

DISO

YieldMax DIS Option Income Strategy ETF

Fund Description

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

FactSet Analyst Report

DISO aims to generate monthly income while providing exposure to the price returns of Walt Disney stock (DIS), subject to a cap on potential investment 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) US Treasurys for collateral. The synthetic long exposure seeks to replicate the price movements of DIS by purchasing and selling at-the-money calls and puts that have one- to six-month terms. To generate income, the fund writes call options with an expiration of one month or less and a strike price of approximately 0%-15% above DIS's current share price. This limits participation in potential gains if DIS shares increase in value. The short put positions fully expose investors to the downside of the stock. Note: the fund does not invest directly in DIS stocks. Thus, investors are not entitled to any DIS dividends.