

WNTR

YieldMax MSTR Short Option Income Strategy ETF

Fund Description

WNTR aims to provide current income and inverse exposure to MicroStrategy stock (MSTR), with a cap on potential gains. The fund employs an actively managed synthetic covered put strategy, using US Treasurys as collateral. Both exchange-traded and FLEX options are used to execute the strategy.

FactSet Analyst Report

WNTR pursues monthly income and inverse exposure to MicroStrategy stock (MSTR). It employs a synthetic covered put strategy, leveraging options to achieve its objectives. The strategy places a cap on potential gains when the shares decrease in value. This approach involves selling MSTR call options and concurrently purchasing MSTR put options, typically with three- to six-month terms and at-the-money strike prices. Additionally, WNTR writes put options on MSTR to generate income, usually with contracts expiring within one month and strike prices approximately 0%-15% below the current MSTR share price. The fund holds short-term US Treasury securities as collateral. Moreover, it purchases out-of-the-money call options to manage potential losses from its short exposure to MSTR, especially in scenarios of significant stock appreciation. Note: WNTR does not directly invest in MSTR stocks, and investors are not entitled to any MSTR dividends.