



KNG

FT Vest S&P 500 Dividend Aristocrats Target Income ETF

Fund Description

KNG tracks an equal-weighted index of US large-cap companies that have increased dividends for at least 25 years, with a partial overlay of covered call options.

FactSet Analyst Report

KNG employs an adjusted buy-write strategy on a dividend-focused portfolio. The equal-weighted portfolio is made up of companies from the S&P 500 that have increased dividends for each of the last 25 years. The fund writes covered call options on these stocks, which generates additional income but limits the upside of the portfolio. Rather than writing calls on the entire notional value of the funds stock holdings, KNG aims for combined income from dividends and call options that is 3% higher than the yield on the S&P 500. The covered call overlay is limited to 20% of the notional value. The index is reconstituted annually and rebalanced quarterly. Prior to being acquired by First Trust on March 1, 2021, the fund was managed by Cboe Vest Financial.