

VYLD

Inverse Vix Short-Term Futures ETN

Fund Description

VYLD allows you to place a bet on volatility decreasing in the near-term. The product is a passively managed exchange-traded note backed by JPMorgan Chase. The performance of the note is designed to track the inverse performance of the front- and next-month VIX futures contracts.

FactSet Analyst Report

VYLD marks a first for the issuer, the only other ETN in the firms lineup stems from the acquisition of Bear Sterns. VYLD is a debt obligation backed by the credit rating of JPMorgan Chase, maturing in 2045. The ETN seeks to provide exposure to the daily returns of an index in which its level is designed to increase or decrease by 1% from its previous days closing level if the weighted average price of the front- and the second-month VIX futures contracts decreases or increases, respectively, by one point on that day. VIX futures contracts are tied to the Cboe Volatility Index, a benchmark index designed to measure the volatility in large-cap US stocks and calculated based on certain put and call options on the S&P 500 Index. As a total return index, the return also reflects interest accrued at a rate equal to the SOFR. Since the product focuses on the inverse, near-term volatility, the notes should generate positive returns with the underlying futures contracts decrease in price.

