



## The First Actively Managed ETF Of Its Kind

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Most investors dabbling in the actively managed exchange traded fund (ETF) space will peruse long-only strategies, but **AdvisorShare** is the first fund provider to launch a short-only active ETF.

The relatively new **AdvisorShare Active Bear ETF (NYSEArca: [HDGE](#))** is an actively managed fund that shorts domestic U.S. equities in an attempt to provide investors with capital appreciation, [writes Shishir Nigam for SeekingAlpha](#). Sub-advisor, Ranger Alternative Management, utilizes a bottom-up, fundamental, research driven security selection process to pick out companies that have low earnings quality or use aggressive accounting to cover operational deterioration and enhance earnings. [[Active ETFs Meet Innovation.](#)]

The fund's top short positions include Netgear Inc (NasdaqGS: **NTGR**), Whirlpool Corp. (NYSE: **WHR**), Salesforce.com (NYSE: **CRM**), General Motors (NYSE: **GM**) and VMWare Inc. (NYSE: **VMW**) – the average company weighting in the portfolio lies between 2% to 7%. The largest sectors include consumer goods and consumer services. HDGE has an expense ratio of 1.85% and a market capitalization of \$46.0 million.

HDGE is the first short-only actively managed ETF to launch in the U.S, which provides exposure to the downside when markets are under duress. As a result, the fund's mandate is to identify poorly performing companies, but the ETF will likely underperform during positively trending markets.

In the last 2 months the fund has been trading, HDGE has managed to provide a relatively comparable inverse relationship to the performance of the S&P 500. It should be noted that the ETF has targeted high beta, high momentum companies, which could result in higher portfolio volatility.