

QCAP

FT Vest Nasdaq-100 Conservative Buffer ETF - April

Fund Description

QCAP aims for specific buffered losses and capped gains on QQQ ETF over a specific holding period. The actively managed fund holds options and collateral.

FactSet Analyst Report

QCAP uses flex options in an effort to moderate losses on the Invesco QQQ Trust over a one-year period, starting each April. In exchange for preventing realization of the first 20% of losses, the fund foregoes some upside return as well as the dividend component of QQQ, because options are written on the price (not total) return version of the shares. Should QQQ's share price decline by more than 20%, investors participate in the downside performance on a \$1 for \$1 basis. At the end of the target outcome period, the fund will reset for a new outcome period tied to the same index and buffer, but the cap may change based on market rates. Investors who buy at any other time than the annual reset day may have a significantly different protection and buffer zone. The issuer publishes effective interim levels daily on its website. The fund must be held until the end of the period to achieve the intended results. The targeted buffers and caps do not include the fund's expense ratio.