

RISR

FolioBeyond Alternative Income and Interest Rate Hedge ETF

Fund Description

RISR seeks to provide income and protect against rising interest rates through exposure to interest-only MBS and US Treasury bonds. The fund is actively managed.

FactSet Analyst Report

RISR aims to benefit from rising interest rates by seeking a duration target of approximately negative 10 years. A negative duration is where prices increase as interest rates rise, and the sub-adviser believes that the fund holdings value is expected to increase with such duration target. RISR primarily invests in interest-only MBS (MBS IOs), which typically exhibit negative duration, and US Treasury bonds, which on the other hand have positive duration (prices increase from falling rates). The funds portfolio is structured such that a potential decline in MBS IO valuations may be partially offset by gains in the US Treasury positions. As such, the fund will likely be rebalanced by selling the US Treasury positions and increasing MBS IO holdings to bring its overall duration back to its duration target. The sub-adviser determines the overall asset allocation between MBS IOs and US Treasuries based on its top-down and security-specific analysis. Prior to June 26, 2023, the fund was called FolioBeyond Rising Rates ETF.

