

DEFR

Aptus Deferred Income ETF

Fund Description

DEFR aims to exceed a major US bond index by employing a tax-efficient strategy using options and swaps instead of traditional bonds. The fund aims to maintain a comparable risk profile to the index to enhance total return.

FactSet Analyst Report

DEFR seeks to outperform a leading US bond index through innovative strategies rather than traditional bonds. The fund primarily employs options, total return swaps, Treasury Bills, and box spreads to achieve synthetic exposure to bond-like returns. It manages its portfolio to maintain a risk profile comparable to the index, adjusting duration typically between 75% and 125% of the index's five to eight-year range. By focusing on derivatives, DEFR aims for tax-efficient returns and total return enhancement over time. Security selection involves creating synthetic long positions on Treasury ETFs via options and managing exposure through put writing strategies and swaps. Box spreads provide additional cash management and a risk-return balance. DEFR actively manages these positions with frequent adjustments to align with its performance objectives.