

FPXE

First Trust IPOX Europe Equity Opportunities ETF

Fund Description

FPXE tracks a market-cap-weighted index of the 100 largest European IPOs over the first 1,000 trading days for each stock.

FactSet Analyst Report

FPXE holds positions in the 100 largest developed-market European firms with recent IPOs, weighted by market cap. Eligible stocks are purchased after the close on the 6th trading day and sold on the 1000th, for a holding period of roughly 4 years. The fund applies further quantitative screens in addition to the usual de minimis size and liquidity requirements, but these are fairly relaxed: a minimum market cap of \$50M at the close of the first trading day, publicly traded float of at least 15%, and no abnormal underpricing. This process results in an eclectic basket that can change significantly when new firms enter and older ones age out. Overall, its a good option for investors looking to access relatively fresh stock issues. The index is reconstituted and rebalanced quarterly.