

DHDG

FT Vest U.S. Equity Quarterly 2.5 to 15 Buffer ETF

Fund Description

DHDG aims to participate in the price movement of the SPDR S&P 500 ETF (ticker: SPY), up to a cap while buffering losses between -2.5% and -15%. The fund resets its buffer and cap levels quarterly. The actively managed fund executes the strategy using FLEX options.

FactSet Analyst Report

DHDG actively manages FLEX options in efforts to participate in the price return of the SPDR S&P 500 ETF Trust (SPY), up to a cap, and provide partial downside protection over a three-month outcome period. The fund foregoes some upside return as well as the S&P 500s dividend component, because the options are written on the price (not total) return version of the index. In exchange for preventing losses between -2.5% and -15% of the losses in value of SPY shares, 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 outcome period to pursue the intended results. The targeted buffers and caps do not include the funds expense ratio, which should be deducted from potential return.