

STGF

Merk Stagflation ETF

Fund Description

STGF is a passively managed fund-of-funds that invests in four asset classes which are expected to benefit from stagflation. The fund allocates to US Treasury Inflation-Protected Securities (TIPS), gold, oil, and US real estate. Weighting to each is determined by price trends.

FactSet Analyst Report

STGF introduces stagflation-sensitive investing, which aims to protect against persistent inflation during a period of weak economic growth. This multi-asset fund allocates among four ETFs: 1) Schwab US TIPS ETF (SCHP), 2) Vanguard Real Estate ETF (VNQ), 3) VanEck Merk Gold Trust (OUNZ), and 4) Invesco DB Oil Fund (DBO). Constituent weights are adjusted based on a trend-following methodology. Positive or negative price trends in gold, oil, and real estate will either increase or decrease respective index weights, resulting in 5% to 15% of the total asset allocation. The remaining 55% to 85% of the portfolio will be allocated to US TIPS. The fund expects to gain exposure to commodities by investing up to 25% of its net assets, in a wholly-owned subsidiary organized under the laws of the Cayman Islands. The index is rebalanced whenever a change in price trend in gold, oil or real estate is detected or any of these asset classes has exceeded its minimum or maximum allocations.

