

IRVH

Global X Interest Rate Volatility & Inflation Hedge ETF

Fund Description

IRVH is actively managed to provide a hedge against inflation and interest rate risks. The fund holds US TIPS and over-the-counter interest rate options.

FactSet Analyst Report

IRVH seeks to hedge relative interest rate movements caused by a steepening of the US interest rate curve while benefiting from interest rate volatility and providing inflation-protected income. The fund invests in a mix of US TIPS and long yield curve spread options. It may hold TIPS of any maturity, either directly or through other ETFs. Typically, the fund allocates up to 20% of its assets in over-the-counter yield curve spread options that reference the spread between the 2-year and 10-year swap rates of the US interest rate curve. These options generally have a time-to-expiration of between six months and two years. The fund expects to gain from the steepening of the yield curve while having the potential loss limited to the premium paid for these options.