

FPE

First Trust Preferred Securities & Income ETF

Fund Description

FPE is an actively managed fund that attempts to generate income by investing globally in preferred equities and income producing debt across the market cap spectrum.

FactSet Analyst Report

FPE invests in preferred stocks issued by US firms including foreign non-USD issues. The Fund may include issues from the financial, communications, consumer, government, utilities, energy, materials, industrial and technology sectors but may concentrate at least 25% to the financial sector. Securities are selected by combining a bottom-up individual security analysis and top-down sector analysis focusing on three significant areas: credit fundamentals, relative value, and technical factors like interest rate sensitivity, call features, maturities, and pricing inefficiencies. The fund carries a fair amount of interest rate risk due to its long average duration. FPE may also invest in REITs and up to 40% of the portfolio can be allocated in high-yielding bonds.