

IQQQ

ProShares Nasdaq-100 High Income ETF

Fund Description

IQQQ tracks an index pursuing a daily covered call writing strategy on Nasdaq-100 stocks. The fund seeks to generate a high level of income combined with the performance returns of the Nasdaq-100 Index over the long term.

FactSet Analyst Report

IQQQ aims to provide higher returns as compared to a monthly Nasdaq-100 buy-write strategy. The fund invests in derivatives in order to replicate the performance return of long Nasdaq-100 exposure combined with short daily call options. The long exposure consists of Nasdaq-100 equity securities or index futures. The short side consists of out-of-the-money Nasdaq-100 call options having one day to expiration when sold. The short call option position is reestablished at the end of each trading day. The fund does not sell daily call options but instead obtains exposure to the short component of the underlying index through swap agreements. Monthly distributions are expected to reflect the dividend component of the index plus option premium income. Due to the use of swaps, investors should note a significant portion of the monthly distribution will be characterized as a return of capital and assume counterparty risk.