

FIAT

YieldMax Short COIN Option Income Strategy ETF

Fund Description

FIAT aims to provide current income and inverse exposure to Coinbase stock (COIN), with a cap on potential gains. 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

FIAT pursues monthly income and inverse exposure to Coinbase stock (COIN). 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. This approach involves selling COIN call options and concurrently purchasing COIN put options, typically with three- to six-month terms and at-the-money strike prices. Additionally, FIAT writes put options on COIN to generate income, usually with contracts expiring within one month and strike prices approximately 0%-15% below the current COIN 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 COIN, especially in scenarios of significant stock appreciation. Note: FIAT does not directly invest in COIN stocks, and investors are not entitled to any COIN dividends.