

# RPAR

## RPAR Risk Parity ETF

### Fund Description

RPAR is an actively managed fund-of-funds allocating to four major asset classes: global equities, US Treasurys, commodities and TIPS based on risk parity.

### FactSet Analyst Report

RPAR is actively managed yet nonetheless aims to align its exposure to an index, the Advanced Research Risk Parity Index. The index diversifies across four asset classes (TIPS, US Treasurys, global equities and commodities), seeking returns similar to global equities with less risk over time. The logic behind the asset class weighting considers historical volatility of each asset class, aiming for similar risk contribution from each. Per the prospectus, the fund rebalances quarterly to fixed allocation of 35% TIPS, 25% equities, 25% commodities and 15% Treasurys. However, the Treasury allocation includes T-bill collateral for a hefty allocation 10-yr Treasury futures, stated at 60% notional. Thus, the all-in nominal asset allocation is unclear as it sums to more than 100% but a) appears to be skewed to T-Notes and TIPS, consistent with its thesis, and b) implies leverage. RPAR may hold other exchange-traded products to provide the targeted sure.