

Three Market Events That Could Impact Capped Accelerated ETFs

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Capped accelerated ETFs buy and sell options to target a defined payout over a full month. But what if you buy them during the month? That can create short-term opportunities or bring additional risks – especially around market events like earnings reports, Federal Reserve press conferences, and TACO tweets. This article explains how capped accelerated ETFs might work in each scenario.

1. Company earnings reports

Company earnings reports could cause added stock price volatility. The market expects certain numbers – and if those numbers differ, the stock may move fast in either direction. For example, suppose Nvidia reports earnings mid-month, and the results miss analyst expectations. Its stock price then drops 6% after hours, leaving it 5% down for the month.

How might this drop affect the 2x Capped Accelerated NVDA ETF (NVDO)?

A capped accelerated ETF aims to roughly double the upside of a stock over a full month (before fees and expenses). But that upside is capped to a fixed level each month. If the stock goes down over the month, it aims to match the stock's losses approximately one-for-one.

So in this example, the [2x Capped Accelerated NVDA ETF \(NVDO\)](#) would also drop to some amount after the Nvidia earnings announcement. To keep the numbers simple, let's assume the ETF also drops to minus 5% (like the stock).

If your analysis suggests the market overreacted to Nvidia's results, that could create a potential opportunity. If the monthly cap is 15%, but NDVO is now down 5%, there would now be 20% left to the cap. Since the cap is now further from your entry price, there's more upside potential left for the month.

Side note: because capped accelerated ETFs run options strategies over a full month, the day-to-day link with the stock isn't exact. These examples are only hypothetical and are just to explain the concept. We publish the remaining monthly caps for our ETFs daily [on our website](#), and we also share weekly updates on [LinkedIn](#) and [X](#).

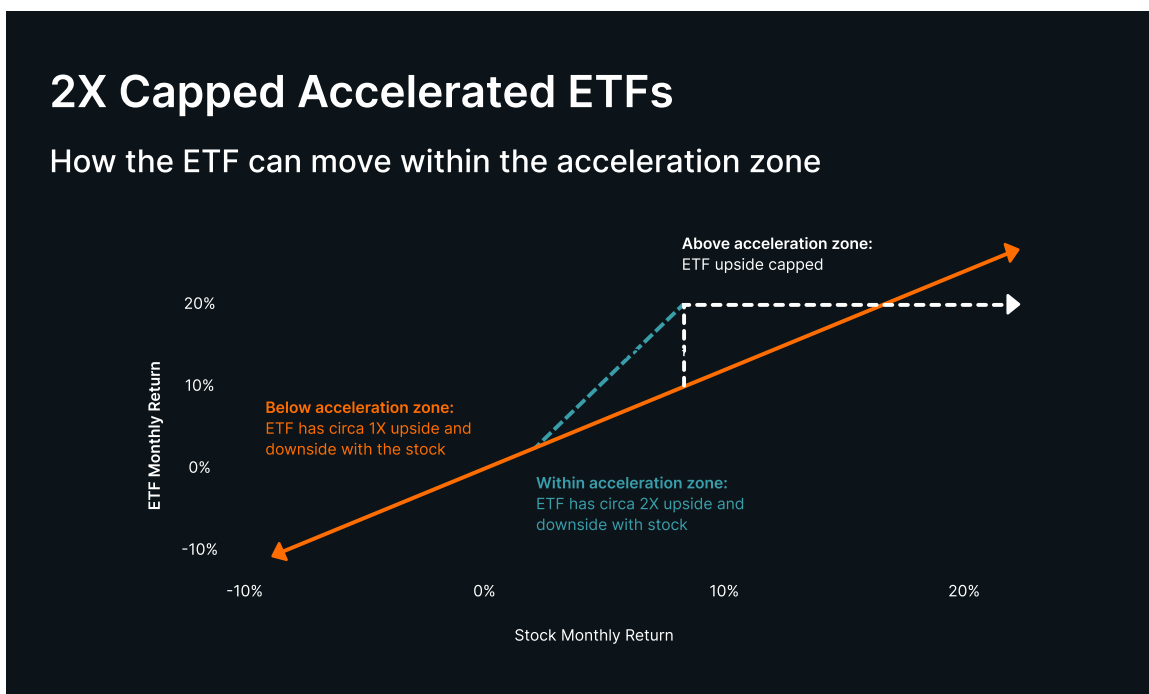
2. Fed press conferences

When Jerome Powell says “Good afternoon” at a Federal Reserve press conference, traders brace themselves for volatility. From his first words, markets can jump, dive, or both within minutes. Suppose MicroStrategy stock drops 3% while Powell speaks. Some investors think the Fed has turned cautious, while others see a knee-jerk overreaction.

How could this impact the 2X Capped Accelerated MicroStrategy ETF (MSOO)?

If you think the market has overreacted, you might view that drop as an opportunity. Buying MSOO while it’s down intra-month leaves more upside potential to the cap. But if the fund is already up for the month, it could sit inside or above the payout “[acceleration zone](#)”. That means if the stock keeps falling, the ETF can drop faster – about twice the stock’s fall – while in that zone.

