

EDOW

First Trust Dow 30 Equal Weight ETF

Fund Description

EDOW tracks an equal-weighted index of companies included in the Dow Jones Industrial Average.

FactSet Analyst Report

EDOW is the equal-weighted take on the Dow Jones Industrial Average Index (DJAI) which is a price-weighted index. The fund has the same exposure to DJIA, holding 30 large-cap US stocks issued by blue-chip companies covering a wide range of industries. In contrast, EDOW gives equal weight to the same 30 constituents, allowing each stock to contribute equally to the performance return. Equal weighting reduces concentration and individual stock risk. The underlying index is rebalanced on a quarterly basis, which provides a mechanism to systematically sell off positions that have appreciated and buy those that are lower. On December 14, 2020, the First Trust Mega Cap AlphaDex Fund (ticker: FMK) was merged into EDOW. Assets from FMK stood at just under \$21.5 million, with 500,00 shares outstanding.