

NTRL

Global X Carbon Credits Strategy ETF

Fund Description

NTRL seeks to track a carbon credit futures index that weights holdings based on total dollar volume. The fund holds December futures contracts from four cap-and-trade programs.

FactSet Analyst Report

The security is being delisted. The last day of trading on an exchange is on February 16, 2024. NTRL is passively managed to provide exposure to four major European and North American cap-and-trade programs: European Union Allowances (EUA), UK Allowances (UKA), California Carbon Allowances (CCA), and the Regional Greenhouse Gas Initiative (RGGI). The liquidity of carbon credits will vary from year to year, but the fund will roll to the December contracts every year over a three-month roll period. The index rebalances annually, whereby rebalancing contract weights are determined based on the total dollar volume of the contracts, contract sizes, and daily volume. EUA portfolio weight is capped at 50%, while RGGI weight is subject to a 5% minimum. NTRL utilizes a Cayman Island subsidiary to gain exposure, thus avoiding issuing a K-1 form to investors. It may invest indirectly in short-term fixed-income securities, through bond funds or ETFs, as necessary collateral.

