The Covered-Call ETF Cheat Sheet

TechFitEx · 2026 Edition — JEPI vs JEPQ vs QYLD vs DIVO vs SPYI vs XYLD. A one-page decision guide to the income ETFs on the shelf, with the data the desk uses itself.

The one rule to remember: a covered-call ETF's distribution yield is **not** its total return. The monthly check is made of option premium, dividends, and sometimes your own capital coming back (return of capital). The fund you pick determines how much upside you keep in a bull market and how much principal erodes over time.

The 2026 comparison table

Fund	Strategy	Yield (TTM)	Fee	AUM	Best for
JEPI	Active large-cap + S&P 500 ELN calls	7.92%	0.35%	$45.2B	All-weather core income
JEPQ	Active Nasdaq-100 + ELN calls	12.45%	0.35%	$40.7B	Nasdaq income + upside
QYLD	Index ATM buy-write (Nasdaq-100)	12.17%	0.60%	$7.7B	Max monthly cash (NAV decay)
DIVO	Quality dividends + tactical overlay	6.42%	0.56%	$5.6B	Income + dividend growth
SPYI	S&P 500 calls, tax-managed	12.11%	0.68%	$4.9B	High S&P income, tax-aware
XYLD	Index ATM buy-write (S&P 500)	10.35%	0.60%	$2.9B	Max S&P monthly cash

Data as of November 10, 2026 close, per issuer fund pages and StockAnalysis fund data. Yields are trailing 12-month distributions divided by price — not a forward guarantee.

How to choose (the desk's framework)

Want steady income with the least drama? JEPI — lowest fee (0.35%), lowest volatility, defensive stock selection. The default core holding.

Want Nasdaq income without selling all the upside? JEPQ — active selection + out-of-the-money calls keeps more of the rally than a mechanical buy-write. Highest yield in the group (~12.5%), but it carries Nasdaq drawdowns.

Want income + dividend growth with more upside? DIVO — quality dividend stocks, only a partial tactical overwrite. Lower headline yield (~6.4%) but stronger total-return participation.

Want the biggest possible monthly check? QYLD / XYLD / SPYI — but understand the cost: at-the-money, fully-covered index funds cap upside and have historically paid meaningful return of capital. Size these as income sleeves, not growth holdings.

The three traps to avoid

1. Chasing the headline yield. A 12% distribution can include return of capital — you may be receiving your own money back while NAV slips. Always check total return, not just the payout.

2. Ignoring upside capture. Full index ATM buy-writes (QYLD, XYLD) sell every rally. In a strong bull market they lag badly and erode principal. Active/OTM funds (JEPI, JEPQ, DIVO) keep more upside.

3. Treating all 12% yields as equal. JEPQ's ~12.5% comes with active management and partial upside; QYLD's ~12% comes with full coverage and NAV drag. Same number, very different risk.

Go deeper

Full ranking, methodology, and live data: **techfitex.com/best-covered-call-etfs-2026**. Free delayed Quant Radar every session: **techfitex.com/quant-radar**. Get the weekly radar recap by email at **techfitex.com/start**.

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