

YPS

Arrow Reverse Cap 500 ETF

Fund Description

YPS tracks an index that holds the components of the S&P 500 Index, weighted inversely by market-cap.

FactSet Analyst Report

YPS effectively flips the S&P 500 on its head. By weighting its holdings inversely to their market-cap, it allocates more to the smallest members of the large-cap index. In contrast to some competitor funds which utilize an equal-weighting scheme, YPS 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 increase market risk. Indeed, the weighted average market-cap of the fund is just slightly higher than that of many US mid-cap 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: The fund was originally launched through ETF Series Solutions, and was acquired by Arrow Investments Trusts on May 24, 2021. Although the fund name and ticker changed, the strategy remained the same.