IncomeShares

S&P 500 Options ETP

The case for switching from regular S&P 500 exposure.

November 2026

Core S&P 500 exposure with monthly income

S&P 500 tracker challenges

Investors hold S&P 500 trackers for long-term growth and broad exposure to 500 of the largest US companies across every major sector.

But **S&P 500 trackers still have two key drawbacks** that can limit their efficiency:

Low yield

They pay a low yield, which can drag on income-targeted or liability-driven portfolios.

High opportunity cost

They can underperform income-generating assets during flat or range-bound markets.

S&P 500 Options ETP solution

The **IncomeShares S&P 500 Options ETP** combines core S&P 500 exposure with systematic put-writing.

This approach:

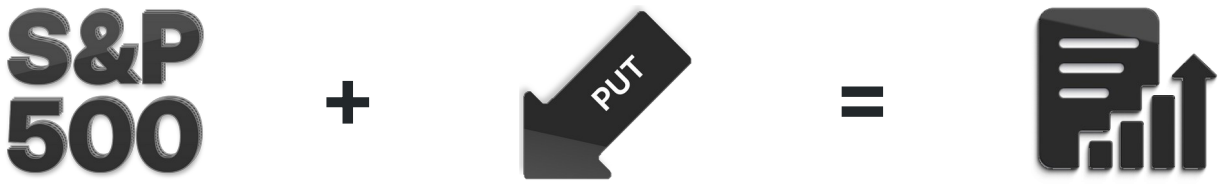
- Turns static equity exposure into an income-producing allocation.
- Aims to improve risk-adjusted returns.
- Harvests volatility premium systematically.
- Retains typical ETP features – liquidity, transparency, and daily pricing.

How the S&P 500 Options ETP works

The IncomeShares S&P 500 Options ETP uses a cash-secured put plus equity strategy. It maintains around 50% direct exposure to the SPDR S&P 500 ETF Trust (SPY), while the remaining 50% sells put options on the S&P 500 to generate income from option premiums. Until late October 2026, the ETP held around 25% direct exposure, so most past performance reflects that structure. For the planned changes from November 2026, see IncomeShares Strategy Update.

These premiums are distributed monthly to investors as ETP dividends. The trade-off is reduced participation during strong rallies, while steady income can help smooth returns when stocks consolidate or trade sideways.

Stay in the S&P 500. Earn income more efficiently.



50% S&P 500 exposure + **50% cash-secured strategy** = **Core S&P 500 exposure with monthly income**

Capital at risk. For professional investors only.

S&P 500 Options ETP Performance

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Generates income

Over the past 12 months, the IncomeShares S&P 500 Options ETP has produced an average annualised distribution yield of 37.1%. These distributions have provided a monthly cash flow for investors.

Monthly income estimate on $100,000 investment, based on distribution yields over the past 12 months:

Month	Distribution yield	Monthly yield	Income on $100,000
Nov	47.8%	4.0%	$ 4,000
Dec	35.2%	2.9%	$ 2,900
Jan	36.7%	3.1%	$ 3,100
Feb	49.5%	4.1%	$ 4,100
Mar	54.0%	4.5%	$ 4,500
Apr	47.4%	3.9%	$ 3,900
May	26.7%	2.2%	$ 2,200
Jun	39.1%	3.3%	$ 3,300
Jul	28.6%	2.4%	$ 2,400
Aug	26.3%	2.2%	$ 2,200
Sep	28.5%	2.4%	$ 2,400
Oct	25.8%	2.2%	$ 2,200
Ave.	**37.1%**	**Total**	**$ 37,200**

Lower volatility

From launch to 30 October 2026, SPYY delivered lower daily volatility and a smaller maximum drawdown than the SPDR S&P 500 ETF Trust (SPY), while generating monthly option income.

Correlation to the S&P 500

The correlation to SPY over this period, based on weekly returns, is 0.84 – consistent with core S&P 500 exposure plus an option-income overlay.

