

FNOV

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

Fund Description

FNOV aims for specific buffered losses and capped gains on SPY ETF over a specific holdings period. The actively-managed fund holds options and collateral.

FactSet Analyst Report

FNOV uses options in an effort to moderate losses on SPY ETF over a one-year period starting each November. The fund foregoes some upside return of SPY, specifically dividends, as options are written on the price (not total) return version of the index. The fund compensates for the first 10% losses on SPY, beyond it, the fund will experience all subsequent losses on a one-to-one basis. In exchange for preventing realization of SPY's losses, investors forego upside participation above a certain threshold, 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 and uses flex options exclusively.