

DIPS

YieldMax Short NVDA Option Income Strategy ETF

Fund Description

DIPS aims to provide current income and inverse exposure to Nvidia stock (NVDA). The fund pursues its objective through an actively managed synthetic covered put strategy, using US Treasuries as collateral. Both exchange-traded and FLEX options are used to execute the strategy.

FactSet Analyst Report

DIPS pursues monthly income and inverse exposure to Nvidia stock (NVDA). It employs a synthetic covered put strategy, leveraging options to achieve its objectives. The strategy places a cap on potential gains when the shares decrease in value. The approach involves selling NVDA call options and concurrently purchasing NVDA put options, typically with three- to six-month terms and at-the-money strike prices. Additionally, DIPS writes put options on NVDA to generate income, usually with contracts expiring within one month and strike prices approximately 0%-15% below the current NVDA share price. The fund holds short-term US Treasury securities as collateral. It also purchases out-of-the-money call options to manage potential losses from its short exposure to NVDA, especially in scenarios of significant stock appreciation. Note: DIPS does not directly invest in NVDA stocks, and investors are not entitled to any NVDA dividends.