

XLFI

Financial Select Sector SPDR Premium Income Fund

Fund Description

XLFI is an actively managed fund-of-funds that provides exposure to the US Financials sector by investing in shares of the Financial Select Sector SPDR Fund (XLF). Additionally, it aims to generate income through selling short-dated call options.

FactSet Analyst Report

XLFI seeks income and long-term capital growth through a combination of equity investments and an options call strategy. The fund primarily invests in the shares of the Financial Select Sector SPDR Fund (XLF), an ETF that tracks a market-cap-weighted index of US Financials stocks from the S&P 500. The Financials sector includes the following industries as classified by GICS: insurance, banks, capital markets, mortgage, real estate investment trusts (REITs), and consumer finance. For the options call strategy, the fund generates additional income by selling call options, which may include listed and FLEX Options, with expiration dates of less than one year. Strike prices are set using option delta, which refers to the sensitivity of an option's value relative to changes in price, time, and volatility. The fund typically rolls the short option positions before expiration based on market and liquidity conditions. Additionally, the fund may hold options with different strike prices at any given time, invest directly in Financials sector stocks, and utilize futures contracts.