

FHDG

FT Vest U.S. Equity Quarterly Dynamic Buffer ETF

Fund Description

FHDG aims to deliver returns that match the SPDR S&P 500 ETF Trust price performance up to a set upside cap, while providing a dynamic buffer of 5% or 7.5% against losses over a three-month period. The fund employs FLEX options to implement this strategy and resets its cap and buffer each quarter.

FactSet Analyst Report

FHDG utilizes a target outcome strategy with FLEX Options to provide a buffer against the first 5% or 7.5% of losses in the SPDR S&P 500 ETF over a three-month Target Outcome Period. In exchange for this protection, the fund sets an upside cap, aiming for a minimum of 3.5%. If a 7.5% buffer requires a cap below 3.5%, the fund may adjust the buffer to 5% to optimize the cap. Losses that exceed the buffer result in a direct one-to-one impact on the fund. To achieve the intended results, shares must be held throughout the entire period. At the end of each Target Outcome Period, the fund resets its cap and buffer levels according to current market conditions. It is important to note that the calculations for cap and buffer do not include the fund's expense ratio, which could diminish net returns. This strategy is designed to adapt quarterly, responding to market trends while seeking to balance risk and return.