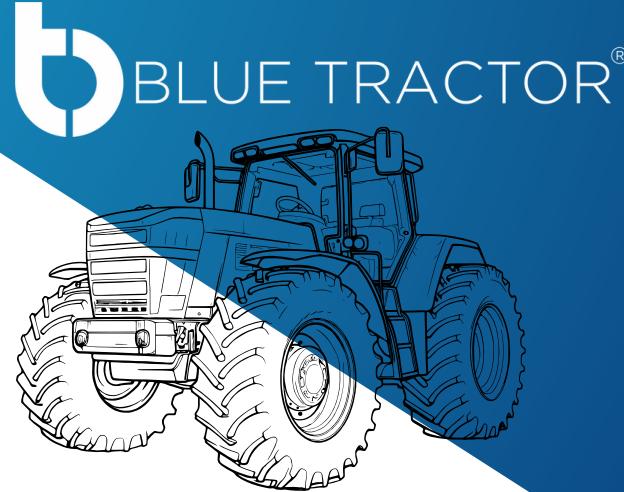


LAUNCHING A SEMI-TRANSPARENT UCITS ETF – POWERED BY BLUE TRACTOR



Blue Tractor Introduces a Tracking Basket Solution for Actively Managed UCITS ETFs that Provides Issuers with 100% Portfolio Confidentiality and Minimises Market Maker Risk.

PORTRFOOLIO CONFIDENTIALITY AND ALPHA PROTECTION

Disseminating a daily tracking basket to market makers, rather than the actual portfolio, ensures 100% portfolio confidentiality and alpha protection for an actively managed UCITS ETF. It also provides market makers and authorised participants with the transparency required for efficient pricing and liquidity across all market conditions.

COMPLIANT WITH THE CENTRAL BANK OF IRELAND'S REGULATORY FRAMEWORK

Under the CBI's UCITS ETF framework, there is no requirement to disclose the confidential portfolio with a few preferred market makers. Instead, a tracking basket can be used, enabling all firms to make markets for the ETF. Market makers know that Blue Tractor's tracking baskets are highly correlated to the actual portfolio and exhibit low tracking error across all market conditions.

MARKET-PROVEN SOLUTION

Since 2021 Blue Tractor's tracking basket technology has facilitated semi-transparent actively managed ETFs for the U.S. market.

BLUE TRACTOR'S SOLUTION IS SUPERIOR FOR EVERYONE:

- Issuers: Maintain 100% daily portfolio confidentiality (with only quarterly disclosure), protecting the ETF's alpha-generating strategy.
- Custody Banks: Outsourced tracking baskets reduce back office operational burden.
- Investors: Gain access to innovative, alpha-generating strategies while maximising their return potential.
- Market Makers & APs: Confidently hedge risk using highly correlated baskets with low tracking error in all market conditions.

EFFICIENT IMPLEMENTATION

In collaboration with your lead market maker and Blue Tractor, determine the parameters you are comfortable with disclosing in the tracking basket. The Blue Tractor Solution is highly flexible, supporting a range of basket formats. At the end of each trading day, the ETF custody bank uploads the portfolio file to Blue Tractor's secure cloud, and within seconds, a tracking basket is generated that aligns with your agreed risk and transparency settings.

ANY STRATEGY & ALL ASSET CLASSES

Invest across any asset class using long-only or long/short strategies. The Blue Tractor Tracking Basket Solution puts no limits on your portfolio design.



etfexpress
US AWARDS 2024
WINNER
Best US Semi-Transparent Structure Provider
Blue Tractor

WHO IS BLUE TRACTOR?



Based in New York City, Blue Tractor offers a secure, platform-as-a-service solution hosted on Microsoft Azure, generating compliant ETF tracking baskets for actively managed semi-transparent ETFs. Approved by the U.S. Securities and Exchange Commission, our solution is trusted by the industry to deliver regulatory compliance and operational efficiency.

TAKE THE NEXT STEP

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