

XYLE

Global X S&P 500 ESG Covered Call ETF

Fund Description

XYLE tracks an index that provides exposure to US large-cap companies that are screened for positive ESG characteristics combined with a covered call option strategy. Components of the index are market-cap weighted, adjusting for ESG rating score.

FactSet Analyst Report

The fund is delisting. The last day of trading is February 14, 2025. XYLE pursues two investment objectives in one ticker, positive ESG and income generation. The fund tracks an index that starts by screening out components of S&P 500 Index based on three different types of ESG categories: business activities, non-compliance with United Nations Global Compact Compliance, and media/stakeholder controversies. Companies that do not have an S&P DJI ESG score and those that score in the bottom 25% of their industry group are also excluded. The remaining companies are then ranked by their ESG score within each industry group. Constituent selection targets the top 75% from each industry group. Ongoing eligibility to remain in the index is evaluated on a quarterly basis. The index also sells one-month, at-the-money call options in proportion to their weight against the funds reference index. The strategy aids in generating additional income via options premium but places a drag on the appreciation potential. The index is rebalanced annually in April.

