

CVNY

YieldMax CVNA Option Income Strategy ETF

Fund Description

CVNY seeks to provide current income and capped gains on the Carvana stock (CVNA) through a synthetic covered call strategy, collateralized by cash and US Treasuries. The actively managed fund uses both standardized exchange-traded and FLEX options.

FactSet Analyst Report

CVNY aims for monthly income while providing exposure to the price returns of Carvana stocks (CVNA), subject to a cap on potential investment gains. The fund utilizes a synthetic covered call strategy via standardized exchange-traded and FLEX options, consisting of synthetic long exposure, covered call writing, and US Treasuries. The synthetic long exposure seeks to replicate the price movements of CVNA by purchasing and selling at-the-money call and put options that generally have 1- to 6-month terms. To generate income, the fund writes call options with an expiration of 1 month or less and a strike price of 0-15% above CVNAs current share price. This limits the funds' participation in potential gains if shares increase in value. The short put positions fully expose investors to the stocks downside. The fund holds cash and short-term Treasury securities as collateral. Note: the fund does not invest directly in Carvana stocks. Thus, investors are not entitled to any CVNA dividends.