

XVOL

Acrucence Active Hedge U.S. Equity ETF

Fund Description

XVOL is an actively managed fund that seeks capital growth with reduced volatility as compared to the S&P 500 by purchasing options contracts on the VIX Index.

FactSet Analyst Report

XVOL, though actively managed, invests at least 80% of its net assets in a portfolio that replicates the constituents and weights of the S&P 500 Index, while seeking to deliver lower volatility by purchasing options contracts on the CBOE Volatility Index (VIX Index). An option gives investors the right to purchase or sell the underlying index at a specified price, on a specified date in exchange for the premium paid. To determine the number of VIX options contracts to purchase, as well as its strike price and expiration date, the fund utilizes a proprietary, volatility-based algorithm. This VIX options exposure is reevaluated each month based on the level of forward expected volatility in the S&P 500, considering the VIX Index level and options price. The VIX Index estimates the expected level of volatility in the U.S. stock market (as reflected by the S&P 500), forward-looking over 30 days. Overall, XVOL targets investors that seek to achieve high risk-adjusted returns.