

ODTE

VegaShares SPX NDX RTY Premium Income ETF

Fund Description

ODTE is an actively managed ETF pursuing a buy-write strategy based on three broad US stock indexes. The fund seeks to generate current income and provide exposure to the price returns of the indexes. The exposure is adjusted based on technical indicators.

FactSet Analyst Report

ODTE actively purses a covered call strategy using the S&P 500, Nasdaq-100 and Russell 2000 Indexes. The investment strategy utilizes a quantitative framework to actively adjust allocations and covered call exposure across the three indexes based on market volatility, liquidity and expected returns. Long exposure to the indexes is achieved either through direct investments, index-tracking ETFs, or synthetic positions created with deep in-the-money call options. The fund sells short-term, zero or one day-to-expiration, out-of-the-money index call options to collect premiums and distribute weekly income. While this approach offers current income, it also limits upside gains if the underlying indexes rise above the strike prices of the written options. The options utilized by the fund are listed on US exchanges or may include FLEX options. The fund seeks to enhance tax efficiency by using index futures contracts, which may offer 60/40 tax treatment as opposed to ordinary income. The Fund also intends to make weekly distributions, which may include return of capital.

