

QTR

Global X NASDAQ 100 Tail Risk ETF

Fund Description

QTR tracks an index of NASDAQ 100 stocks and aims to protect the fund from significant negative movements or tail risk by purchasing quarterly Index put options.

FactSet Analyst Report

QTR holds component securities of the NASDAQ 100, while buying 10% out-of-the-money put options on the same index in an amount that corresponds to the value of the portfolio. The long put positions are purchased on a quarterly basis and held to maturity. At expiration, the positions will either expire or settle in cash. Buying puts further out of the money reduces the cost of this hedge, but also lessens the amount of downside protection. Take note though that if value of the NASDAQ 100 does not fall below the strike price of the purchased put options during the time the put options are held, then the funds strategy will incur higher costs because of the purchased put options. Also, investors who buy at any other time than the funds quarterly put options purchase date or those who sells shares other than on the day that the put option expires, may have different returns and protection.

