



AI Recommended ETFs

Using Covered Calls to make additional income is becoming more and more common. Due to the enhanced income, dozens of new ETFs are coming out this year. We did an article on [Highly Profitable ETFs Using Covered Calls](#) last year, and many of those good ETFs in that article are still on this new list. If you are not familiar with ETFs, they are a short acronym for [Exchange Traded Funds](#).

I have recently started using AI to enhance my programming skills and do extensive research. It appears that AI (Artificial Intelligence) can really give us some factual insights. I did a query on which ETFs are the highest producing INCOME ETFs currently. Since the List came back with 6 that I already own, I feel it is truthful and worthy to share with you.

The top income-producing ETFs using covered calls in 2025 include a mix of both US equity and sector-focused funds, with yields ranging from about 8% to 14% and in some cases much higher for alternative strategies. Here are 10 of the best options favored by income investors for their high distribution rates and yield history.

Top 10 Income-Producing Covered Call ETFs

- JPMorgan Equity Premium Income ETF (JEPI):
 - Yield: ~8.1%

- Large, defensive U.S. equities plus out-of-the-money S&P 500 call options.
- JPMorgan Nasdaq Equity Premium Income ETF (JEPQ):
 - Yield: 12-15%
 - Focuses on Nasdaq-100 with similar strategy as JEPI, more volatility premium.
- NEOS Nasdaq 100 High Income ETF (QQQI):
 - Yield: ~14.5%
 - Writes options on Nasdaq-100, prioritizes tax efficiency with active management.
- NEOS S&P 500 High Income ETF (SPYI):
 - Yield: ~12.2%
 - Enhanced S&P 500 exposure, focuses on tax-efficient monthly income.
- Global X S&P 500 Covered Call ETF (XYLD):
 - Yield: ~10-11%
 - S&P 500 buy-write strategy for steady premium income.
- Global X Nasdaq 100 Covered Call ETF (QYLD):
 - Yield: ~11-12%
 - Covered calls on Nasdaq-100, very popular for high distributions.
- Global X Russell 2000 Covered Call ETF (RYLD):
 - Yield: ~12%
 - Small-cap focus, covered calls on Russell 2000 index.
- Amplify CWP Enhanced Dividend Income ETF (DIVO):
 - Yield: ~4.8% (lower yield but higher total returns and active management).
- YieldMax Dorsey Wright Hybrid 5 Income ETF (FIVY):
 - Yield: ~26%

- Specializes in hybrid strategies for extra high yield.
- MAGY Magnificent Seven Covered Call ETF:
 - Yield: (variable, focused on top “Magnificent Seven” tech stocks with call overlays).

Key Factors and Considerations

Income vs. Growth Trade-Off

All covered call ETFs sacrifice some potential price appreciation to maximize current income, which works well for investors seeking regular cash flow rather than capital gains.

Sectors and Management Styles

Some ETFs focus on specific indices (S&P 500, Nasdaq-100, Russell 2000), while others target tech stocks, infrastructure, or thematic portfolios. Actively-managed funds like DIVO and MAGY can offer tighter risk control or upside capture compared to passive buy-write strategies.

Yield Levels and Volatility

Funds with higher yields—like FIVY and some Bitcoin-linked strategies (MAXI, not in core 10)—can involve more aggressive option coverage and sector concentration, so evaluate risks and NAV decay potential.

Covered Call ETF Selection Table

ETF	Index/Focus	Yield (%)	Management	Notes
JEPI	S&P 500 (defensive)	8.1	Active	Largest asset, reliable payouts
JEPQ	Nasdaq-100	12–15	Active	Higher yield, tech emphasis
QQQI	Nasdaq-100	14.5	Active	Tax-efficient, monthly pay
SPYI	S&P 500	12.2	Active	Tax advantaged, steady

ETF	Index/Focus	Yield (%)	Management	Notes
XYLD	S&P 500	10–11	Passive	Steady, simple strategy
QYLD	Nasdaq-100	11–12	Passive	High distributions
RYLD	Russell 2000	12	Passive	Small-cap income focus
DIVO	Blue-chip US stocks	4.8	Active	Lower yield, strong returns
FIVY	Hybrid/option strategy	25–26	Active	Aggressive yield, higher risk
MAGY	Magnificent Seven	Variable	Active	Tech heavy, niche strategy

These ETFs represent the leading choices for maximizing income through covered call strategies in 2025, balancing yield, reputation, and asset size. Some of the newer ETFs had yielded more than 30% this year. I did use this list to add 3 more ETFs to our IRA accounts at Fidelity and Schwab today. I did not buy DIVO as the income yield is very low due to being tied to bellwether blue chip stocks. (less volatility normally gives lower yields.)

Remember that these are just examples of what we consider good ETFs. Make no investment without contacting your stock broker or investment professional to get good advice before making any purchases. The financial decision is yours, and we have no involvement with any of these companies.

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