

BNDD

KraneShares Quadratic Deflation ETF

Fund Description

BNDD is an actively managed portfolio of US Treasuries and options strategies tied to the shape of the US interest rate swap curve.

FactSet Analyst Report

BNDD, as opposed to its sibling fundIVOL, aims to protect against deflation or negative long-term interest rates. The actively managed portfolio consists of US treasuries (or treasury-based ETFs) and options strategies of any maturity including long options, long spreads, and butterflies. These over-the-counter options are expected to appreciate in value as the US interest rate curve flattens or inverts, however, investors should note that option premiums may incur additional cost in a steady interest rate environment.