

PRIZ

Zacks Preferred Income ETF

Fund Description

PRIZ is actively managed and aims to provide current income, targeting 8% annual distributions, through investing in preferred securities. The fund has the flexibility to invest globally in high-yield preferreds, rated below Ba1 or BB+.

FactSet Analyst Report

PRIZ focuses on preferred securities, targeting an 8% annual distribution. The fund has the flexibility to invest globally in high-yield preferreds. PRIZ allocates more than 25% to the financial services sector. As part of the investment process, the advisor screens out convertible preferreds, securities not covered by rating agencies, and those with low liquidity. A quant model is used to identify securities based on four factors: Agreement (earnings estimate revisions that are revised upward), Magnitude (size of the earnings estimate revisions), Upside (how recent or most accurate estimates compare to consensus), and Surprise (the frequency and scale of earnings surprises). Followed by a qualitative review, which considers the seniority of the preferreds, current CDS spreads, the ability to meet qualified dividends, and yield. The resulting portfolio is designed to include high-quality preferreds that offer tax-advantaged income. The portfolio is rebalanced monthly.