

XYZY

YieldMax XYZ Option Income Strategy ETF

Fund Description

XYZY seeks to provide current income and capped gains on the Block stock (XYZ) 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

XYZY aims to generate monthly income while providing exposure to the price returns of the stock, Block, Inc. (XYZ), 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 XYZ 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 XYZ's current share price. This limits the fund's participation in potential gains if XYZ 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 XYZ dividends. Prior to April 1, 2025, the fund was named YieldMax SQ Option Income Strategy ETF with ticker SQY.

