

# JHDG

## John Hancock Hedged Equity ETF

### Fund Description

JHDG is actively managed, providing exposure to US large-cap stocks along with a flexible options overlay strategy. The fund seeks long-term capital appreciation while hedging market downturns.

### FactSet Analyst Report

JHDG seeks risk-adjusted returns by combining fundamental stock selection with a flexible options overlay. The portfolio primarily consists of US large-cap stocks selected through a bottom-up process that targets mispriced companies with strong business models and clear catalysts for value realization. As part of the strategy, the fund uses derivatives to shape its risk-return profile, participating in equity market gains while mitigating volatility and limiting drawdowns. It generates income by writing short-term, out-of-the-money covered calls on its holdings, which helps fund index put spreads that provide partial downside protection. The manager actively adjusts these positions based on market conditions, including adjusting hedge levels, reducing call exposure, or purchasing index call options to capture potential rebounds. However, the overlay may limit upside during strong bull markets.

