

TDVI

FT Vest Technology Dividend Target Income ETF

Fund Description

TDVI is an actively managed fund that seeks to provide a target level of current income and capital appreciation by holding a portfolio of dividend-paying US technology companies. The fund also utilizes a naked call writing option strategy on the Nasdaq 100 Index (NDX) and/or the S&P 500 Index (SPX) or related ETFs.

FactSet Analyst Report

TDVI aims for an 8% annual distribution, before fees and expenses, over the annual dividend yield of the Nasdaq 100 Index. However, the delivery of the target income is not assured. Distributions stem from dividends from technology companies within the Nasdaq Technology Dividend Index and premiums from selling naked index call options. These options are European style, written at-the-money, and will have expirations of less than 30 days. Each week, TVDI 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 NDX and/or SPX or related ETFs. The income from stock dividends and option premiums is expected to be distributed monthly. Investors should be aware that selling naked index call options carries a high level of risk.