

UCON

First Trust TCW Unconstrained Plus Bond ETF

Fund Description

UCON is an actively managed fund, which broadly invests in various fixed income securities of almost any sector, maturity, or credit quality.

FactSet Analyst Report

UCON seeks long-term total return with its broad discretion to invest in almost any kind of fixed income securities. The fund does not necessarily target any particular part of the bond market, but takes a flexible approach based on the managers top-down, long-term economic outlook. However, the manager may also employ independent, bottom-up research to identify undervalued securities. While UCON does have some exposure limits, they are fairly lax: up to 70% in high-yield debt, 60% in emerging-market debt, 50% in non-USD-denominated debt, and 50% each in residential MBS, commercial MBS, and ABS. MBS not backed by a government or government-sponsored agency is limited to 20% of the portfolio. Individual holdings may be of any maturity, but UCONs portfolio duration will normally not exceed 10 years. The fund may also hold derivatives for hedging or duration management but not to exceed 20% of the portfolio.

