

WEIX

Dynamic Short Short-Term Volatility Futures ETF

Fund Description

WEIX is an actively managed fund that provides inverse exposure to near-term CBOE Volatility Index (VIX) futures resulting in a weighted average maturity of one month.

FactSet Analyst Report

WEIX is Dynamic Shares first foray to the ETF space. The ETF offers an actively managed approach to volatility. Other ETPs in this space have a history of erasing vast sums of investor capital over holding periods as short as a few days. WEIX utilizes an algorithm in attempt to provide a more responsive approach. The fund holds short exposure in first- and second-month VIX futures. The nearest term contracts are rolled to the next month, daily. Predetermined market signals, stress mode triggers, are utilized to close the short exposure in extremely volatile markets. WEIX is designed as a short-term trading tool and not a long-term investment. Like its peer products, WEIX does not deliver inverse returns on the VIX index itself, but on short-term futures contracts. Returns can be, and often are, significantly different from inverse VIX Index exposure. As a commodity pool, investors will get K-1 at tax time but avoid the counterparty risk of an exchange-traded note.