

AMZP

Kurv Yield Prem Strategy Amazon ETF

Fund Description

AMZP seeks to provide current income and capped gains on the Amazon stock (AMZN) through a synthetic covered call strategy, collateralized by cash and short-term fixed-income instruments. The actively managed fund uses both standardized exchange-traded and FLEX options.

FactSet Analyst Report

AMZP aims to generate monthly income while providing exposure to the price returns of Amazon stock (AMZN), subject to a cap on potential gains. The fund utilizes a synthetic covered call strategy via standardized exchange-traded and FLEX options, which consists of three elements: i) synthetic long exposure, ii) covered call writing, and iii) short-term fixed income instruments. The synthetic long exposure seeks to replicate the price movements of AMZN by purchasing and selling at-the-money calls and puts with one-month to one-year terms. To generate income, the fund writes out-of-the-money call options with similar expirations and a strike price approximately 5%-15% above AMZN's share price. This limits the participation in potential gains if AMZN shares increase in value. The short put positions fully expose investors to the downside of the stock. The fund may also invest directly in AMZN shares and the combined direct and synthetic long position will not exceed 100% of net assets.

