

MGOV

First Trust Intermediate Government Opportunities ETF

Fund Description

MGOV is an actively managed ETF that mainly invests in U.S. Treasury and mortgage-related securities. The portfolio aims to have an average duration of three to eight years.

FactSet Analyst Report

MGOV aims for sustained gains by primarily investing in a portfolio of US Treasury and mortgage-related securities, with a flexibility to invest in ETFs and derivatives relating to Government Securities. The fund strives for an average effective duration of three to eight years. The managers utilize a rules-based combination of top-down and bottom-up analysis for security selection. The portfolios composition is determined by evaluating market fundamentals and performing individual security analysis, which helps decide portfolio weightings and timing for buy and sell decisions. The fund also explores more complex investment strategies like TBA Transactions, which involve the purchase of mortgage-related securities with defined general parameters, but without specifying the precise securities to be delivered until close to the settlement date. Mortgage dollar rolls are another form of these TBA Transactions that the fund employs.