

RAAR

Reckoner Yield Enhanced AAA CLO Reinvesting ETF

Fund Description

RAAR is an actively managed fund of funds designed to generate enhanced total return through exposure to AAA-rated collateralized loan obligation (CLO) debt tranches. The fund seeks total return while aiming to minimize dividend or distribution payments. Holdings primarily include affiliated ETFs.

FactSet Analyst Report

RAAR is designed to provide leveraged, floating-rate AAA CLO exposure with reduced current distributions. Triple-A-rated CLOs represent the most senior, investment-grade tranche within CLO structures. The fund primarily invests in its affiliated ETFs, RAAA and RAAY. The underlying ETF, RAAA, seeks approximately 200% total exposure to AAA CLOs through reverse repurchase agreements and swaps, allowing it to retain income while reinvesting recovered cash to increase exposure. RAAY functions as a feeder fund that invests fully in RAAA and is structured to limit distributions to once annually. At the top level, RAAR actively manages its holdings to minimize or avoid dividend and capital gain distributions. It does so by not holding underlying funds on their dividend record dates and by temporarily holding cash when appropriate. The strategy aims to compound returns through NAV growth rather than through income payouts.

