

ISPY

ProShares S&P 500 High Income ETF

Fund Description

ISPY tracks an index pursuing a daily covered call writing strategy on the stocks of the S&P 500 Index. The fund seeks generate a high level of income combined with the performance returns of the S&P 500 Index over the long term.

FactSet Analyst Report

ISPY aims to provide higher returns as compared to a monthly S&P 500 buy-write strategy. The fund invests in derivatives in order to replicate the performance return of long S&P 500 Index exposure combined with short daily call options. The long exposure consists of equity securities represented in the S&P 500 Index or index futures. The short side consists of out-of-the-money S&P 500 Index 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 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 return of capital and they assume counterparty risk.