

BGLD

FT Cboe Vest Gold Strategy Quarterly Buffer ETF

Fund Description

BGLD aims for specific buffered losses and capped gains on SPDR Gold Trust ETF over a specific holdings period. The fund invests in US treasury bills, cash-like instruments and FLEX options through a wholly-owned subsidiary.

FactSet Analyst Report

BGLD uses FLEX options, short-term Treasuries and cash-like investments in an effort to moderate losses on price movement on the SPDR Gold Trust ETF (ticker: GLD) over a three-month period. For tax purposes, the fund does not hold the FLEX options or gold directly but gets its exposure through a wholly-owned Cayman Island subsidiary. BGLD compensates for GLD's losses between 5% and 15%, beyond it, the fund will experience all subsequent losses on a one-to-one basis. In exchange for preventing realization of GLD's losses, investors forego upside participation above a certain threshold, which is reset quarterly. Investors who buy at any other time than the quarterly reset day may have a very different protection and buffer zone. The issuer publishes effective interim levels daily on its website. The fund must be held to the end of the period to achieve the intended results. The targeted buffers and caps do not include the fund's expense ratio.