

FAPR

FT Cboe Vest U.S. Equity Buffer ETF - April

Fund Description

FAPR aims for specific buffered losses and capped gains on the SPY over a specific holding period. The actively-managed fund holds options and collateral.

FactSet Analyst Report

FAPR uses options in an effort to moderate losses on an ETF, SPY, over a one-year period starting each April. Using SPY is a slightly different approach than using S&P 500 index flex options, what is gained in favorable tax treatment may be lost in higher expense. The fund foregoes some upside return on SPY, in exchange for preventing realization of the first 10% of its losses, which is reset annually. Investors who buy at any other time than the annual 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 funds expense ratio. The fund is actively managed.