This ETF offers cheap, liquid exposure to high quality floating rate bonds, an asset class that can be useful for capturing a bit of return in certain environments. Floating rate debt has very low sensitivity to interest rates, since the payouts to investors adjust with movements in a reference benchmark rate. So for those concerned about increases in interest rates, FLRN can be a useful tool for minimizing interest rate risk while still deriving some yield.

It should be noted that FLRN is unlikely to deliver substantial current returns to investors; because of the floating rate feature and the focus on investment grade debt, there is little in the way of credit risk or interest rate risk to require compensation. So this security should exhibit relatively low volatility; it can be a nice way to generate a little bit of yield, perhaps as a place to park cash in between allocations to riskier asset classes.

There are a number of other ETFs that offer similar exposure to floating rate debt; alternatives include FLOT and FLTR. One advantage of FLRN: this ETF is incredibly cheap.