

WEEL

Peerless Option Income Wheel ETF

Fund Description

WEEL seeks current income by investing in sector-specific ETFs while utilizing an option wheel strategy that combines cash-secured put writing with covered call writing. The actively managed fund aims to generate equity-like returns over the long term through income generation, with less overall volatility.

FactSet Analyst Report

WEEL aims to provide exposure to various equity sectors by investing in sector-specific ETFs and related individual stocks. At its most conservative, the fund allocates equal weights to positions based on GICS, while at its riskiest, it will aim for a beta slightly greater than 1. The fund also utilizes an option wheel strategy, which starts by continuously selling out-of-the-money cash-secured put options with one month or less to expiration. Here, the fund seeks to generate income and potentially obtain shares of the underlying securities. When the reference security is assigned, the fund will repeatedly sell out-of-the-money covered call options, with up to one month to expiration, against the acquired security to generate additional income until the asset is called away. After the completion of each cycle, the fund will repeat the process. The fund also holds short-term US Treasuries and money market funds for collateral.