WHY THIS COURSE TRADES SPY

Vajgrt Labs - Education - Lesson 12 of 72 - 6 min read - Updated Oct 21, 2026

TL;DR

- SPY is the SPDR S&P 500 ETF Trust (State Street): one fund holding the S&P 500's basket - launched Jan 22, 1993, the first ETF listed in the US.

- It costs 0.0945% a year in expenses - $9.45 per $10,000 - and pays its dividends out quarterly.

- The course standardises on SPY for one reason: its options market is the deepest, tightest classroom there is - penny-class spreads and a chain worth learning on.

THE TAKEAWAYS

- What it holds: the S&P 500 basket - 500 large US companies across all eleven sectors (State Street). One SPY share is a sliver of all of them at once.

- What it costs: a gross expense ratio of 0.0945% per year (State Street, Oct 2026). On $10,000 that's $9.45 a year, taken inside the fund - you never see a bill, which is exactly why you have to know it's there.

- What it pays: the basket's dividends, distributed to SPY holders quarterly. The index's dividend yield stood at 1.10% (State Street, Oct 14, 2026) - real income, but modest; nobody buys SPY for the yield alone.

- Why it's the classroom: SPY has listed options (State Street: 'Options Available - Yes') with penny-class bid/ask spreads and enormous depth. The chain in Stage 5 is this fund's chain, and the Greeks behave there the way the lessons say they should.

RULE: One product, learned deeply, beats fifty tickers skimmed. This course's ticker is SPY - every example, level and chain from here on is SPY's.

COMMON MISTAKES

- Believing diversified means can't fall. The basket removes company risk, not market risk.

- Ignoring the expense ratio because it's small. It's small per year, forever - know the number: 0.0945%.

- Assuming every ticker's options trade like SPY's. Most chains are wider, thinner and crueler; SPY is the exception that teaches.

- Chasing SPY's dividend as an income plan: a yield around 1% is a supplement, not a salary.

DO IT - OPEN THE CLASSROOM

In your broker app, open SPY's options chain (look only). Find the nearest expiry and read the bid/ask on the strike nearest today's price. Write down the spread. In Stage 5 you'll decode every column; today, just confirm with your own eyes that the classroom's spreads really are a cent or two.

Education only - not financial advice. SPY fund facts: State Street SPDR S&P 500 ETF Trust page, checked Oct 15, 2026. SPY Sheet figures: vajgrtlabs.com/spy, Oct 15, 2026. Vajgrt Labs - Education.