

IGLD

FT Vest Gold Strategy Target Income ETF

Fund Description

IGLD aims to generate income from a long position in SPDR Gold Trust ETF (GLD) and call spreads utilizing FLEX options. The fund gains exposure through a wholly-owned subsidiary.

FactSet Analyst Report

IGLD uses FLEX options, short-term treasuries and cash-like investments to participate in the price performance of the SPDR Gold Trust ETF (GLD). The fund aims to provide consistent income, on an annual basis of about 3.85% above yields of one-month T-bills. For tax purposes, IGLD does not hold the FLEX options or gold directly but gets its exposure through a wholly-owned Cayman Island subsidiary. The fund participates in the gains of GLD on about 50-100% basis by purchasing call options. IGLD utilizes a partial covered call strategy wherein a portion of the upside price return of GLD is converted into current income. To implement this strategy, IGLD will sell call options with an expiration date less than or equal to one month in the future. While the fund provides additional income through FLEX options, it does not provide buffers for losses, it fully participates in GLDs losses on a one-to-one basis.