

VPC

Virtus Private Credit Strategy ETF

Fund Description

VPC tracks an index of closed-end funds focused on the private credit market, including business development companies. The index is weighted by dividend yield.

FactSet Analyst Report

VPC is a fund of funds that aims for income from private credit markets via exposure to US-listed closed-end funds (CEFs). It holds 2 main types: CEFs regulated as business development companies (BDCs) and non-BDC CEFs that focus on private credit. The BDCs invest in middle market firms with below-investment grade ratings using a variety of debt and equity vehicles. The non-BDC CEFs invest in loans, CLOs and senior loans. VPCs index screens for steady dividend payments over the past 3 years. The non-BDC CEFs are further screened to weed out large premiums or discounts of price vs. NAV. Securities are weighted by dividend yield. Structured as a fund-of-funds, investors should expect to pay double because of costs compounding. The index is reconstituted annually and rebalanced quarterly.