

XRMI

Global X S&P 500 Risk Managed Income ETF

Fund Description

XRMI tracks an index that holds S&P 500 stocks combined with an options collar strategy. The fund buys 5% OTM put options and sells ATM covered call options on a monthly basis.

FactSet Analyst Report

XRMI holds the constituents of the S&P 500 Index while employing an options collar strategy which involves buying 5% out-of-the-money put options and selling at-the-money covered call options in an amount that corresponds to the value of the portfolio. The funds exchange-traded put option positions are purchased on a monthly basis and will be held until their one-month maturity. At expiration, these options are either exercised or settled in cash. The options collar strategy seeks to generate a net-credit, meaning that the premium received from the sale of the call options will be greater than the premium paid when buying the put options. Investors should note that selling at-the-money call options caps the funds upside potential. In addition, buying and selling shares other than the monthly purchase and expiration dates of the options may result in different returns and buffer protection.