

DFHY

TrimTabs Donoghue Forlines Tactical High Yield ETF Donoghue Forlines Tactical High Yield ETF

Fund Description

DFHY is a fund of funds that tactically allocates exposure to high yield ETFs or US Treasury ETFs based on daily buy-sell signal.

FactSet Analyst Report

DFHY tracks an index that invests primarily in US-listed high yield ETFs while applying a downside protection. The risk-managed fund employs a tactical overlay strategy that allows a switch to US Treasury ETFs and other cash equivalents during bearish market conditions. This tactical switch is determined by the daily buy-sell signal. Full exposure is allocated to high yield ETFs when a buy signal is triggered, while 80% is allocated to US Treasuries when it triggers otherwise. Both high yield and Treasury ETFs must meet certain expense ratio and AUM requirements to be eligible for index inclusion. In addition, both type must have an investment process that excludes factors, hedges and long/short strategies. The underlying ETFs are weighted based on their respective expenses and AUM, whether its junk bonds or Treasuries. The index is rebalanced quarterly and reconstituted annually. DFHYs investors should anticipate frequent trading resulting in high portfolio turnover. Prior to Nov. 29, 2021, the fund was named TrimTabs Donoghue Forlines Tactical High Yield and tracked the TrimTabs Donoghue Forlines Tactical High Yield Index.