

JEPY

Defiance S&P 500 Enhanced Options Income ETF

Fund Description

JEPY is an actively managed fund seeking to provide enhanced monthly income by placing bullish bets on the S&P 500 Index through a 0DTE put option writing strategy. The secondary objective of the fund is to seek limited exposure to the performance of the index.

FactSet Analyst Report

JEPY is actively managed which seeks consistent daily income and monthly distributions by utilizing an index put-write strategy. Any distribution that is made will be taxed at the higher ordinary income rate. The strategy involves daily selling of S&P 500 Index put options that are either at-the-money or up to 5% in-the-money, expiring the next trading day. The option positions become profitable if the S&P 500 Index increases in value. Even during periods of adverse market conditions, the fund will not seek defensive positions and it not directly or fully participate in the gains of the index. JEPY is the first put-write ETF to use daily options on the S&P 500. As such, the funds risk and return potential will fluctuate daily. A significant portion of the portfolio will be held in short-term US Treasury securities, which will serve as collateral for the short put option positions.

