

DVUT

WEBs Utilities XLU Defined Volatility ETF

Fund Description

DVUT tracks an index that adjusts exposure, between 0-200% via swaps, to the US large-cap Utilities sector based on recent market volatility. The investment objective is to reduce volatility to a distinct target level and pursue better risk-adjusted sector returns.

FactSet Analyst Report

DVUT is a part of a suite of defined volatility ETFs. The fund is passively managed to actively adjust exposure to the SPDR Utilities ETF (XLU) based on market volatility. As such, the fund is not expected to track XLU's performance, instead, its exposure is volatility-driven. The fund uses a rules-based strategy, dynamically adjusting exposure to XLU (via direct holdings or total return swaps for leverage) based on 21-day realized volatility relative to the 25% target: exposure increases when volatility is below 25% and decreases (by allocating to cash or cash-like instruments) when above. Fund exposure to XLU can vary between 0-200%. This suite of ETFs provides investors the ability to take a tactical approach to sector rotation or emphasize a sector-focus in a broad market portfolio.

