

DFII

FT Vest Bitcoin Strategy & Target Income ETF

Fund Description

DFII is an actively managed fund that seeks to provide capped gains on the returns of bitcoin and a high level of income through options contracts that reference bitcoin ETPs or indices, and other income-producing investments.

FactSet Analyst Report

DFII aims for a partial participation in the returns of bitcoin and a high level of income that is approximately 15% higher than the annual yield of one-month US Treasury securities. The fund utilizes options contracts referencing bitcoin exposure instruments (i.e., bitcoin ETPs and indices), as well as other income-producing investments. It may include standardized listed, FLEX, and OTC options with expirations of one year or less. Generally, the funds purchased call and sold put options provide capped gains and full participation in all bitcoin instruments losses. The fund also employs a partial covered call strategy that seeks to sell at-the-money call options with expirations of less than 30 days. Lastly, it may hold short-term US Treasurys, cash and cash-equivalents, or may utilize a box spread consisting of a synthetic long position along with an offsetting synthetic short position. Note: the fund does not invest directly in bitcoin and its target income is not guaranteed.