

DBMF

iMGP DBi Managed Futures Strategy ETF

Fund Description

DBMF aims to emulate the performance of a group of CTA hedge funds. The funds model allocates weights to derivatives selected by the funds active managers.

FactSet Analyst Report

DBMFs managed futures offering uses hedge-fund replication techniques aiming to imitate the performance of a group of Commodity Trading Advisor (CTA) hedge funds. CTAs use derivatives to invest across asset classes not just commodities. Similarly, DBMF, uses long and short positions in futures and forwards across asset classes to emulate the returns of a group of CTAs. DBMF does not invest directly in hedge funds. Its an actively-managed ETF that can allocate to a Cayman-based subsidiary for the commodity portion of its exposure. (The Cayman arrangement is not uncommon among alternative or commodity ETFs.) Still, the prospectus emphasizes that allocations to asset classes are made by a model and that the active management is largely confined to selecting the most liquid variants of the derivatives needed. The model includes a volatility target.