

USOY

Defiance Oil Enhanced Options Income ETF

Fund Description

USOY is an actively managed fund that employs a put options strategy that emphasizes current income while providing exposure to the price of United States Oil Fund (USO). The underlying fund holds short-term futures contracts on WTI crude oil.

FactSet Analyst Report

USOY aims to generate monthly income through risk exposure to shares of USO, a fund holding short-term futures contracts on WTI crude oil. At least once a week, USOY sells put options priced at-the-money or 0%-5% in-the-money which places a cap on potential gains. The strategy may profit when USOs share price increases, stays flat, or decreases slightly. However, the fund is subject to all potential losses if USOs share price declines significantly, which may not be offset by the income received. The fund seeks to outperform relative to traditional option-based strategies with a typical duration of less than one week. USOY does not invest directly in oil, oil reserves, or the underlying ETP. Due to the nature of its options strategy, the fund may occasionally hold USO shares intending to be sold within the day to avoid tax implications. The fund will hold short-term US Treasuries as collateral. There is no guarantee the strategy will result in higher income.

