

ISWN

Amplify BlackSwan ISWN ETF

Fund Description

ISWN tracks an index of two low-correlated assets: international developed equity markets and US Treasurys. The fund uses LEAP options to execute its strategy.

FactSet Analyst Report

ISWN expands Amplify's suite of ETFs attempting to hedge against unpredictable market events referred to as Black Swans. The fund holds 90% of its exposure in laddered US Treasury securities targeting a duration within six months of the 10-Year Note. The Treasury portion of the portfolio serves to provide capital protection. The remaining 10% of the portfolio is used to buy in-the-money, long-term call options on the iShares MSCI EAFE ETF (ticker: EFA). EFA provides exposure to the equity markets of developed countries outside of the US and Canada. The call options provide the equity exposure and will have expirations of either June or December. At their expiration, the options will be rolled to the following year. Therefore, the index will be reconstituted and rebalanced every June and December. The call options selected will generally have a delta of 70 at the time of purchase, meaning that for every \$1.00 of movement in the EFA share price, each option should have a corresponding \$0.70 gain or loss.