

DOGG

FT Vest DJIA Dogs 10 Target Income ETF

Fund Description

DOGG seeks to provide a consistent level of income with a secondary objective of providing capital appreciation. The fund invests in a concentrated portfolio of equally weighted, high dividend-yielding, large-cap US stocks, options, and short-term Treasury securities.

FactSet Analyst Report

DOGG aims for a consistent level of income that is approximately 8%, before fees and expenses, above the annualized yield of the Dow Jones Industrial Average (DJIA). However, there are no assurances that level of income will be obtained. The fund pursues the Dogs of the Dow strategy, the ten highest dividend-yielding stocks of the Dow on an annual basis. It purchases shares of these stocks and writes one-week at-the-money call options against the shares. The belief is that the one-week call options on the individual stocks provide the highest level of premium erosion, allowing for a high probability to collect option premium. Due to fund diversification requirements, the fund captures the price movement of these shares by also creating synthetic long positions through the use of put and call FLEX options. The equal-weighted securities are rebalanced quarterly and reconstituted on an annual basis. Short-term Treasury securities serve as collateral or aid in managing the portfolio.

