

TRIO

MC Trio Equity Buffered ETF

Fund Description

TRIO actively manages a portfolio of FLEX options to gain exposure to US and international developed market equity securities, while aiming to buffer the first 10% of losses. The fund-of-funds seeks capital appreciation with limited downside protection.

FactSet Analyst Report

TRIO is a fund-of-funds designed to protect against the first 10% of losses in equity exposure, using customized put and call FLEX options. Positions are established based on macro views on metrics such as employment metrics, earnings estimates, market valuations, and US GDP growth relative to developed and developing economies. The strategy involves option spreads, buying and selling both puts and calls. The objective is to provide hedged equity exposure. Although the strategy is designed to mitigate downside risk, it may not always be successful, and options-related costs could impact performance. The sub-adviser consistently monitors market conditions in rebalancing the portfolio, typically on a quarterly basis, to protect capital or lock in some gains. Additionally, the buffer and cap are adjusted based on market conditions and the cost of available options.