

EMCC

Global X MSCI Emerging Markets Covered Call ETF

Fund Description

EMCC tracks an index of emerging market stocks and sells one-month, at-the-money call options on the full amount of the underlying portfolio. The fund seeks to generate income and provide monthly distributions.

FactSet Analyst Report

The fund is delisting. The last day of trading is February 14, 2025. EMCC is passively managed to employ a covered call strategy on the MSCI Emerging Markets Investable Market Index. The fund holds a theoretical portfolio of stocks of the reference index, while writing a succession of one-month, at-the-money FLEX call options on ETF shares of the index. The call options are written on 100% of the portfolio value and are held through expiration, either expiring or settling in cash. Holding the various positions and writing call options inside an ETF wrapper is a more efficient way to access the strategy. Premium income from the written calls protects the fund against stagnant prices or small losses, but the strategy limits the upside potential of the fund. Should the index rally, the fund is expected to underperform.