

HSMV

First Trust Horizon Managed Volatility Small/Mid ETF

Fund Description

HSMV is an active fund of small- and mid-cap US stocks selected based on volatility forecast.

FactSet Analyst Report

HSMV is an actively-managed fund that revolves around modelling and forecasting volatility. Starting with small- and mid-cap companies listed on US exchanges, the fund manager uses a quantitative and rules-based model to forecast the future volatility of individual stocks based on historical pricing data and generated return data. Selected securities are weighted by their volatility forecasts, with the lowest receiving greater weight in the portfolio. The fund rebalances and reallocates periodically at the fund managers discretion, which may result to high portfolio turnover.