

YQQQ

YieldMax Short N100 Option Income Strategy ETF

Fund Description

YQQQ aims to provide current income and inverse exposure to the NASDAQ 100 Index, with a cap on potential gains. The fund pursues its objective through 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

YQQQ pursues monthly income and inverse exposure to the NASDAQ 100 Index (NDX). 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 NDX call options and concurrently purchasing NDX put options, typically with three- to six-month terms and at-the-money strike prices. Additionally, YQQQ writes put options to generate income, usually with contracts expiring within one month and strike prices approximately 0-15% below the current price of NDX share price. The fund holds short-term US Treasury securities as collateral. It also purchases out-of-the-money call options to manage potential losses from its short exposure to NDX, especially in scenarios of significant stock appreciation. Note: YQQQ does not directly invest in the NDX, and investors are not entitled to any dividends.