

BFJA

FT Vest Bitcoin Strategy Floor15 ETF - January

Fund Description

BFJA is an actively managed fund that seeks to provide capped gains on the spot price of bitcoin, while attempting to hedge declines greater than 15% during a one-year period starting January. The fund uses FLEX options to construct the exposure.

FactSet Analyst Report

BFJA is actively managed and aims to provide the price returns of spot bitcoin, up to a predetermined cap, while also hedging further declines once the first 15% loss is realized. This structured exposure is for a one-year period, starting in January, using FLEX options. There are three components to understand with this type of ETF: the cap, the hedge/floor, and the outcome period. The cap is placed on the upside participation to generate some income to help offset the cost of the downside hedge. This structured cap and hedge are held over an outcome period, which is one year in this case. Once the outcome period expires, new FLEX options are created to reset the cap level and downside hedge for the new price level of bitcoin. The outcome advertised may only be attempted for an investor who holds shares on the first day of the outcome period and continues to hold them on the last day of the outcome period.