

RNEM

First Trust Emerging Markets Equity Select ETF

Fund Description

RNEM tracks a tier-weighted index of emerging-market stocks selected for low volatility.

FactSet Analyst Report

RNEM seeks stability by filtering the universe of large- and midcap emerging-market stocks for companies with historically low volatility of returns. Within each emerging market country, the fund selects the 25 stocks with the lowest volatility over the previous 12 months. The resulting portfolio is sorted into country/sector buckets, with each bucket set to market weight at each rebalance. Holdings are equal-weighted within the buckets. The funds use of a NASDAQ parent index means that it classifies both South Korea and Taiwan as emerging markets, which may not align with how they are classified in other emerging-market funds. The index is reconstituted and rebalanced semi-annually.