

NVIT

YieldMax NVDA Performance & Distribution Target 25 ETF

Fund Description

NVIT targets an annual 25% distribution level through a combination of synthetic long exposure to Nvidia Corp (NASDAQ: NVDA) stock and options strategies to generate premiums.

FactSet Analyst Report

NVIT aims for current income by combining synthetic long exposure to Nvidia Corp. (NVDA) and other options strategies, collateralized by cash and US Treasuries. NVDA engages in the design and manufacture of computer graphics processors, chipsets, and related multimedia software. The fund aims for monthly premiums of approximately 2.2% and an annual cash distribution target of about 25% of the funds NAV. Synthetic exposure is created by pairing long call options with short put options on NVDA, replicating the stocks price movements, subject to limits on potential gains. To generate premiums, the fund employs various options strategies, such as covered call spread that sells call options while buying calls at a higher strike, capping both profit and loss. The strategy may generate income but limits participation in potential gains if NVDA shares increase in value. On a weekly basis, the adviser uses one or more options strategies.

