

UCIB

ETRACS CMCI Total Return ETN Series B

Fund Description

UCIB tracks a broad-commodity index representing five commodity sectors. It uses a set of five futures contracts of different maturities to maintain exposure to each commodity.

FactSet Analyst Report

UCIB provides exposure to five commodity groups representing 23 commodities, which can vary at each bi-annual reviews. The note attempts to provide diversified exposure to a large basket of commodities by weighting each commodity sector by economic importance and each commodity by consumption. A mix of fundamental and liquidity are used, fundamental weights are derived from economic indicators such as CPI, PPI, and GDP, commodity-level consumption data and liquidity weights rely on combination of open interest and volume data. As a result, the ETN distributed sector weights more evenly. It attempts to beat contango by using up to five different futures contracts for each commodity, rather than simply one front-month contract, and by continuously rolling its exposure. The target contracts or Standard Constant Maturities are 3 months, 6 months, 1 year, 2 years, and 3 years for each commodity.