

SNLN

Highland iBoxx Senior Loan ETF

Fund Description

SNLN tracks an index comprised of 100 senior loans with at least one year remaining in maturity. Loans are selected by liquidity and weighted by market value.

FactSet Analyst Report

SNLN delivers exposure to approximately 100 most liquid senior loans floating-rate, high-yield senior debt issued by banks to companies. SNLN's loans pass a screen for USD 500 million in par amount outstanding and a spread over LIBOR of over 125 bps. The index imposes very robust liquidity selection criteria to identify the top 100 most liquid senior loans. While the floating-rate feature reduces sensitivity to interest rates, SNLN carries significant credit risk in that the portfolio is below investment grade and can include loans from insolvent issuers. Also, a spike in interest rates will make it harder for issuers to service their debt, a consideration that applies across the board in this space.