

# HBDC

## Hilton BDC Corporate Bond ETF

### Fund Description

HBDC is a passively managed fund, designed to track an index of bonds issued by US registered business development companies (BDCs). Securities selected target senior unsecured BDC debt and weighted by market-value.

### FactSet Analyst Report

HBDC is the first ETF focusing on debt issued by US registered business development companies (BDCs). A BDC is a unique vehicle designed to invest in small and medium-sized US businesses to encourage the flow of capital to private enterprises. Debt securities of such companies tend to yield above-average returns compared to Baa-rated corporate bonds, potentially providing more attractive income while generally maintaining investment-grade credit ratings. BDCs also have a track record of timely repayment, underscoring their stability and reliability. The underlying index focuses on fixed-coupon bonds issued by BDCs listed in the annual Business Development Company Report published by the SEC. Eligible bonds must meet minimum liquidity and size requirements. Securities are weighted in the portfolio based on market value. To avoid over-concentration, the index imposes a 10% cap per issuer and rebalances quarterly.

