

XOCT

FT Vest U.S. Equity Enhance & Moderate Buffer ETF - October

Fund Description

XOCT seeks to outperform the SPY ETF at about 2x positive price returns while aiming for specific buffered losses and capped gains over a specific holdings period. The actively managed fund holds options and collateral.

FactSet Analyst Report

XOCT aims to provide approximately 2x any positive price returns of the S&P 500 ETF with a predetermined cap. The fund uses options in an effort to moderate losses over a one-year period starting each October. Using SPY is slightly different 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, which is reset annually, in exchange for preventing realization of the first 15% of losses. The upside cap is determined at each reset and will fluctuate, depending on market conditions. Investors who buy shares at any other time than the annual reset day may have a very different protection level 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 fund's expense ratio. The fund is actively managed and uses FLEX options exclusively.