MSTY

YieldMax® MSTR Option Income Strategy ETC

Points of Difference | July 2025

YieldMax® MSTR Option Income Strategy ETF (ticker: MSTY US) is a huge success story in the U.S. ETF market, garnering approximately $5bn in assets under management (AUM) to date. It follows the successful YieldMax® framework for covered call strategies, that have provided investors with significant yields.

MSTY has a large investor following and investors outside of the U.S., including in Europe, have demanded access to MSTY.

With MIFID II, investors in Europe are unable to trade U.S. ETFs due to EU regulatory requirements such as KIDs and EMTs. To distribute to European investors, a U.S. ETF provider needs to issue a clone of a successful U.S. product as a UCITS ETF or an ETC in Europe. This would be a brand-new European product (not the actual U.S. ETF), with zero AUM and trading liquidity.

YieldMax® MSTR Option Income Strategy ETC (LSE ticker: MSTY LN) is an innovative solution. Instead of a brand-new ETF/ETC, YieldMax® – working with HANetf – can give access to the sought-after U.S. ETF by packaging it with a European ETC wrapper. The European MSTY ETC holds the U.S. ETF to pass through the exposure with all its benefits such as:

- Deep expertise of the YieldMax® team in designing, executing, and trading option strategies with decades of experience and over $15 billion in AUM.
- Highly trusted brand of YieldMax® and HANetf.
- Trading liquidity of U.S. MSTY ETF.
- Billions of USD AUM of U.S. MSTY ETF.
- Tradable in local currencies on major European Exchanges – LSE, Xetra, and Euronext Paris.
- Tradable in European trading hours, supported by a world class collection of market makers.

A European investor holding the MSTY ETC can receive any returns of the U.S. MSTY ETF (net of relevant taxes and expenses). This is as close as a European investor can get to directly investing the in U.S. MSTY ETF, under the current regulatory set up.

Taxes

The European MSTY ETC – as it holds the U.S. MSTY ETF – will most likely be subject to U.S. Withholding Tax (WHT) on distributions. The most common rate for U.S. WHT is 30%. As the European MSTY ETC is issued via a Jersey issuer, it is subject to the same 30% U.S. WHT rate. This is the same as if investors held the U.S. MSTY ETF and were liable to WHT on distributions. U.S. WHT is taxed at source, meaning the distributions to investors are always net of the tax.

We understand there is some discussion that Ireland has a better tax treaty on U.S. WHT on the ETC structure. HANetf tax advice says this is only for Irish UCITS ETFs, and those ETFs have to meet special conditions. The tax advice we have received says that applying the 15% WHT of Irish UCITS ETFs to ETCs is aggressive. So, if investors are buying ETCs on this basis they should take advice.

Covered Call trading

Covered call ETFs generate income for investors by selling call options on the assets they hold. This strategy involves simultaneously owning the underlying asset (like stocks or an index) and selling call options on those assets hence the term "covered". The ETF receives a premium for selling the call option which can provide a steady income stream often distributed weekly or monthly.

Instead of a covered call strategy, the YieldMax® managers may employ covered call spreads. This involves selling a call and simultaneously buying a call with a higher strike price. This allows for the potential for greater upside participation while receiving income from the sold call compared with a covered call only strategy.

YieldMax® has decades of experience in running successful covered call strategies of their ETP products in the U.S. and Europe. They sell listed call options weekly, with the generated premium from these options being the core of the distribution to YieldMax® investors.

About MSTY

YieldMax® MSTR Option Income Strategy ETC (LSE ticker: MSTY LN) is an exchange-traded product that seeks to provide current income and exposure to the share price of the common stock of MicroStrategy Incorporated (“MSTR”). To achieve this, the ETC holds the YieldMax® MSTR Option Income Strategy ETF, a U.S. ETF (the “Underlying Asset”). The Underlying Asset seeks to generate monthly income by selling/writing call options on MSTR. It does not invest directly in MSTR.

Key Risks

Investors’ capital is at risk and investors may not get back the amount originally invested and should obtain independent advice before making a decision. Any decision to invest should be based on the information contained in the relevant prospectus. ETC securities are structured as debt securities and not as shares (equity). The underlying asset’s strategy will cap its potential gains if MSTR shares increase in value. The underlying asset’s strategy is subject to all potential losses if MSTR shares decrease in value, which may not be offset by income received by the underlying assets. Distributions from the U.S.-listed MSTY ETF to the ETC may be subject to U.S. withholding tax (WHT). For a complete overview of all the risks, please refer to the “Risk Factors” in the Prospectus.

About YieldMax® ETFs

YieldMax® ETFs is a leader in option-based income ETFs in the United States, with a suite of 50 ETFs that have accrued over USD 14 billion in assets under management. YieldMax® ETFs cover a broad range of underlying assets and options-based income strategies. The YieldMax® ETFs trading and portfolio management team has 20 professionals possessing decades of option trading expertise.

