

SVOL

Simplify Volatility Premium ETF

Fund Description

SVOL is an actively managed portfolio that aims to provide income via short exposure to S&P 500 VIX short-term futures, reset daily. The fund also utilizes an option overlay strategy to protect against adverse moves in VIX.

FactSet Analyst Report

SVOL seeks to provide the daily investment results of -0.2x to -0.3x of the performance of the S&P 500 VIX short-term futures index. The fund primarily purchases or sells futures contracts, call options, and put options on the VIX futures to pursue its investment objective. Through its short exposure and erosion of time value, the fund looks to provide a source of monthly income. The fund also uses VIX call options as a hedge against adverse moves in VIX. The fund's exposure is reset daily. Due to the nature of compounding, investors who hold shares of SVOL longer than a day, may experience performance returns that are different than the index. This performance difference can be significant during times of increased volatility. The fund invests through a subsidiary, which avoids K-1 tax reporting and credit risk investors face with other products in this space.