

FSCS

First Trust SMID Capital Strength ETF

Fund Description

FSCS tracks an equal-weighted index of 100 well-capitalized small- and mid-cap US companies perceived to hold strong market positions.

FactSet Analyst Report

FSCS is passively managed to screen for small- and mid-cap US companies exhibiting strong balance sheets, high liquidity, earnings growth potential, and a record of financial strength and profit growth. To be eligible for inclusion, a stock must have: (i) at least \$100 million in cash or short-term investments, (ii) a long-term debt-to-market-cap ratio below 30%, (iii) positive shareholder equity, and (iv) a return on equity exceeding 15%. Eligible stocks are ranked according to a composite volatility score, which combines 3-month annualized realized volatility and 12-month realized volatility, subject to industry and capitalization group constraints. The 100 lowest-ranked stocks are included in the portfolio. Holdings are equally weighted and undergo quarterly reconstitution and rebalancing. Before June 10, 2024, the fund traded as First Trust Mid Cap U.S. Equity Select ETF, with ticker RNMC, and tracked the Nasdaq Riskalyze US Mid Cap Index.

