

FTLB

First Trust Hedged BuyWrite Income ETF

Fund Description

FTLB is an actively-managed portfolio of US large-cap stocks, with an options overlay of short calls and long puts on the S&P 500.

FactSet Analyst Report

FTLB is an actively-managed fund that targets US large-cap stocks, overlaid by an options strategy. The fund manager uses a model to select dividend-paying stocks from the US-listed large-cap universe, and then writes calls and buys puts (out-of-the-money) on the S&P 500. The strategy is designed to boost income while minimizing volatility, although the put premiums could create a drag on the funds performance. The fund appears to be primarily model-driven in its portfolio selection, but the active management wrapper allows the fund manager to take advantage of market anomalies during periods of high volatility.