



## AdvisorShares Launches Active ETF

January 17th at 3:45pm by [Tom Lydon](#)



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**AdvisorShares**, an exchange traded fund provider of actively managed strategies, recently launched a long/short, fund-of-funds ETF that tries to provide investors with stable and consistent returns.

The **AdvisorShares Rockledge SectorSam ETF (NYSEArca: SSAM)** began trading last week. SSAM tries to provide consistent performance as the active managers use a sector rotation process to maximize potential gains. Rockledge Advisors will manage the fund. The ETF has an expense ratio of 1.5%.

[\[AdvisorShares to List Active Long/Short Hedge ETF\]](#)

“The U.S. economy goes through various growth cycles, which means there should be relative sector variation at all times,” Alex Gurvich, Co-Founder of Rockledge and portfolio manager of SSAM, said in a [press release](#). “We rotate investments between the U.S. economic sectors based on our proprietary evaluation in order to try and outperform the overall market. We believe that the prudent investor, who understands the risk vs. reward tradeoff, should be looking at sector investing vs. individual stocks. Holding a position in a sector can provide inherent diversification while reducing individual company risk.”

SSAM will go long sector ETFs that are projected to outperform the S&P 500 while being short an equal dollar amount of sector ETFs that are projected to underperform the S&P 500 to achieve a dollar neutral portfolio. The proprietary methodology utilized is known as the “Sector Scoring and Allocation Methodology,” or SectorSAM.

As of Jan. 11, SSAM was long **Materials Select Sector SPDR (XLB)** 33.9% **SPDR Select Sector Fund Technology (XLK)** 33.2% and **SPDR Select Sector Fund Energy (XLE)** 33.1%. Meanwhile, the fund was short **SPDR Select Sector Fund Financials (XLF)** 21.2%, **SPDR Select Sector Fund Consumer Staples (XLP)** 18.1%, **SPDR Select Sector Fund Health Care (XLV)** 17.2%, **SPDR Select Sector Fund Consumer Discretionary (XLY)** 16.0%, **SPDR**

**Select Sector Fund Industrials ([XLI](#))** 15.2% and **SPDR Select Sector Fund Utilities ([XLU](#))** 5.5%.

“Financial advisors and investors are seeking more active and hedging strategies to add to their investment portfolio,” Noah Hamman, CEO and Founder of AdvisorShares, said. “The ability to add a new alternative manager in a transparent, cost-effective actively managed ETF structure will be a compelling offering to both advisors and their clients. We feel this provides an excellent complement to our existing suite of actively managed ETF strategies.”

For more information the active funds, visit our [actively managed ETFs category](#).

Max Chen contributed to this article.

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