

MRGR

ProShares Merger ETF

Fund Description

MRGR tracks an index of developed-market equities involved in merger deals, with long exposure to target firms and short exposure to acquiring firms. The fund is net long and hedges FX risk.

FactSet Analyst Report

MRGR employs a straightforward merger arbitrage strategy, which capitalizes on the spread between the target company's current market stock price and the merger deal price. The fund tracks an S&P index that bets on the performance of stocks from developed countries that are in active pending merger deals based on a risk arbitrage strategy. Up to 40 target companies represents the long positions in the index, and up to 40 acquiring companies for the same merger deals represents short positions. MRGR gets additional long exposure, and all of its short exposure, with swaps. The fund's long and short positions have an initial 120% maximum exposure each, but its net exposure is limited to a 0-100% range. Treasury bill components constitute the remainder of the portfolio when net exposure is less than 100%. The fund hedges out its exposure relative to the US dollar.