

FXO

First Trust Financials AlphaDEX Fund

Analyst Report

This ETF offers exposure to the U.S. financial sector, seeking to replicate an index that employs a unique strategy designed to generate excess returns relative to traditional cap-weighted benchmarks. The underlying AlphaDEX Index employs a quant-based screening methodology designed to identify stocks poised for outperformance. In return for exposure to this strategy, which has historically delivered impressive returns, investors can expect to pay a bit more; FXO's expense ratio is about 50 basis points higher than low cost options for financial exposure such as FFL and XLF. The unique index construction methodology has some other potential advantages; FXO maintains much lower concentration of top holdings than do cap-weighted funds such as XLF. That means that performance isn't as dependent on a handful of large cap stocks, potentially giving a better way to access financials. For those who believe in the merits of the AlphaDEX methodology and willing to pay a little extra for a shot at alpha, FXO might be worth a closer look.

ESG Themes and Scores

5.36/10

ESG Rate

28.41%

Global Percentile

22.82%

Peer Percentile

Performance Data

	FXO	ETF Database Category Average	Factset Segment Average
1 Month	8.91%	9.06%	7.66%
3 Month	2.22%	3.23%	2.41%
YTD Return	-1.87%	1.69%	2.85%
1 Year Return	-6.18%	-2.49%	-1.27%
3 Year Return	10.36%	7.65%	5.40%
5 Year Return	8.70%	4.81%	4.19%

Top 5 Holdings

Symbol	Holding	% Assets
BPOP	Popular, Inc.	1.84%
OZK	Bank OZK	1.79%
FHN	First Horizon Corporation	1.77%
EG	Everest Group, Ltd.	1.76%
RITM	Rithm Capital Corp.	1.76%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.62%
Inception	May 08, 2007
Index Tracked	StrataQuant Financials Index

ETF Database Themes

Category	Financials Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Financials
Category	Sector
Focus	Financials
Niche	Broad-based
Strategy	Multi-factor
Weighting Scheme	Tiered

