

YPS

Arrow Reverse Cap 500 ETF

Fund Description

YPS hold the components of the S&P 500 Index, weighted inversely by market-cap.

FactSet Analyst Report

RVRS effectively flips the S&P 500 on its head. By weighting its holdings inversely to their market-cap, it allocates more weight to the smallest members of the large-cap index. In contrast to some competitor funds, which equal-weight S&P 500 or Russell 1000 constituents, RVRS gives greater weight to the S&P 500s smallest constituents than to its mega-caps. This approach produces a dramatic tilt toward smaller firms, and may well increase market risk. Indeed, RVRS weighted average market-cap is only slightly higher than that of many US midcap ETFs. Inverse weighting is likely to create significant sector tilts relative to the parent index and the large-cap opportunity set. The funds top holdings list can change often, as market movements and corporate actions push firms in and out of the S&P 500. Note: Arrow Investments Trust aims to acquire the fund, upon approval from shareholders. This change is expected to occur on May 2021.