

RYLG

Global X Russell 2000 Covered Call & Growth ETF

Fund Description

RYLG tracks an index that holds Russell 2000 stocks and sells one-month, at-the-money call options on up to 50% of value of the portfolio.

FactSet Analyst Report

RYLG attempts to provide growth and yield by tracking an index that holds the stocks of the Russell 2000 Index and writes one-month, at-the-money index call options on half of the portfolio value. The call options are held through expiration, either expiring or settling in cash. The fund looks to earn some premium income from half of the portfolio while allowing the other half upside potential. Holding the various positions and writing index call options inside an ETF wrapper is a more efficient way to access the strategy. The strategy should reduce volatility and help generate some income, compared to the index itself, but it also places a drag on the overall upside potential.