

RDVI

FT Vest Rising Dividend Achievers Target Income ETF

Fund Description

RDVI seeks a target level of current income and capital appreciation by holding a portfolio of dividend-paying US equities, while utilizing a naked call writing strategy on the S&P 500 Index or related ETF. The fund is actively managed.

FactSet Analyst Report

RDVI aims to provide income at an annual rate of 8%, before fees and expenses, over the annual dividend yield of the S&P 500 Index. The sources for income stem from dividends from individual equity positions and premiums from selling naked call options. Selecting the portfolio involves screening a broad market index for those that have a history of raising their dividends, while exhibiting characteristics to continue to do so. Each week, RDVI attempts to bridge the difference between the dividend income of its equity portfolio and its target distribution by selling at-the-money, naked call options on the S&P 500 Index or related ETFs. The income from dividends and option premiums are expected to be distributed monthly. Investors should note that naked call writing, or selling call options without owning the underlying asset, is a high-risk options strategy. The fund is actively managed however, there is no guarantee the fund will deliver the target income.