

YBIT

YieldMax Bitcoin Option Income Strategy ETF

Fund Description

YBIT is a synthetic covered call strategy based on futures contracts against Bitcoin. The strategy aims to provide income in which gains are capped and losses are not. The actively managed fund uses both standardized exchange-traded and FLEX options.

FactSet Analyst Report

YBIT aims to generate monthly income while providing exposure to the performance of US-listed ETF(s) with direct or synthetic exposure to Bitcoin. 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 for collateral. The synthetic long exposure seeks to replicate the price movements of the underlying Bitcoin ETFs by purchasing and selling at-the-money calls and puts with 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 approximately 0%-15% above the underlying ETF's current share price. This limits participation in potential gains if the ETF shares increase in value above the cap. Note: the fund does not invest directly in Bitcoin ETFs. Thus, investors are not entitled to any ETF distributions.

