

LQDM

Amplify LQD Investment Grade 12% Target Income ETF

Fund Description

LQDM is a passively managed ETF that tracks an index aiming to receive a targeted annualized income of 12% through investments in the LDQ ETF and selling one-week expiration, at-the-money call option contracts.

FactSet Analyst Report

LQDM is a passively managed fund that aims for high income and capital appreciation through weekly covered calls with investment grade bond exposure. The fund seeks a target annualized income of 12% through the Amplify LQD Investment Grade 12% Target Income ETF (Ticker: LQD) and premiums from selling one-week expiration, at-the-money call option contracts. Actual income depends on the funds NAV and the interest income generated. Therefore, income could differ from its 12% target as NAV can fluctuate due to market conditions, volatility and other factors. To achieve the target income, the aggregate notional exposure of the written options is adjusted, rebalanced weekly upon the expiration of its sold options and by selling a new call option. Options can either be American or European style. Due to its strategy, LQDM limits its participation in potential gains when LQDs value increases. The fund expects to make distributions monthly.

