

HDMV

First Trust Horizon Managed Volatility Developed Intl ETF

Fund Description

HDMV is an actively-managed fund of low expected volatility mid and large-cap stocks from developed markets.

FactSet Analyst Report

HDMV is an actively-managed fund that revolves around modeling and forecasting volatility. The fund manager selects 100-400 constituents that are expected to have low volatility in the future. The fund's selection universe is comprised of developed markets throughout the world, and it selects from those markets mid and large-cap stocks that meet liquidity standards. Chosen stocks are then weighted by their volatility forecasts, lowest to highest. Finally, larger weights are assigned to securities with lower future expected volatility and the funds weighting scheme may be adjusted depending on market conditions. HDMV is periodically rebalanced and reallocated using the fund managers methodology which may result in higher levels of portfolio turnover.