

# SQY

## YieldMax SQ Option Income Strategy ETF

### Fund Description

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

### FactSet Analyst Report

SQY aims to generate monthly income while providing exposure to the price returns of the stock, Block, Inc. (SQ), subject to a cap on potential investment 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 Treasurys. The synthetic long exposure seeks to replicate the price movements of SQ by purchasing and selling at-the-money call and put options that generally have six-month to one-year terms. To generate income, the fund writes call options with an expiration of one month or less and a strike price 5%-15% above SQs current share price. This limits the funds participation in potential gains if SQ shares increase in value. Lastly, the fund holds cash and short-term Treasury securities as collateral. Note: the fund does not invest directly in shares of Block. Thus, investors are not entitled to any SQ dividends.