

RYSE

Vest 10 Year Interest Rate Hedge ETF

Fund Description

RYSE aims to generate capital appreciation from rising 10-year interest rates of US Treasuries. The actively managed fund invests in options on interest rate swaps, creating downside limits to losses and upside caps to gains.

FactSet Analyst Report

RYSE aims to gain from rising 10-year interest rates by investing in interest rate swaptions. The 10-year rate broadly measures the cost of borrowing cash overnight, collateralized by Treasury securities compounded over 10 years. In anticipation of losses when the 10-year rate falls, the fund buys and sells swaptions every quarter to create the downside limits to losses. The fund hedges against increases by investing in various derivatives (e.g., futures, options, interest rate swaps, and swaptions). It may also take long positions in interest rate swaps to benefit from rising interest rates. The fund aims to hold swaptions maturing in three months for more predictable returns. The fund seeks to limit losses of up to 15% over a quarter with the potential upside capped between 15-35%. The fund may forego some upside potential and there is no assurance that it will succeed in limiting losses. Before Jan. 2, 2023, the fund was called Cboe Vest 10 Year Interest Rate Hedge ETF