

# ZHDG

## Zega Buy & Hedge ETF

### Fund Description

ZHDG is an actively-managed options strategy that provides S&P 500 equity exposure while attempting to mitigate downside risk. The fund uses options and a broad range of fixed income securities to pursue its investment objective.

### FactSet Analyst Report

ZHDG deviates from a buy-and-hold approach by actively managing option positions to provide long equity exposure and hedge risk. A small portion of the portfolio, limited to 8-10% annually, is used to provide long US large-cap equity exposure via equity options, options on S&P 500 ETFs, or FLEX options. While a significant portion of the portfolio is invested in income-generating securities such as investment grade or high yield bonds, preferred stocks, or ETFs. The advisors investment committee uses proprietary quantitative models and third party data to determine market risks and options probabilities. Individual buy and sell decisions are based on a set of rules. There are no limitations regarding duration or credit risks. Options may be used hedge downside risk or generate additional income. The income generated is used to help reduce the costs of the long options. Note, taxation at the fund level will differ depending on the type of options used.