

BCD

abrdrn Bloomberg All Commodity Longer Dated Strategy K-1 Free ETF

Fund Description

BCD seeks to outperform a broad-market commodity index through the active management of the fund's collateral. The index includes longer-dated futures contracts on roughly more than 20 commodities.

FactSet Analyst Report

BCD is perhaps best thought of as an index-tracking fund with an active overlay. The fund generally follows its benchmark Bloomberg Commodity Index 3 Month Forward, but attempts to boost returns through the active management of the fund's collateral. The index includes the following commodity futures contracts: agriculture, energy, livestock, and metals sectors, there are 25 eligible commodities but may vary. Futures positions are weighted 2/3 by trading volume and 1/3 by world production. The index rebalances each January, with weight-caps applied at the sector level. Contracts are selected several months out on the futures curve and held for 2-4 months, according to a set roll schedule that varies by commodity. BCD's active manager invests the fund's collateral in cash and short-term, highly rated corporate and government debt. The fund manages its commodity exposure through a wholly owned Cayman Islands subsidiary, a common structure in the commodity ETF space.

