

# Active Bridges Capital Tactical ETF Offers Downside Hedge



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Financial advisory firm Bridges Capital launched its first U.S.-listed ETF on the Nasdaq, the [Bridges Capital Tactical ETF \(BDGS\)](#). The active ETF provides long-only, opportunistic exposure to equities.

One focus of the fund is on capital preservation. It seeks to achieve this through a strategy based on macroeconomic and monetary policy fundamentals, technical breadth, and volatility analysis.

BDGS gives investors access to a core portfolio of large-cap U.S. equities with a complimentary allocation to other ETF holdings. The fund's exposure to assets

outside of its core single-stock holdings can be adjusted following meaningful monetary policy changes. Macro indicators that could impact the fund's exposure include earnings revisions, labor growth, and bank lending standards.

## **An Overwhelming Demand for Active Management**

In a statement, BDGS portfolio manager Raymond Bridges cited “an overwhelming demand for active management that goes well beyond plain vanilla ‘buy and hold’ strategies.” However, he believes these strategies “fall short of protecting investors from downside volatility.”

“Our hands-on approach is rooted in opportunism when conditions are right and the ability to seek to achieve defense during periods of stress through capital preservation,” Bridges added.

BDGS is diversified with a focus on capital preservation, which it achieves through its rebalancing process. Its rebalancing process can occur up to two times per month at the discretion of the portfolio manager. The rebalancing triggers are tied to technical and fundamental signals instead of a defined calendar schedule.

The fund primarily invests in common stocks and shares of ETFs that primarily invest in common stocks or cash and cash equivalents. The resulting portfolio is always long, with roughly 15% to 20% in large caps. It remains sector and style agnostic, regardless of the market cycle.

BDGS has between 5 and 20 holdings and carries an expense ratio of 78 basis points\*.

*\*Basis Points (bps): Is a unit of measure used in quoting yields, changes in yields or differences between yields. One basis point is equal to 0.01%, or one one-hundredth of a percent of yield and 100 basis points equals 1%.*

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