

FTXH

First Trust Nasdaq Pharmaceuticals ETF

Fund Description

FTXH tracks the 30 most liquid US pharmaceutical companies, weighted according to factors related to value, volatility, and growth.

FactSet Analyst Report

FTXH holds a concentrated basket of 30 highly liquid pharmaceutical stocks weighted according to various factors. While many funds perform a basic liquidity screen as part of their index construction and rebalancing, FTXH goes beyond the basic screen and uses liquidity for selection. The 30 most liquid pharmaceutical stocks in the US are chosen for inclusion in the index as determined by 3-month average daily traded volume. The selected constituents are then ranked and weighted on three different factors: 1) strong growth, as exhibited by 3-, 6-, 9-, and 12-month average price returns, 2) attractive value, evaluated by cash-flow-to-price, and 3) low volatility, based on historical price fluctuations. Single security weights are capped at 8%. The index is rebalanced quarterly and reconstituted annually.

