

FBY

YieldMax META Option Income Strategy ETF

Fund Description

FBY seeks to provide current income and capped gains on the Meta Platforms stock (META) 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

FBY aims to generate monthly income while providing exposure to the price returns of the Meta Platforms stock (META), 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. The synthetic long exposure seeks to replicate the price movements of META by purchasing and selling at-the-money call and put options that generally have six-month to one-year terms. To generate income, the fund writes call options with an expiration of one month or less and a strike price of approx. 5%-15% above METAs current share price. This limits the funds participation in potential gains if META shares increase in value. The short put positions fully expose investors to the downside of the stock. Lastly, the fund holds cash and short-term Treasury securities as collateral. Note: the fund does not invest directly in Meta Platforms stocks. Thus, investors are not entitled to any META dividends.