So the acceleration zone is generally where more risks lie. The ETF aims to deliver about twice the stock’s gains until it reaches the cap (when the acceleration zone ends). But that could also mean double the losses if the stock price moves down within the zone.



Graphics are illustrative, shown before fees and expenses.

Side note: Learn more about the acceleration zone in our [capped accelerated ETF PDF guide](#).

3. The TACO trade

“TACO” stands for “Trump Always Chickens Out”. The phrase gained traction in May 2025 after markets reacted to the president’s tariff threats and reversals.

Now suppose Palantir drops 5% with renewed tariff talk mid-month. The [2X Capped Accelerated Palantir ETF \(PLOO\)](#) would also drop in that case. If the monthly cap is 15%, that fall now leaves 20% potential upside to the cap for the rest of the month.

If you think it’s TACO time, that could be an opportunity. But remember: if Palantir is already positive for the month, PLOO could sit inside its acceleration zone. That means short-term losses may move faster too – up to twice the stock’s drop.

The table below summarizes how a 2X Capped Accelerated ETF may move at different stages of the month, depending on market events:

Scenario	Upside potential	Downside risk	What it means
Start of month	Full monthly upside available.	Moves roughly one-for-one with the stock.	Captures the full designed payoff for that month.
Early in month (after a drop)	More upside left before the cap.	Still 1X downside.	May offer more room to the cap if the stock has fallen.
Mid-month (in acceleration zone)	About 2X stock gains until cap.	About 2X downside if stock falls.	Gains and losses can move faster while in this zone.
Next month (after reset)	Full monthly upside available.	1X downside.	Each month starts fresh with a new cap and payoff level.

Read this article to learn more about [how capped accelerated ETFs work](#).

Key takeaways

- Buying into a capped accelerated ETF during the month could change the fund’s remaining upside and risk.
- Inside the “acceleration zone”, gains and losses may move roughly twice as fast as the underlying stock.
- Monthly caps reset each month - you can view daily remaining caps on our website.

Disclosure

ALPS Distributors, Inc. (1290 Broadway, Suite 1000, Denver, Colorado 80203) is the distributor for the Themes ETFs Trust.

The Funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. The Outcomes sought by the Funds' strategies are not guaranteed. For more information regarding whether an investment in the Fund is right for you, please see the prospectus for more information.

An investor should carefully consider a Fund's investment objective, risks, charges, and expenses before investing. A Fund's prospectus and summary prospectus contain this and other information about Themes ETFs. To obtain a Fund's prospectus and summary prospectus call 886-584-3637 or visit themesetfs.com. A Fund's prospectus and summary prospectus should be read carefully before investing.

Fund newly launched has risks associated with having a limited operating history.

The Funds face numerous market trading risks, including active markets risk, authorized participation concentration risk, buffered loss risk, cap change risk, capped upside return risk, correlation risk, liquidity risk, management risk, market maker risk, market risk, non-diversification risk, operation risk, options risk, trading issues risk, upside participation risk and valuation risk. For a detail list of fund risks see the prospectus.

The prospectus relates to the Funds listed above (each, a "Fund" and collectively, the "Funds"). Each Fund seeks to provide the following pre-determined outcomes (the "Outcomes") for an investment that is held for an entire Outcome Period: (1) the Accelerated Return, which is based on the upside share price return of an underlying security (the "Underlying Stock") and is subject to the Approximate Cap, and (2) approximately the same downside performance of the Underlying Stock. Please see below for the definitions of key terms.

- Outcome Period: A full calendar month (e.g., January 1 - January 31)
- Accelerated Return: Approximately twice the share price increase experienced by the Underlying Stock over the Outcome Period
- Approximate Cap: The approximate upside limit on the Accelerated Return during the Outcome Period, which will reset at the start of each Outcome Period

The Fund seeks to provide certain pre-determined outcomes (the "Outcomes") based on the performance of the share price of the Underlying Stock for investors who hold Fund shares over a full calendar month (the "Outcome Period"). The Outcomes sought by the Fund are:

- Approximately twice the share price return of the Underlying Stock (the "Accelerated Return"), up to an approximate upside limit (the "Approximate Cap"), and;
- Downside performance that approximately tracks the negative share price return of the Underlying Stock

The Accelerated Return and the Approximate Cap may not operate as anticipated, and investors may lose some or all of their money.

The Outcomes apply only to shares that are held for an entire Outcome Period.

An investor who buys Fund shares after the start of an Outcome Period or who sells shares before the end of an Outcome Period may not fully realize the Accelerated Return and may be exposed to greater losses than that of the Underlying Stock. An investment in the Fund is appropriate only for investors willing to bear those losses.

The Fund does not provide a buffer against losses experienced by the Underlying Stock. An investment in the Fund is appropriate only for investors willing to bear those losses.

The Approximate Cap is provided prior to taking into account any fees or expenses charged to the Fund or shareholder transaction fees. Fees and any expenses will reduce the Approximate Cap amount for Fund shareholders for an Outcome Period.

The Approximate Cap will likely change for each Outcome Period and will be announced at the start of each Outcome Period. Visit the Fund's page on leverageshares.com/us/ for information about the start date and end date of the current Outcome Period, the Approximate Cap for the current Outcome Period and the potential outcomes of an investment in the Funds, including the remaining Approximate Cap.

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