

# Concerned About Sharing Your ETF Portfolio With The Street?

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

## Use a Tracking Basket for Your Active ETF

### PORTFOLIO CONFIDENTIALITY AND ALPHA PROTECTION

Disseminating a daily portfolio tracking basket to market makers, rather than sharing the actual portfolio, ensures 100% portfolio confidentiality & alpha protection for an actively managed ETF while still providing the market making community and authorized participants with sufficient transparency for efficient pricing and liquidity in all market conditions.

### EVERY MARKET MAKER SEES THE SAME ETF TRACKING BASKET.

Using Blue Tractor, there's no need to preferentially disclose your confidential portfolio to a few market makers; instead have every firm able to make markets for your ETF. Market makers know that the tracking baskets generated with the Blue Tractor Solution are highly correlated to the undisclosed actual portfolio and exhibit low tracking error in all market conditions.

### ANY STRATEGY & ALL ASSET CLASSES.

Use any asset class in a long-only or long/short investment strategy. Nothing is off the table with the Blue Tractor Tracking Basket Solution.

### EFFICIENT IMPLEMENTATION.

With your LMM and Blue Tractor, determine the portfolio parameters you are comfortable disclosing in the daily ETF tracking basket. The Blue Tractor Solution is flexible and accommodates any number of ETF tracking basket frameworks. Implementation is rapid and efficient - at the end of each day's trading your ETF custody bank uploads a portfolio composition file to Blue Tractor's secure cloud – in seconds an ETF tracking basket is generated for all market makers to use for the next day's trading that meets the risk and disclosure parameters you have agreed upon.

### MARKET-PROVEN SOLUTION.

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

### THE BETTER WAY TO GENERATE ETF TRACKING BASKETS.

The Blue Tractor Tracking Basket Solution for actively managed ETFs is superior for everyone:

- For **Issuers** – Ensures 100% daily portfolio confidentiality (only disclose on a quarterly basis) so that the ETF's alpha generation strategy remains protected.
- For **Market Makers & APs** – Confidently hedge risk in all market conditions using highly correlated ETF tracking baskets with low tracking error.
- For **Custody Banks** – Provide turnkey support for active manager clients.
- For **Investors** – Access novel alpha capture strategies from ETFs that are protected, and so can maximize investment returns.

Who is  
**BLUE TRACTOR?**

Based in New York City, Blue Tractor's secure platform-as-a-service hosted on the Microsoft Azure cloud generates ETF tracking baskets for actively managed semi-transparent ETFs. Blue Tractor's ETF tracking basket solution is approved by the United States Securities and Exchange Commission. More information on our U.S. business is at [bluetractorgroup.com](http://bluetractorgroup.com)



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Blue Tractor Group LLC

### TAKE THE NEXT STEP

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