

FPEI

First Trust Institutional Preferred Securities & Income ETF

Fund Description

FPEI is actively managed to provide current income and total return by investing in global institutional preferred and income-producing debt securities.

FactSet Analyst Report

FPEI is a niche fund that focuses on selecting institutional preferred securities and other income-producing debt securities. The allocation to preferred securities include issues typically geared towards institutional investors, as they are preferreds generally issued in large lot sizes and typically trade over-the-counter. The fund's sub-advisor utilizes a top-down approach to take into consideration sector, interest rate and systemic risks. Individual securities are selected based on credit fundamentals, relative value and technical aspects such as: call features, trading volumes, and pricing inefficiencies. Due to the nature of preferred securities, the fund's holdings are concentrated in the financial sector. The fund may also hold corporate bonds and convertible securities of various credit quality and duration.