YieldMax® ETFs recently partnered with HANetf to bring its innovative income-focused investment strategies to Europe.

Important Information

Communications issued in the European Economic Area ("EEA")

The content in this document is issued and approved by HANetf EU Limited ("HANetf EU"). HANetf EU is authorised and regulated by the Central Bank of Ireland. HANetf EU is registered in Ireland with registration number 728832.

Communications issued in the UK

The content in this document is issued and approved by HANetf Limited, an Appointed Representative of Privium Fund Management (UK) Limited ("Privium"), which is authorised and regulated by the Financial Conduct Authority. The registered office of Privium is The Shard, 24th Floor, 32 London Bridge Street, London, SE1 9SG

This communication has been prepared for professional investors, but the ETCs and ETFs set out in this communication ("Products") may be available in some jurisdictions to any investors. Please check with your broker or intermediary that the relevant Product is available in your jurisdiction and suitable for your investment profile.

Past performance is not a reliable indicator of future performance. The price of the Products may vary and they do not offer a fixed income.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. Therefore, readers are cautioned not to place undue reliance on these forward-looking statements.

The content of this document is for information purposes and for your internal use only, and does not constitute an investment advice, recommendation, investment research or an offer for sale nor a solicitation of an offer to buy any Product or make any investment.

An investment in an exchange traded product is dependent on the performance of the underlying asset class, less costs, but it is not expected to track that performance exactly. The Products involve numerous risks including among others, general market risks relating to underlying adverse price movements in an Index (for ETFs) or underlying asset class and currency, liquidity, operational, legal and regulatory risks. In addition, in relation to Cryptocurrency ETCs, these are highly volatile digital assets and performance is unpredictable.

The information contained on this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of securities in the United States or any province or territory thereof, where none of the Issuers (as defined below) or their Products are authorised or registered for distribution and where no prospectus of any of the Issuers has been filed with any securities commission or regulatory authority. No document or information on this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the Issuers, nor any securities issued by it, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

The Issuers:

1. HANetf ICAV and HANetf ICAV II are open-ended Irish collective asset management vehicles and are the issuers of the ETFs under the terms in the relevant Prospectuses and relevant Supplements for each ETF approved by the Central Bank of Ireland ("CBI") (each an "ETF Prospectus" and together the "ETF Prospectuses"). Investors should read the current version of the relevant ETF Prospectus before investing and should refer to the section of the relevant ETF Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETFs. Any decision to invest should be based on the information contained in the ETF Prospectuses.

2. HANetf ETC Securities plc, a public limited company incorporated in Ireland, issuing under the terms in the Base Prospectus approved by the Central Bank of Ireland and the final terms of the relevant series ("ETC Securities Documentation") is the issuer of the precious metals ETCs. Investors should read the latest version of the ETC Securities Documentation before investing and should refer to the section of the Base Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the ETC Securities Documentation.

3. Bitwise Europe GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany, issuing under the terms in the Prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") and the final terms ("Cryptocurrency Prospectus") is the issuer of the ETCM ETCs. Investors should read the latest version of the Cryptocurrency Prospectus before investing and should refer to the section of the Cryptocurrency Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs contained in the Cryptocurrency Prospectus. Any decision to invest should be based on the information contained in the Cryptocurrency Prospectus.

4. HANetf Multi-Asset ETC Issuer plc, a public company incorporated in Jersey, issuing under the terms in the Base Prospectuses approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA"), the United Kingdom Financial Conduct Authority ("FCA") and the final terms of the relevant series ("Multi-Asset ETC Securities Documentation") is the issuer of ETCs linked to and secured by various underlying assets. Investors should read the latest version of the ETC Securities Documentation before investing and should refer to the section of the relevant Base Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the ETC Securities Documentation.

The relevant ETF Prospectuses, ETC Securities Documentation, Multi-Asset ETC Securities Documentation and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

The decision and amount to invest in any Product should take into consideration your specific circumstances after seeking independent investment, tax and legal advice. We do not control and are not responsible for the content of third-party websites.

We believe the information in this document is based on reliable sources, but its accuracy cannot be guaranteed. The views expressed are the views of HANetf at time of publication and may change. Neither Privium nor HANetf is liable for any losses relating to the accuracy, completeness or use of information in this communication, including any consequential loss.

FOR SWISS INVESTORS ONLY: The Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: switzerland@waystone.com. The Fund's Swiss paying agent is Helvetische Bank AG. The Prospectus, the Key Investor Information Documents, the Instrument of Incorporation as well as the annual and semi-annual reports may be obtained free of charge from the Swiss Representative in Lausanne. The issue and redemption prices are published at each issue and redemption on www.fundinfo.com