

SHDG

Soundwatch Hedged Equity ETF

Fund Description

SHDG is an actively managed, fund-of-funds which seeks to hedge downside US equity market risk and long-term capital appreciation. The fund combines equity exposure with several strategies using derivatives to hedge or generate income.

FactSet Analyst Report

SHDG leverages the advisers options expertise to invest in US large-cap stocks, ETFs that track US large-cap indices, equity index futures, and other derivatives that provide similar investment characteristics as equity securities. Against the equity portfolio, the fund manager writes (sells) calls or enters option spreads to potentially generate income. A portion of the income is used to buy put options or spreads to hedge the portfolio when deemed necessary. A combination of fundamental, technical, and cyclical analysis is used in order to position the underlying portfolio. The fund uses a proprietary rules-based strategy to select option contracts, prices, and maturities. Through the use of options, the fund aims to reduce downside risk and generate long-term equity returns in line with the S&P 500. Prior to launch, the strategy was offered as a mutual fund, using the same name. The fund converted with roughly \$91.4 million in assets.