

BDCZ

ETRACS MarketVector Business Development Companies Liquid Index ETN

Fund Description

BDCZ tracks an index of at least 25 companies invested in the initial growth stages of small firms.

FactSet Analyst Report

BDCZ covers a somewhat obscure pocket of the global funding market: business development companies. The note launched on Oct. 9, 2015 as a B Series companion to BDCS, providing more capacity for identical exposure. The ETN's reference index tracks the top 85% of the free-float universe or at least 25 companies that act as venture capital firms but that are typically structured as publicly traded closed-end funds. These firms generally invest in small or financially troubled firms directly via equity positions or indirectly through loans. Selected 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. Prior to July 30, 2021, the fund tracked the Wells Fargo Business Development Company Index.