

SCLZ

Swan Enhanced Dividend Income ETF

Fund Description

SCLZ is actively managed, aiming for total return by investing in dividend-paying large- and mid-cap US stocks while enhancing returns through a covered call-writing options strategy.

FactSet Analyst Report

SCLZ aims to maximize income through a portfolio of US dividend-paying companies combined with a covered call writing strategy. This strategy provides a potential buffer against market volatility, although the reduction is limited to the amount of option premium received. Based on the large- and mid-cap stocks of the OShares Focused Quality Dividend Index, the fund selects 50 names based on a composite score for quality and growth characteristics. The composite score considers quality factors, dividend growth, dividend coverage, and dividend yield. Note some stocks with superior dividend payouts and higher capital appreciation potential may be excluded if option premium potential is too low. Quarterly, constituents are re-ranked based on historic dividend yield and potential capital appreciation, with holdings sold when they are no longer listed. Risk management involves establishing pre-defined exit points for each option to reduce downside exposure while maximizing income.

