

KLIP

KraneShares China Internet and Covered Call Strategy ETF

Fund Description

KLIP is a fund-of-fund that tracks an index of China-based internet stocks and sells one-month, at-the-money call options on the full amount of the portfolio.

FactSet Analyst Report

KLIP is a fund-of-fund that aims to provide some growth and a little yield from an index of China-based internet and internet-related stocks sectors. The fund utilizes a covered call strategy, it holds ETF shares of the reference index and writes one-month, at-the-money FLEX call options on the full portfolio value. The call options sold by the fund are European-style, meaning the options can only be exercised at the expiration date each month. The funds strategy should reduce volatility and help generate some income, compared to the reference index, but it may also cause a drag on the overall upside potential. Should the index rally, the fund is expected to underperform.