

SWAN

Amplify BlackSwan Growth & Treasury Core ETF

Fund Description

SWAN tracks an index of long-dated options on an S&P 500 ETF (SPY) and US Treasurys averaging 10-year maturity.

FactSet Analyst Report

SWAN aims to provide muted equity exposure while mitigating downside risk. The fund gets its equity exposure via long-dated options (LEAPS) on SPY, the mega-ETF tracking the S&P 500. The options specifically target 70% participation in either direction (up or down) over the market cycle. They roll in June and December. The Treasury portion provides additional downside protection, assuming that safe-haven Treasurys will rise if equity markets tank. The Treasurys a mix of maturities aiming to reflect 10-years on aggregate provide their own risk and return (duration and yield). SWANs asset ratio is fixed at 90% Treasurys and 10% options at each semi-annual index reset. However, the indexs equity notional exposure aligns with the total index market cap, so each dollar invested aims for dollars worth of notional equity exposure (at 70% participation) plus 90 cents of 10-year Treasurys.