

BDCX

ETRACS Quarterly Pay 1.5x Leveraged MarketVector BDC Liquid Index ETN

Fund Description

BDCX provides 1.5x leveraged exposure, compounded quarterly, to a tiered-weighted index of business development companies (BDC) listed and incorporated in the US

FactSet Analyst Report

BDCX tracks a tiered-weighted index consisting of 25 BDCs covering 85%-90% of the free-float market-cap. These companies are grouped as large-weights (largest 5-10) and small-weights (all other companies). The index assigns different minimum-weights to the companies: 5% to large-weights compared to 4.5% for the small-weights. The return on the note is linked to the performance of the price return of the index. Unlike most levered funds, that resets daily, BDCX offers 1.5x exposure over quarterly periods. Over periods spanning more than the quarterly reset dates, returns can vary significantly from its promised 1.5x exposure. Investors will come closest to 1.5x exposure by buying near but after the quarterly reset date. BDCX is designed as a short-term trading tool and not a long-term investment vehicle. Prior to July 30, 2021, the fund tracked the Wells Fargo Business Development Company Index.