

HYTR

CP High Yield Trend ETF

Fund Description

HYTR aims to reduce risk by tracking a rules-based quantitative index of US bonds that will toggle between high yield and treasuries based on momentum.

FactSet Analyst Report

HYTR is an index-tracking ETF of ETFs that provides exposure to US high yield corporate bond ETFs and US 3-7 year treasuries. The index seeks to provide exposure to US high yield corporate bond while reducing risk in times of market turbulence. At each index rebalance, which can occur daily, securities are weighted using two quantitative models that blends trend-following and time-series momentum methodologies. This method provides exposure to US high yield bonds and reduces unnecessary portfolio turnover. The first model evaluates allocations to high yield bonds by determined the current market price against the dividend-adjusted 100-200 day moving average price data of HYG (75% weight) and its historical momentum returns for the same period (25% weight). The second model, depending on market turbulence, then adjusts the recommended allocation in 20% increments to high yield bond ETFs, with the balance allocated to treasury ETFs.

