

CERY

SPDR Bloomberg Enhanced Roll Yield Commodity Strategy No K-1 ETF

Fund Description

CERY tracks a liquid, broad commodity index, providing diversified exposure across five commodity sectors. The index utilizes an enhanced roll methodology designed to mitigate the impact of negative carry.

FactSet Analyst Report

CERY is passively managed to provide broad exposure to commodities through futures. The index selects commodities deemed significant to the world economy, as measured by liquidity. A wide range of commodities are eligible for inclusion, including agriculture, livestock, industrial metals, precious metals, and energy. Per commodity, the index holds three to four futures, which it rolls and rebalances monthly to equal weights. Each January, the index rebalances commodity target weights, calculated by combining liquidity percentages and slope scores. Liquidity percentages are adjusted using a diversification capping process to avoid overconcentration in any single commodity or commodity group. The slope score measures backwardation, with commodities exhibiting a higher degree of backwardation receiving higher scores. Overall, the methodology aims for enhanced roll and carry premium. The fund gains up to 25% of its exposure through a Cayman Islands subsidiary, thereby avoiding K-1 forms.