

PSQA

Palmer Square CLO Senior Debt ETF

Fund Description

PSQA tracks a market value-weighted index of floating rate, USD-denominated arbitrage collateralized loan obligations (CLOs) rated as AAA or AA by at least one of the major rating agencies. The fund specifically invests in the senior tranches of a CLO.

FactSet Analyst Report

PSQA focuses on the senior tranches of arbitrage collateralized loan obligations (CLOs). The fund tracks an index that invests in floating rate, USD-denominated arbitrage CLOs collateralized by broadly syndicated loans rated at the time of issuance as AAA or AA by at least one of the major rating agencies or an equivalent rating as determined by the index provider. Eligible CLO senior debts must have a minimum size of \$500 million, closing dates on or after January 1, 2009, and are managed by managers with at least three outstanding CLOs. The index excludes CLOs with a diversity score of less than 45, as provided by Moodys, based on the diversification of the underlying loan assets. Middle-market CLOs, fixed-rate, revolver, combo or step-up notes, asset-backed CDOs, emerging market CLOs, and balance sheet CLOs are also excluded. There is no limit to the number of index constituents, and individual weightings are based on market value. The index rebalances quarterly.