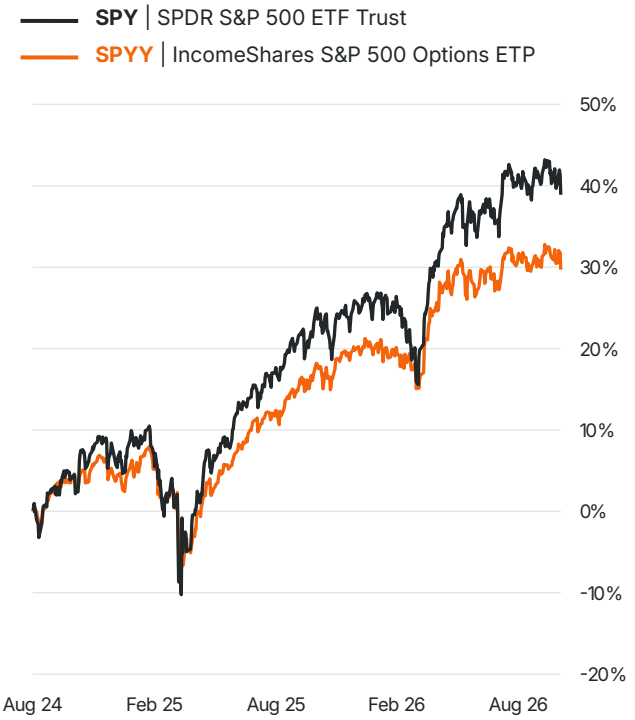
Strategy notes: the ETP sold cash-secured put options without direct equity exposure until 4 August 2025, then held around 25% direct exposure with put options on the rest until late October 2026, and now holds around 50%. See IncomeShares Strategy Update.

Tracks the S&P 500's path

The S&P 500 Options ETP (SPYY) has tracked the general path of the SPDR S&P 500 ETF Trust (SPY) since launch on 28 August 2024. The chart shows total returns to highlight the directional tracking between the two.

While SPY has delivered higher total returns, SPYY has followed its path while paying monthly income.

Total return from launch to 30 October 2026:



Metric	SPY	SPYY
Cumulative return	38.90%	**29.70%**
Volatility (daily st.dev.)	1.02%	**0.72%**
Annualised Sharpe	0.78	**0.76**
Max drawdown	-18.76%	**-14.98%**
Correlation to SPY	1	**0.84**

Sources: Bloomberg, IncomeShares, and Federal Reserve Bank of St. Louis (FRED). Total return data for SPYY and SPY include reinvested distributions. SPYY total return assumes reinvestment of notional income. Sharpe ratios calculated using the 3-month U.S. Treasury yield (DGS3MO) of 4.16% as of 30 October 2026. Distribution yields from IncomeShares. Figures based on USD returns. Data as of 30 October 2026. ***Past performance is not a reliable indicator of future results.***

Why switch now?

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Potential benefits

Maintains core S&P 500 exposure
Participation in 500 of the largest US companies.

Manages downside risk
Option income may help reduce drawdowns.

Aims to add a monthly income stream
From option premiums.

Retains ETP benefits
Liquidity and transparency.

Why the timing could make sense

- Many investors hold the S&P 500 as a core long-term allocation and still want that exposure.
- The S&P 500 has moved up and down in 2026 – SPY's total return was -5% in March, then 10% in April.
- Elevated volatility may support option-premium generation. Systematic put-writing aims to monetise these premiums during periods of consolidation or market swings.
- If the S&P 500 resumes its uptrend, the equity sleeve participates. If markets consolidate or volatility rises, income contributes. If stocks decline, option income may help offset part of the move.

Stay in the S&P 500. Earn income more efficiently.

Listings & Tickers

Country	Exchange	Base currency	Trading currency	Exchange code	ISIN	SEDOL	BBG ticker	WKN	Listing date
UK	London Stock Exchange	USD	USD	SPYY	XS2875106242	BM8ZBD0	SPYY LN	N/A	28 Aug 2024
UK	London Stock Exchange	USD	GBP	SPYO	XS2875106242	BM8ZBG3	SPYO LN	N/A	28 Aug 2024
DE	Deutsche Börse Xetra	USD	EUR	DSPY	XS2875106242	BQNKXG5	DSPY GY	A4A50P	15 Nov 2024
NL	Euronext Amsterdam	USD	EUR	SPYY	XS2875106242	BR4ZXF5	SPYY NA	N/A	15 Oct 2025

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