

PAYH

TrueShares S&P Autocallable High Income ETF

Fund Description

PAYH is an actively managed ETF that systematically seeks income and exposure to US equities by synthetically investing in a portfolio of autocallable notes referencing a higher volatility-managed S&P 500 futures index, using swaps.

FactSet Analyst Report

PAYH aims to provide high monthly income with limited downside protection, however, investors face loss of principal if the equity index falls sharply. The strategy is designed to smooth returns and manage risk in changing market conditions. The ETF is actively managed, aiming to provide exposure to an autocallable index that tracks a portfolio of synthetic autocallable notes linked to a custom volatility index. The fund gains exposure to autocallable notes through total return swaps, rather than by directly holding the autocallables. Swap exposure is rebalanced or rolled weekly. Exposure to S&P 500 futures may be adjusted up to seven times daily, increasing exposure in calm markets and reducing it during volatility to stabilize risk and potentially reduce drawdowns. The fund may invest up to 25% of its assets in a Cayman Islands subsidiary for derivatives exposure.