

Managed Volatility: Shifts in a Growing Market

Definitions

Managed Volatility:

Funds that have an explicit and primary goal of mitigating equity volatility. Managed volatility funds are divided into two sub-categories: tail risk managed and low volatility.

Tail Risk Managed:

Tail risk managed funds use a mechanism that responds to sudden market downturns. The goal is to cushion the portfolio from the effects of unexpected, major market downturns.

Low Volatility:

Low volatility funds have an overall long-term goal of reducing equity volatility in a portfolio. These portfolios do not necessarily eliminate volatility. The aim is to produce more consistent returns over time.

For more information on the report contact:

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