

SVXY

ProShares Short VIX Short-Term Futures ETF

Analyst Report

This ETF offers inverse exposure to an index comprised of VIX futures contracts, making it an intriguing tool in certain environments. The VIX is a widely followed indicator of expected equity market volatility, and as such has a tendency to exhibit a strong negative correlation to equity markets. Inverse exposure to the VIX, therefore, can be expected to generally move in the same direction as equities--though products such as SVXY can be considerably more volatile.

Like most volatility ETPs, SVXY does not offer exposure to the spot VIX; rather, the returns generated by this product will often depend in large part on the slope of the futures curve. When the VIX futures market is in a state of steep contango--as it often has been historically--SVXY may offer exposure to a compelling strategy that can exploit structural inefficiencies. When the VIX market is backwardated, however, the strategy employed by this fund essentially has it flying into the wind, vulnerable to significant return erosion from the roll process.

It should also be noted that SVXY maintains a daily reset feature; over multiple holding periods, this product will be impacted by the compounding of returns. SVXY can potentially be a very powerful tool, but is generally appropriate only for more sophisticated investors; those without an understanding of the VIX or futures-based strategies should steer clear. And this ETF doesn't belong in a long-term, buy-and-hold portfolio.

The exposure offered by SVXY is generally similar to XIV, a popular product from VelocityShares. It should be noted, however, that the structures of these products differ; SVXY is an ETF, while XIV is an ETN. Both have potential advantages and drawbacks; SVXY avoids the credit risk that is inherent in any ETN, though XIV will not incur tracking error when rolling holdings.

ESG Themes and Scores

N/A

ESG Rate

N/A

Global Percentile

N/A

Peer Percentile

Performance Data

	SVXY	ETF Database Category Average	Factset Segment Average
1 Month	5.18%	4.56%	5.10%
3 Month	23.86%	22.05%	22.00%
YTD Return	3.49%	2.89%	2.63%
1 Year Return	34.25%	22.12%	25.84%
3 Year Return	10.62%	3.66%	3.66%
5 Year Return	15.38%	4.37%	4.37%

Top 5 Holdings

No Holdings Data Available

Vitals

Issuer	Proshare Advisors LLC
Brand	ProShares
Structure	Commodity Pool
Expense Ratio	0.95%
Inception	Oct 03, 2011
Index Tracked	S&P 500 VIX Short-Term Futures Index (-100%)

ETF Database Themes

Category	Inverse Volatility
Asset Class	Volatility
Asset Class Size	N/A
Asset Class Style	N/A
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Inverse Alternatives: U.S. - Volatility
Category	Tactical Tools
Focus	Volatility
Niche	S&P 500 Short-Term
Strategy	Vanilla
Weighting	Single Asset

