

TLTI

NEOS Enhanced Income 20+ Year Treasury Bond ETF

Fund Description

TLTI is actively managed, seeking regular income through a combination of stable, long-term, US Treasury bond exposure and income-enhancing options strategy, all within a tax-efficient framework.

FactSet Analyst Report

TLTI seeks to generate monthly, tax-efficient income by holding US Treasury securities while employing an options overlay strategy. Investments primarily include US Treasury securities with maturities of 20 years or more, providing a stable income base and a portfolio with a duration of 20 to 30 years. The options strategy uses European-style put spreads on S&P 500 options, classified as Section 1256 contracts. These contracts are subject to mark-to-market rules, which treat them as if sold at fair market value at the end of each tax year. Gains and losses benefit from a favorable 60/40 tax treatment, with 60% taxed as long-term and 40% as short-term capital gains, regardless of the holding period. Tax efficiency is further improved through active tax-loss harvesting. Positions are designed to benefit in flat or rising equity markets. The fund may engage in active and frequent trading, resulting in a high portfolio turnover rate.

