

WRTH

Worth Charting Options Income ETF

Fund Description

WRTH sells uncovered short-term call and put options on US-listed large-cap equities from developed countries. The actively managed ETF seeks current income by selling volatility shortly before an equity option's expiry.

FactSet Analyst Report

WRTH employs a strangle options strategy: simultaneously selling short-term calls and uncovered puts on US-listed large-cap equities from developed countries, while buying higher-strike calls. Options are out-of-the-money and hold value based on the time to expiration and possibility of the strike price being reached. Premiums result from selling options while also limiting upside risk through the higher-strike calls. The fund may incur loss if the price moves outside the strangle range (the upper and lower range created by the strike prices). The fund opens positions if a security experiences significant price moves and may close positions if premiums drop below 10% of the original amount. The fund caps overall notional exposure to 125%. It uses technical analysis to inform security selection, timing, and strike price ranges. The fund also holds cash, cash equivalents and/or short-term US Treasuries as collateral. There is no guarantee the fund will achieve its intended results.

