

DMRL

DeltaShares S&P 500 Managed Risk ETF

Fund Description

DMRL tracks an index with three subcomponents: equity, fixed income, and cash. The fund uses an algorithm to limit volatility, allocating between the three subcomponents.

FactSet Analyst Report

The security is being delisted. The last day of trading is April 7, 2022. DMRL tracks an index that allocates between three subindices. The targeted equity component follows the S&P 500 index, the fixed income reserve component is made up of the most recent 5-year Treasury note, and the cash component tracks a 0-3 month T-bill index. DMRL aims to maximize its equity allocation, while limiting volatility and downside risk. To limit volatility within a pre-determined threshold, the fund can shift to fixed income and cash, favoring the fixed income component due to its greater negative correlation to equity and higher yields than cash. To limit downside risk, the index includes a synthetic put option on itself. The strategy is designed to contribute to higher performance and lower volatility over time. The final weights of the sub-indices are determined using a complex algorithm to combine the synthetic put option, volatility adjustment, and a turnover constraint. The fund is rebalanced daily.