

CAAA

First Trust Commercial Mortgage Opportunities ETF

Fund Description

CAAA is an actively managed fund that primarily invests in commercial mortgage-backed securities with a credit rating of AAA. The fund seeks to provide long-term total return.

FactSet Analyst Report

CAAA aims for long-term total return through an actively managed portfolio of AAA-rated commercial mortgage-backed securities. The fund primarily invests in non-agency CMBS, including restricted and interest or principal-only CMBS. The adviser constructs the portfolio using a relative value approach, which utilizes quantitative and qualitative methods to assess each security's risk-versus-reward characteristics against other eligible securities. The fund has no geographical, duration, or maturity restrictions. However, it seeks a weighted average portfolio duration of +/- two years of Bloomberg Non-Agency Investment Grade CMBS: US Aggregate Eligible Aaa Index's weighted average duration. The fund will not invest in CMBS with a credit rating below A-. Lastly, the fund may use derivatives such as futures, forwards, options, and swaps to manage risk, reduce transaction costs, obtain exposure to the CMBS market, manage cash flows, and/or preserve capital.

