

# KMLM

## KFA Mount Lucas Managed Futures Index Strategy ETF

### Fund Description

KMLM aims to track an index of long and short managed futures, based on a trend following methodology. The fund allocates to commodity, currency and global fixed income futures based on relative historical volatility.

### FactSet Analyst Report

KMLM focuses on total return using long and short positions, as determined by daily trading signals, in commodity, currency, and global fixed income futures. For tax purposes, KMLM does not hold the futures contracts but gets its exposure through a wholly-owned Cayman Island subsidiary, an approach that is common among alternative ETFs. The fund aims to hold similar exposure to its underlying index but may not fully replicate the holdings at all times. On an annual basis, an index committee selects 22 different futures contracts from the three broad categories. Weighting to the three categories is based on historical volatility. The contracts within each category are equally weighted. The portfolio is rebalanced monthly and contracts are rolled on a market by market basis as the contracts near their respective expiration. The fund may also invest in instruments that are not included in the index such as equity securities or other derivatives including swaps, forwards, structured notes and options. Prior to April 1, 2022, the fund was actively managed with a similar strategy. Further, it traded under the name KFA Mount Lucas Index Strategy ETF until November 10, 2022.

