

SCIO

First Trust Structured Credit Income Opportunities ETF

Fund Description

SCIO is actively managed, seeking to maximize long-term income by holding intermediate-term structured credit investments such as RMBS, CMBS, CLOs, and ABS. Securities are of any credit quality.

FactSet Analyst Report

SCIO aims to seize opportunities within the structured credit investment space through a relative value approach. The strategy combines quantitative and qualitative methods to evaluate risk-reward profiles. The funds investments include agency and non-agency-issued RMBS, CMBS, CLOs, and ABS, with at least 50% consisting of pass-through securities, as well as mortgage-related securities such as CMOs, SMBs, REMIC, and mortgage dollar rolls. Additionally, derivatives such as futures, forwards, options, and swaps may be used to enhance returns, manage risks, and maintain market exposure. Up to 60% of the holdings may consist of sub-investment grade securities, including distressed ones. Utilizing third-party models, the fund aims to maintain a weighted average portfolio duration of -1 to +6 years. The fund may enter short sale transactions.

