

DMRE

DeltaShares S&P EM 100 & Managed Risk ETF

Fund Description

DMRE offers dynamic exposure to three sub-indices: emerging market equities, 5-year Treasuries, and T-bills, with the goal of maintaining a given volatility level.

FactSet Analyst Report

The security is being delisted. The last day of trading is April 7, 2022. DMRE combines emerging market equity exposure (S&P EM 100), mid-term bonds (5-year Treasuries), and cash- equivalents (T-bills), with the aim of limiting volatility. DMRE utilizes an algorithm to cap volatility at a pre-determined limit of 22% annualized. If that threshold is exceeded, DMRE will move assets into US Treasurys, specifically, the most recent 5-year note to control risk. The fund can also take a position in 0-3 month T-bills should the 5-year note become too volatile, too correlated with equity, or too low-yielding (such as in a flat or inverted yield curve). The fund's index also, holds a synthetic protective put on itself in practice, this means DMRE shifts more assets into notes and bills after a significant decline, potentially staving off an even larger declines. The fund is rebalanced daily, and its three components (equity, notes, and bills) can be weighted from 0 to 100% in any combination.

