

ACYN

FT Vest Laddered Autocallable Barrier & Income ETF

Fund Description

ACYN is an actively managed ETF that uses swaps to synthetically invest in a laddered portfolio of autocallable notes referencing one or more US broad-based index. The fund aims for income with limited downside cushion.

FactSet Analyst Report

ACYN aims to provide distributions while limiting downside volatility by entering into swap agreements and/or similarly structured option contracts linked to at least one US broad-based index (e.g., S&P 500, Russell 2000, Nasdaq-100). It seeks to reflect the performance of a laddered portfolio of theoretically created synthetic autocallable contracts. The laddered portfolio of autocallables have different maturity and call observation dates, which are rolled into new contracts to maintain exposure and mitigate risks. If the index has fallen below a preset limit, investors are exposed to further losses on a 1:1 basis. The coupon barrier level of contracts is typically set between 65-75% of the initial value of each underlying asset, and maturity barrier level are typically between 60% to 70%. In addition, the actively managed fund may invest in short-term US Treasuries as collateral to swap agreements, and/or box spreads.

