

WXET

Teucrium 2x Daily Wheat ETF

Fund Description

WXET is an actively managed fund that seeks 200% the daily price performance of wheat futures. The fund invests via a subsidiary that holds the contracts.

FactSet Analyst Report

WXET is an actively managed ETF aiming for 200% daily leveraged exposure to the price of wheat through Worn Futures contracts and collateral. Wheat is a staple commodity used around the globe and is the principal food grain produced in the US. To gain exposure, the fund uses wheat contracts on CFTC-regulated exchanges and avoids physical wheat delivery, potentially profiting from daily price increases. A Cayman Islands subsidiary is used for tax efficiency, limiting direct commodity futures exposure due to regulatory constraints. With a RIC tax status, it issues Form 1099 for simpler tax reporting. The Fund adjusts daily to align with wheat price movements, with strategies to manage position limits potentially affecting its objectives. As such, the use of swaps, reverse purchase agreements or wheat-linked ETPs may be considered. Daily compounding affects returns beyond a single day, posing loss risks despite wheat's performance due to volatility and rebalancing effects.