

BCM

iPath Pure Beta Broad Commodity ETN

Analyst Report

This exchange-traded note offers exposure to a broad basket of commodities futures, including contracts linked to agricultural resources, precious and industrial metals, and various fuels. As such, BCM is one of many funds in the Commodities ETFdb Category that has the potential to bring diversification and return enhancement benefits to stock-and-bond portfolios; this ETF can be useful as either a components of a long-term portfolio or as a shorter-term play for those bullish on commodity prices. There are several ETPs offering similar exposure, and a handful of nuances that make BCM unique. First, it should be noted that BCM is an ETN, meaning that investors are exposed to the credit (default) risk of the bank behind the exchange-traded note, but will be able to avoid tracking error (which can be a big issue among some commodity ETFs). The ETN structure may also have some favorable tax characteristics relative to ETFs, especially for investors who intend to establish a position for more than a year. Another noteworthy attribute of BCM is the roll frequency of the underlying index; this ETN is linked to an index comprised of futures contracts, and as such may not correspond to movements in spot prices for the underlying resources. Unlike many commodity ETPs, BCM does not roll exposure on a predetermined schedule; the roll timing is based on a proprietary methodology designed to reduce the impact of contango or backwardation on returns. This feature, which is conceptually similar to the strategy behind DBC (a popular broad-based commodity ETF) may make BCM more appealing to investors looking to establish a position over the long term. Other broad-based commodity options to consider are DBC and USCI (both ETFs) as well as the cost efficient DJCI (an ETN). Be sure to take a look under the hood and examine the allocation across various commodity families; this mix can vary from ETP to ETP, and generally has a big impact on bottom line returns.

ESG Themes and Scores

N/A

ESG Rate

N/A

Global Percentile

N/A

Peer Percentile

Performance Data

	BCM	ETF Database Category Average	Factset Segment Average
1 Month	-3.15%	-5.83%	-1.97%
3 Month	-4.75%	-8.43%	-4.25%
YTD Return	-6.36%	-9.40%	-6.84%
1 Year Return	-16.42%	-18.04%	-14.80%
3 Year Return	21.01%	14.13%	14.05%
5 Year Return	6.82%	1.19%	2.75%

Top 5 Holdings

Symbol	Holding	% Assets
CL	Sweet Light Crude Oil (WTI)	24.31%
GC	Gold	20.70%
S	Soybean	9.92%
CO	Brent Crude Oil	9.80%
C	Corn	7.90%

Vitals

Issuer	Barclays Capital
Brand	iPath
Structure	ETN
Expense Ratio	0.70%
Inception	Apr 20, 2011
Index Tracked	Barclays Commodity Index Pure Beta (TR)

ETF Database Themes

Category	Commodities
Asset Class	Commodity
Asset Class Size	N/A
Asset Class Style	N/A

FactSet Classifications

Segment	Commodities: Broad Market
Category	Broad Market
Focus	Broad Market
Niche	Optimized
Strategy	Optimized commodity
Weighting	Liquidity

