

FDND

FT Vest Dow Jones Internet & Target Income ETF

Fund Description

FDND is an actively managed fund that seeks a target level of current income and capital appreciation by holding a portfolio of US internet stocks, while utilizing a naked call writing strategy on the Nasdaq-100 Index or related ETF.

FactSet Analyst Report

FDND aims to provide income at an annual rate of 8%, before fees and expenses, over the annual dividend yield of the Nasdaq-100 Index. The income stems from dividends from individual equity positions and premiums from selling naked call options. However, there is no guarantee the fund will deliver the target income. The portfolio manager actively selects 40 of the largest and most liquid US internet companies, which includes firms in the internet commerce and internet services sub-industries. Each week, FDND attempts to bridge the difference between the dividend income of its equity portfolio and its target distribution by selling at-the-money, naked call options on the Nasdaq-100 Index or related ETFs. The income from dividends and option premiums are expected to be distributed monthly. Investors should note that naked call writing, or selling call options without owning the underlying asset, is a high-risk options strategy.