OEI

Optimized Equity Income ETF

Fund Description

OEI is actively managed, aims to deliver steady monthly income through investments in US large-cap equities while employing an options overlay. The fund seeks long-term growth, with income as a secondary goal.

FactSet Analyst Report

OEI targets roughly 90% allocation to large-cap US equities while utilizing an options overlay strategy. Stock selection combines top-down market analysis, evaluating value, quality, and volatility, with bottom-up research on company fundamentals and earnings potential. To enhance income beyond dividends, the fund writes OTM call options on individual stocks, equity indexes, or ETFs. These options are written on 25-75% of the funds equity holdings, with each contract generally covering a specified portion of the underlying assets, and typically expire within one to six months. Additionally, the fund may also purchase OTM put and call options. The calls help retain upside participation, while puts provide downside protection. The strategy seeks to provide a consistent income stream and reduced volatility compared to traditional equity ETFs, though upside potential is capped in strong bull markets due to call-writing. The fund may have a high portfolio turnover rate.