

DGLO

First Trust RBA Deglobalization ETF

Fund Description

DGLO tracks an index of US companies across all market capitalizations from sectors expected to benefit from deglobalization. The fund utilizes an optimizer to minimize stock-specific risk.

FactSet Analyst Report

DGLO invests in companies poised to benefit from deglobalization and its implications. The fund tracks an index of all-cap US stocks that meet minimum market-cap, share price, and liquidity requirements from sectors considered to be inflation beneficiaries. These sectors are expected to benefit from increased geopolitical conflict, which include industrials, energy, materials, infrastructure, defense, transportation, and cybersecurity. The selection process employs quantitative indicators and macroeconomic analysis to establish views on major secular and cyclical market trends. The fund uses an optimizer to assign weights based on a stock's contribution to the overall portfolio risk. When a stock hits the 4% cap, additional weights are distributed to other securities. As the portfolio is theme-based, the process minimizes stock-specific risk while adhering to the themes constraints. The index is reconstituted and rebalanced quarterly.