

Swan Global Investments “HEGD” ETF is One of the Fastest-Growing New ETFs of 2021

Hedged Equity ETF Surpasses \$115 Million AUM in Just 9 Months

HEGD’s Rapid Growth Demonstrates Increased Importance Placed on Mitigating Against Market Risks

October 7, 2021 08:30 AM Eastern Daylight Time

DURANGO, Colo.---(BUSINESS WIRE)---Swan Global Investments (“Swan”), a specialized asset management firm with a 24+ year track record in hedge equity solutions, today announced that the Swan Hedged Equity US Large Cap Exchange-Traded Fund (Ticker Symbol: “HEGD”) is one of the fastest-growing ETFs of 2021, demonstrating investors’ focus on market risk in their portfolios. In just over nine months, as of the close of the 3rd quarter on September 30, HEGD has surpassed \$115mm AUM.

Swan’s HEGD seeks long-term capital appreciation while mitigating overall market risk. HEGD is built upon Swan’s innovative and time-tested “Always Invested, Always Hedged” process launched in 1997—a distinct blend of passive investing¹ and active risk management, all in one ETF.

“The popularity and rapid growth of HEGD reflect rising unease from investors around market volatility, leading them to seek risk mitigation,” said Randy Swan, Founder and Lead Portfolio Manager of Swan Global Investments. “In a world of increasing uncertainty, investors and financial advisors need to take deliberate steps to temper the impact of volatility, government policy changes, and potential inflation. Hedged equity, particularly through the ETF marketplace, allows investors to easily take precautionary action.”

Given the challenges to both equities and fixed income, options-based strategies have become increasingly popular with advisors and investors alike, making it one of the most rapidly growing ETF categories. In terms of assets under management and number of products available, options-based strategies have experienced soaring growth over the last several years—rising from 23 funds and \$10bn in AUM in 2010 to 230 funds and \$48bn in AUM in 2020, according to Morningstar. ETF funds have rapidly increased in 2021, according to the New York Stock Exchange, with 127 new active ETFs, surpassing \$250 billion in total AUM. While a large number of these new ETFs are passive risk management strategies, e.g. the popular put spread collar, HEGD provides investors an intriguing actively managed alternative.

The S&P 500 Index², one of HEGD’s benchmarks, has rallied 100% from its Covid-19 pandemic trough of 2,237.40 on March 23, 2020, on a closing basis- the fastest bull market doubling off a bottom since World War II. “Investors are acutely aware of a potential market shift, increasing their appetite for hedge equity solutions. They are taking a cautious pause to reevaluate market risks that have been building since the start of Covid-19. HEGD is an attractive option because it allows investors to stay invested while managing these risks,” said Jamie Atkinson, Head of Global Sales for Swan Global Investments.

Investors are seeking remedies for risks in the fixed income markets. “Due to paltry yields, credit risks, and the dismal to bleak outlook for fixed income, many advisors realize that the traditional 60/40 asset mix will have a difficult time generating the returns that clients need to fund their financial security objectives. Consequently, they are using hedged equity as a fixed-income replacement in their portfolio constructions for clients,” said Gib Watson, Chief Strategy Officer for Swan Global Investments.

To learn more about the Swan Hedged Equity ETF (HEGD) visit <https://etfs.swanglobalinvestments.com/hedged-equity-etf/>.

About Swan

Founded in 1997, Swan Global Investments is a leading asset management firm that offers time-tested hedged equity and options-based solutions that seek consistent long-term returns over time, by prioritizing the pursuit of preserving investors’ irreplaceable capital. There is no guarantee of performance, nor that the Fund will meet its objective or perform as other investment products Swan Global Investments manages.

Swan Global Investments is an SEC registered Investment Advisor that specializes in managing money using the proprietary Defined Risk Strategy (DRS). Please note that registration of the Advisor does not imply a certain level of skill or training. All investments involve the risk of potential investment losses as well as the potential for investment gains. Prior performance is no guarantee of future results and there can be no assurance that future performance will be comparable to past performance. This communication is informational only and is not a solicitation or investment advice. Further information may be obtained by contacting the company directly at 970-382-8901 or swanglobalinvestments.com.

¹ – Although the Fund is actively managed, the Fund intends to passively invest (buy and hold) at least 80% of its assets directly or indirectly through one or more ETFs in equity securities of large cap U.S. companies.

² – The benchmarks for HEGD are the Cboe S&P 500 95-110 Collar Index SM (CLL) and Standard & Poor’s (S&P) 500 Total Return Index. According to Cboe, the Cboe S&P 500 95-110 Collar Index SM (CLL) is based on a collar strategy. An option collar is designed to reduce the cost of hedging negative stock returns. The CLL tracks the value of a portfolio that protects an investment in S&P 500 stocks with a long 5% out-of-the money put option on the S&P 500 (SPX put). The premium of the put is partly defrayed by the premium collected on a short position in a 10% out-of-the-money SPX call option (SPX call). The CLL Index portfolio is rebalanced monthly after the expiration of SPX call and put, typically 11 am ET every third Friday. New SPX put and call options are then bought and sold respectively. The Standard & Poor’s (S&P) 500 Total Return Index is an unmanaged, market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value, and assumes any distributions are reinvested back into the index. Indexes and other benchmarks used herein are generally unmanaged and have no fees or expenses.

Investors should carefully consider the investment objective, risks, charges and expenses of the Swan Hedged Equity US Large Cap ETF. To obtain an ETF’s prospectus containing this and other important information, please call (855) 772-8488, or visit etfs.swanglobalinvestments.com. Please read the prospectus carefully before you invest. An investment in the fund involves risk, including possible loss of principal. Past performance does not guarantee future results.

The fund’s investment objective is to seek long term capital appreciation while mitigating overall market risk. The fund is new and has a limited operating history.

Exchange Traded Funds and Mutual Funds involve risk, including possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. There is no guarantee the Fund will meet its objective. The Fund will use put and call options, which are referred to as “derivative” instruments since their values are based on, or derived from, an underlying reference asset, such as an index. Derivatives can be volatile, and a small investment in a derivative can have a large impact on the performance of the Fund as derivatives can result in losses in excess of the amount invested. Options used by the Fund to reduce volatility and generate returns may not perform as intended. There can be no assurance that the Fund’s option strategy will be effective. It may expose the Fund to losses, e.g., option premiums, to which it would not have otherwise been exposed. Further, the option strategy may not fully protect the Fund against declines in the value of its portfolio securities. The prices of options may change rapidly over time and do not necessarily move in tandem with the price of the underlying securities. Purchasing put options may result in the Fund’s loss of premiums paid in the event that the put options expire unexercised.

Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

The Fund is distributed by Foreside Fund Services, LLC. Foreside Fund Services, LLC and Swan Capital Management, LLC & Swan Global Investments, LLC are not affiliated. SWGI-20211005-0052

Contacts

Media

Profile for Swan Global Investments
Jackie Loose
(347) 774-4108
jloose@profileadvisors.com



SWAN GLOBAL INVESTMENTS

[More News](#)

Contacts

Media

Profile for Swan Global Investments
Jackie Loose
(347) 774-4108
jloose@profileadvisors.com