

CYA

Simplify Tail Risk Strategy ETF

Fund Description

CYA is an actively managed fund-of-funds that invests in US fixed income and income generating ETFs, while investing in derivatives to hedge tail risk.

FactSet Analyst Report

CYA is an easy ticker to remember when considering options available covering tail risk but the strategy is complex. The fund pursues advanced strategies, using derivatives, designed to hedge downside risks tied to US equity investments. At the advisers discretion, up to 20% of the portfolio may be positioned in put options, put spreads, interest rate futures and options, credit default swaps, OTC foreign exchange futures and options, and volatility-related derivative contracts or products. The remaining 50-90% of the portfolio is expected to be invested in fixed income and income generating ETFs, including those affiliated with the funds adviser. These ETFs may include exposure to high-yield bonds, MLPs, REITs, or inverse S&P 500 VIX products. The objective is to generate income to help reduce the costs associated with the use of derivatives. The fund relies on the advisers ability to analyze equity market risk. As such, the fund may also be invested in cash if the adviser does not perceive appropriate opportunities exist.