

SKYU

ProShares Ultra Nasdaq Cloud Computing ETF

Fund Description

SKYU provides 2x leveraged exposure to a modified-equally-weighted index of US companies in the cloud computing industry.

FactSet Analyst Report

SKYU offers 2x the daily performance of the ISE CTA Cloud Computing Index which consists of firms that fall into any one of the following groups as per the Consumer Technology Association (CTA) classifications: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS). In addition, companies must also meet size, liquidity, and tradability screens. The index assigns a cloud score of 3 for IaaS, 2 for PaaS, and 1 for the SaaS. A stock's weight is initially determined by its cloud score divided by the sum of all scores. It should be noted that companies may be classified into more than one group which means higher cloud score and greater weight. Weights are then modified so that no single security exceeds 4.5% weight. As a levered product with daily resets, SKYU is not a buy-and-hold investment, it's a short-term tactical instrument. As a result, long-term returns could materially differ from those of the underlying index due to daily compounding.