

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

5.71/10

ESG Rate

26.72%

Global Percentile

6.32%

Peer Percentile

Performance Data

	FXO	ETF Database Category Average	Factset Segment Average
1 Month	3.63%	1.40%	2.43%
3 Month	10.51%	7.64%	7.54%
YTD Return	2.91%	-1.22%	0.88%
1 Year Return	14.93%	6.22%	6.57%
3 Year Return	21.86%	14.86%	12.44%
5 Year Return	9.73%	5.74%	4.53%

Top 5 Holdings

Symbol	Holding	% Assets
AMG	Affiliated Managers Group, Inc.	1.77%
THG	Hanover Insurance Group, Inc.	1.75%
TROW	T. Rowe Price Group, Inc.	1.68%
CINF	Cincinnati Financial Corporation	1.63%
SEIC	SEI Investments Company	1.63%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.60%
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

