

FDN

First Trust Dow Jones Internet Index Fund

Analyst Report

This ETF offers exposure to companies that derive at least half of their sales from the Internet, a unique group of stocks that features a heavy tilt towards tech companies with a sprinkling of consumer firms as well. While the idea of exposure to web-based businesses may be appealing, it's important to note that the underlying holdings consist of companies engaged in a wide variety of businesses, and as such are impacted by entirely unique factors. Unlike many ETFs that focus on a specific sector, FDN isn't necessarily backed by a cohesive investment thesis; besides a general dependence on the Internet, the underlying components have little in common. As such, it's unclear exactly how FDN could fit into a portfolio, though it likely has little use for those interested in constructing a long-term portfolio. FDN is reasonably well balanced across about 40 names, though there is a general tilt towards large caps and a few well known tech giants account for a significant portion of holdings. Overall, FDN may be useful for a select few investors with a very specific view of the tech sector or a desire for fine tuned equity exposure, but most will find little use in this fund. Broad-based tech ETFs such as XLK may will be more useful for general tactical overlays, including more component stocks at a much lower fee.

ESG Themes and Scores

5.72/10

ESG Rate

27.42%

Global Percentile

30.97%

Peer Percentile

Performance Data

	FDN	ETF Database Category Average	Factset Segment Average
1 Month	-7.84%	-1.73%	-4.23%
3 Month	13.20%	14.04%	6.41%
YTD Return	-0.79%	8.83%	-4.26%
1 Year Return	0.44%	18.14%	-2.61%
3 Year Return	17.89%	16.80%	10.94%
5 Year Return	1.73%	8.15%	0.08%

Top 5 Holdings

Symbol	Holding	% Assets
META	Meta Platforms Inc Class A	10.07%
AMZN	Amazon.com, Inc.	10.06%
CSCO	Cisco Systems, Inc.	8.12%
GOOGL	Alphabet Inc. Class A	5.54%
BKNG	Booking Holdings Inc.	5.10%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.49%
Inception	Jun 19, 2006
Index Tracked	DJ Internet Composite

ETF Database Themes

Category	Large Cap Growth Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Growth
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Internet
Category	Sector
Focus	Theme
Niche	Internet
Strategy	Vanilla
Weighting Scheme	Market Cap

