

FTGC

First Trust Global Tactical Commodity Strategy Fund

Fund Description

FTGC is an actively managed fund that, through a subsidiary, provides broad exposure to commodities through futures contracts. The fund is structured as a 1940 Act open-ended fund.

FactSet Analyst Report

FTGC brought active management to the commodities space. The fund doesn't directly own futures contracts, but gains exposure to commodities through its holdings in a Cayman Islands-based subsidiary, which holds futures contracts and is also eligible to hold commodity ETFs and structured products tied to commodities. Since the fund limits its holding in the subsidiary to 25%, it aims to qualify as a regulated investment company and is structured as a 1940 Act open-ended fund, as opposed to a commodities pool. It can short futures, as well as hold commodity ETFs and other structured vehicles tied to commodities, and overall it doesn't look much like a front-month GSCI benchmark. Its sector biases can swing far from neutral exposure. Its cash-only creation structure makes things simple for larger investors. FTGCs structure means that it intends to be taxed like other equity funds, and does not distribute K-1 forms to its investors.

