

FV

First Trust Dorsey Wright Focus 5 ETF

Fund Description

FV tracks an equal-weighted index of US and global ETFs issued by First Trust. The index selects 5 ETFs based on relative price momentum.

FactSet Analyst Report

FV uses the Dorsey Wright relative strength model to make big bets on US sectors and global themes. The fund holds just 5 ETFs all from First Trust chosen from the issuer's entire stable of broad US sector funds and narrower global niche plays. The 5 ETFs are selected based on relative price momentum. The selected funds are then weighted equally in the portfolio. Note that while the underlying index measures relative strength weekly, an ETF won't drop out until it falls below the median level of relative strength in FV's small universe. This buffer is meant to reduce turnover. The underlying ETFs often use multi-factor exposure rather than cap-weighting, typically overweighting mid-caps. In short, FV looks nothing like a typical plain-vanilla global ETF. Still, the fund rounds out the picture of an accessible alternative exposure to global equities. The index is evaluated on a bi-monthly basis.



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