

TACK

Fairlead Tactical Sector ETF

Fund Description

TACK relies on a proprietary, technical model to actively manage a US large-cap sector rotation strategy. During periods deemed risk-off, the fund toggles the exposure to short- or long-term US Treasurys or gold. The objective is to outperform the S&P 500.

FactSet Analyst Report

TACK is a fund-of-funds whose strategy starts with top-down market analysis and combines trend-following, price momentum, and sector relative strength. The funds investable universe consists of 14 State Street SPDR ETFs: the 11 Select Sector SPDRs, the SPDR Gold Trust, and SPDR short- and SPDR long-term US Treasury ETFs. Relying on the expertise of a technical analyst, the selection process follows a rules-based filtering system that considers market trends and overbought/oversold indicators. ETFs that pass the technical filter, receive a momentum score and a ranking is calculated. During periods of risk-on, the portfolio will hold between 5-8 of the highest-ranked ETFs on an equal-weighted basis. During periods of risk-off, the portfolio may hold up to 75% of its exposure in short- or long-term US Treasury ETFs or gold. The portfolio is rebalanced monthly. Due to the tactical nature of the strategy, the fund is anticipated to have a very high turnover.