

ETTY

Amplify Ethereum 3% Monthly Option Income ETF

Fund Description

ETTY seeks balanced high income and capital appreciation through a synthetic covered call strategy tied to the price return of Ether. The actively managed ETF targets a 36% annualized option premium, using both standardized exchange-traded and FLEX options.

FactSet Analyst Report

ETTY does not directly invest in Ether but employs a covered call strategy on the price return of Ether. The actively managed fund-of-funds targets 36% annualized option premium. A portion of the funds long exposure comprises of holding ETP shares, as well as buying call options and selling put options with maturities of less than one year. The synthetic covered call strategy via standardized exchange-traded and FLEX options consists of synthetic long exposure, covered call writing, and US Treasuries and cash. The fund writes about 5-10% out-of-the-money call options with maturities of one week or less. The amount varies based on each underlying funds NAV to meet the 36% target. This, however, limits participation in potential gains if ETP shares increase in value. The fund indirectly invests in shares of ETPs through a wholly owned Cayman subsidiary. Note that there is no guarantee the fund will achieve its target option premium.

