

TYYY

xETFs TSLA Daily Income ETF

Fund Description

TYYY actively manages a portfolio designed to replicate the total returns of Tesla, Inc. (Nasdaq: TSLA) through swaps and other derivatives. The fund maintains a daily synthetic covered call strategy to generate additional income.

FactSet Analyst Report

TYYY provides exposure to Tesla, Inc. (Nasdaq: TSLA) while generating high current income through a daily synthetic covered call strategy. The fund uses total return swaps and other derivatives to replicate Tesla's price movement on a roughly 1:1 basis. To collect premiums, the fund sells short-term call options every trading day, typically with expirations of one week or less, on up to 25% of the portfolios notional exposure. These options usually target an initial overwrite exposure of around 10%. The strategy seeks to convert a portion of TSLA's daily upside potential into current income. However, the sold call options cap gains above the strike price, and losses from price declines are only partially offset by the premiums collected. The fund aims to distribute income weekly, though a portion of these payments may include return of capital. Cash equivalents and US Treasuries are held as collateral.