

DYLG

Global X Dow 30 Covered Call & Growth ETF

Fund Description

DYLG tracks an index of DJIA stocks and sells one-month, at-the-money index call options on up to 50% of the value of the underlying portfolio. The fund aims to deliver monthly distributions.

FactSet Analyst Report

DYLG is passively managed to provide both the potential for growth and some yield from the Dow Jones Industrial Average (DJIA). The DJIA is a price-weighted index of 30 of the largest US-listed companies. The fund provides DJIA exposure but earns some income by selling one-month, at-the-money index call options on half of the portfolio. The fund looks to earn some premium income from half of the portfolio while allowing the other half upside potential. Holding the various positions and writing index call options inside an ETF wrapper is a more efficient way to access the strategy. The strategy should reduce volatility and help generate some income, compared to the index itself, but it also places a drag on the overall upside potential.