

OARK

YieldMax Innovation Option Income Strategy ETF

Fund Description

OARK seeks to provide current income and capped gains on the ARK Innovation ETF (ARKK) 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

OARK aims to generate monthly income while providing exposure to the price returns of the ARK Innovation ETF (ARKK), 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 ARKK 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 ARKK's current share price. This limits participation in potential gains if ARKK 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 ARKK. Thus, investors are not entitled to any ARKK distributions.

