

FTCE

First Trust New Constructs Core Earnings Leaders ETF

Fund Description

FTCE tracks a market cap-weighted index of companies with high earnings quality, as selected and measured using the Earnings Capture metric. The fund holds 100 securities, representing the top companies within each Bloomberg sector classification.

FactSet Analyst Report

FTCE is designed to provide exposure to US stocks of companies that have high earnings quality. It tracks an index comprised of the top companies from the Bloomberg US 1000 as measured by an earnings capture metric. The fund, rather than using a company's reported earnings alone, also utilizes core earnings to determine a company's earnings capture. The selection process begins with identifying the top 30% of securities within each of the 11 sectors of the B1000 index. The top 3 companies by issuer free float market-cap in each sector are included in the index. The remaining eligible securities are sorted by issuer free float market-cap with the largest selected until a total of 100 securities comprise the index. Holdings are then weighted using issuer free float market-cap, with 4.5% individual capping. The index is reconstituted and rebalanced on a quarterly basis.

