

KSPY

KraneShares Hedgeye Hedged Equity Index ETF

Fund Description

KSPY tracks an index that provides exposure to the S&P 500, with the objective of reducing volatility and dynamically hedging downside risk. The underlying portfolio holds ETFs with exposure to the S&P 500 Index, a fund-of-funds, and weekly Index options. Strategy and allocations are modified based on a proprietary risk model.

FactSet Analyst Report

KSPY tracks an index that aims to provide S&P 500 exposure while actively managing volatility and downside risk. The index uses proprietary Risk Range Signals to analyze the trading range of the S&P 500 Index to toggle between three different option postures. The risk signals are based on a price, volume, and volatility of the S&P 500 and are used to indicate market entry and exit points for investing portfolio assets. The strategies, which can shift daily, range from providing downside risk management, generating option income, or potential income in exchange for capping upside appreciation. The fund uses FLEX and exchange-listed European-style options to employ the option strategy. However, up to 20% of the assets may be invested in derivatives that expose investors to counter party risk. Assets not invested in options are placed in an ETF tracking the S&P 500 Index.