

PEPS

Parametric Equity Plus ETF

Fund Description

PEPS seeks long-term capital appreciation by actively investing in a US large-cap equity portfolio while generating incremental total return via beta-neutral call options overwriting.

FactSet Analyst Report

PEPS is an actively managed fund that seeks long-term capital appreciation through a US large-cap equity portfolio while employing a beta-neutral call overwriting strategy. The fund specifically invests in stocks of the Solactive GBS United States 500 Index. The fund's options strategy combines selling short-dated, out-of-the-money S&P 500 Index call options with offsetting long equity exposure, including investments in futures and FLEX Options that reference the S&P 500 Index and SPY ETF. The fund's performance is dependent on the equity portfolio. To avoid being subject to the straddle rules, the fund limits overlap between its equity investments and the options' underlying constituents. It also utilizes tax loss harvesting within the equity portfolio. As a result of writing call options, the fund may forgo upside participation. However, the fund's sub-adviser will seek to ladder the written call option positions to mitigate this risk.