

SNOY

YieldMax SNOW Option Income Strategy ETF

Fund Description

SNOY seeks to provide current income and capped gains on the Snowflake stock (SNOW) 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

SNOY aims to generate monthly income while providing exposure to the price returns of Snowflake stock (SNOW), 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 as collateral. The synthetic long exposure seeks to replicate the price movements of SNOW 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 SNOW's current share price. This limits participation in potential gains if SNOW 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 SNOW stocks. Thus, investors are not entitled to any SNOW dividends.