

BUFZ

FT Vest Laddered Moderate Buffer ETF

Fund Description

BUFZ is an actively managed fund-of-funds that invests in an equal-weighted portfolio of First Trusts twelve-monthly Equity Moderate Buffer ETFs. The underlying ETFs target specific buffered losses and capped gains on the SPDR S&P 500 ETF Trust (ticker: SPY).

FactSet Analyst Report

BUFZ ladders a bundle of buffer ETFs into a single investment vehicle, thereby attempting to mitigate downside risk. It offers a fund-of-funds portfolio that equally invests across the issuer's own monthly Equity Buffer ETFs. Each of the underlying ETFs uses Flex options that aim for capped gains on the SPY and provide a buffer against the first 15% of losses over a one-year period. The strategy is designed to distribute the risk associated with market timing, reducing the impact of unfavorable entry points. Note that the fund itself does not pursue a specific outcome strategy. As a result, returns are subject to the caps set by the underlying ETFs. The adviser may acquire and dispose of securities that do not coincide with the beginning and end of the target outcome period, potentially impacting returns further. Initially, the fund will consist of four ETFs but will eventually hold all the calendar months representing each ETF.