

EMOT

First Trust S&P 500 Economic Moat ETF

Fund Description

EMOT aims to track an equal-weighted index comprised of S&P 500 stocks with sustainable competitive advantages, determined by metrics such as gross margins, ROIC, and market share.

FactSet Analyst Report

EMOT aims to achieve the returns of an index primarily comprised of common stocks of S&P 500 companies that demonstrate sustainable competitive advantages, excluding those in the real estate sector. The selection process begins with all eligible S&P 500 stocks and evaluates them using metrics such as gross margin (focused on consistency over five years), the five-year average Return on Invested Capital (ROIC), and market share score to assign an Economic Moat score. This score is based on combined z-scores. The top 50 securities with the Highest Economic Moat scores are then chosen and equally weighted in the Index. The Index undergoes Semi-annual reconstitution and rebalancing, and EMOT adjusts its portfolio accordingly.