

BTR

Beacon Tactical Risk ETF

Fund Description

BTR is an active fund-of-funds seeking capital appreciation. The fund invests equally across US equity sectors, while attempting to minimize losses in volatile markets. The fund utilizes a stop-loss strategy to tactically shift the portfolio's exposure between equities and fixed income securities

FactSet Analyst Report

BTR is actively managed to invest equally across 11 equity sectors. The fund aims to capture the upside in bullish US equity markets and protect, through a stop-loss process when market conditions weaken. The buy and sell triggers for the stop-loss process are based on the daily performance of the internal benchmark portfolio. When the benchmark reaches its highest value (high watermark) and then drops by 10%, it triggers the sell-out of all equities. Proceeds are then reallocated either equally across three fixed-income ETFs: short-, intermediate-, and long-term bonds or in a single short-term bond ETF. The overall fixed income allocation is maintained until a buy trigger is initiated. However, contrary to the sell signal, the buy trigger has a range initiation, from 15% to 25% from the benchmarks low watermark. The longer it takes the benchmark to reach its lowest value, the higher the required rebound will be. The fund's strategy may result in active trading, which will increase costs. Investors should note the total fees in using a fund-of-funds wrapper.