

RCLR

Reckoner BBB-B CLO Reinvesting ETF

Fund Description

RCLR is an actively managed fund of funds designed to generate enhanced total return through exposure to USD-denominated CLOs rated BBB+ to B-. The fund seeks total return while aiming to minimize dividend or distribution payments. Holdings primarily include affiliated ETFs.

FactSet Analyst Report

RCLR is designed to provide exposure to BBB+ through B- rated CLO debt tranches with reduced current distributions. CLOs are issued by trusts or special purpose entities that are collateralized by pools of senior secured loans, senior unsecured loans, and subordinate corporate loans. The fund primarily invests in its affiliated ETFs, RCLO and RCLY. The underlying ETF, RCLO, primarily focuses on floating-rate CLOs within its target rating range but may invest up to 70% in CLOs rated BB+ or lower, and up to 10% in CLOs rated above BBB+. RCLY functions as a feeder fund that invests fully in RCLO and is structured to limit distributions to once annually. At the top level, RCLR 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.