

MSTQ

LHA Market State Tactical Q ETF

Fund Description

MSTQ is an actively managed fund that seeks to outperform index-based US large-cap growth stocks by tactically allocating such net long exposure generally in a range between 80%-120%, based on market volatility expectations.

FactSet Analyst Report

MSTQ defines the US large-cap growth equity space as the Nasdaq 100 Index. The funds baseline exposure each day is long 100%, via shares of Invesco NASDAQ 100 ETF (QQQ) or Index futures. Using various risk models, the portfolio managers adjust the baseline exposure by aiming to quantify the direction and magnitude of market volatility expectations. The models analyze aspects such as 30- and 90-day implied volatility indexes and VIX Index futures. Based on this information, the net portfolio exposure is expected to range between 80%-120%. Various strategies and products may be used to provide the chosen exposure, such as leverage and inverse ETFs, VIX options and futures, E-mini Nasdaq 100 futures contracts, and US Treasury securities. The fund aims to provide index plus returns during rising markets or calm volatility and preserve capital or uncorrelated returns during times of increased volatility. The strategy may result in frequent trading, resulting in high turnover.