

RND

First Trust Bloomberg R&D Leaders ETF

Fund Description

RND tracks a market cap-weighted index of 30-50 US stocks with substantial expenditures dedicated to research and development.

FactSet Analyst Report

RND tracks an index of stocks with increased research and development for new products and services that are expected to generate future economic benefits. From a starting universe of 1,000 US large- and mid-cap companies, the fund considers stocks that have increased R&D expenditures for the past three years. The fund then screens securities for the top 90th percentile in terms of R&D expenditures to sales ratio. Finally, the top 30-50 securities by market capitalization are selected. If less than 30 stocks meet the requirements, the fund could relax the R&D expenditures to sales screen and rank securities just by their R&D expenditures. The portfolio is market cap-weighted, subject to diversification and sector limits. The index is rebalanced quarterly and reconstituted semi-annually.