The evaluation process for XOUT begins by scoring the 500 largest US equities for 7 fundamental criteria: revenue growth, hiring growth, capital deployment, share repurchases, profitability, deposit growth (for banks), earning sentiment and management performance. Companies scoring below the median quintile are excluded from index selection. Typically 250 names remain as index components. Holdings are market capitalization weighted and reconstituted on a quarterly basis. The screening process could lead to very different sector weightings than traditionally found in pure market capitalization weighted funds for the domestic large cap space.

