

MSTY

YieldMax MSTR Option Income Strategy ETF

Fund Description

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

FactSet Analyst Report

MSTY aims to generate monthly income while providing exposure to the price returns of MicroStrategy stock (MSTR), subject to a cap on potential 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 Treasuries for collateral. The synthetic long exposure seeks to replicate the price movements of MSTR 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 MSTR's current share price. This limits participation in potential gains if MSTR 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 MSTR stocks. Thus, investors are not entitled to any MSTR dividends.

