

# QLDY

## Defiance Nasdaq 100 LightningSpread Income ETF

### Fund Description

QLDY aims to distribute to shareholders twice weekly through actively managed synthetic call options and writing 0DTE put spreads. The fund also seeks to provide long exposure to the price return of the NASDAQ 100 Index.

### FactSet Analyst Report

QLDY seeks current income and, secondarily, capital growth by utilizing its proprietary LightningSpread strategy tied to the Nasdaq 100 Index. The fund creates synthetic long exposure by purchasing long-dated, deep in-the-money call options, which closely mirror the index's performance and offer uncapped upside potential. To generate income, the fund sells zero days-to-expiration (0DTE) put spreads, writing a put option while buying another at a lower strike. The strategy is designed to distribute income to shareholders twice weekly. While the strategy provides steady income, it carries risk, if the index falls between the put spread strikes, the fund faces amplified losses because both the call options and put spreads lose value simultaneously. The fund will also hold short-term US treasuries and money market funds to earn more income on uninvested cash. For tax purposes, the weekly distributions will be treated as ordinary income.

