

FIBR

iShares U.S. Fixed Income Balanced Risk Factor ETF

Fund Description

FIBR tracks an index composed of USD-denominated bonds and Treasury futures. The index seeks to equalize exposure to interest rate risk and credit risk.

FactSet Analyst Report

FIBR attempts to provide risk-adjusted returns by tracking an index that roughly provides equal duration and credit spread exposure, which in turn, could lessen interest rate risk and credit risk. In theory, FIBR should perform well in most interest rate and credit environments. The fund will do poorly when rates rise and credit spreads widen simultaneously, but this is an uncommon occurrence. The Underlying Index applies an equal volatility-weighted allocation to the Barclays U.S. Universal Index (Parent Index), then it overweight securities with lower credit spread volatility, or those with less volatile returns attributable to their credit quality. Aside from Treasuries and Treasury futures (including possible short positions), FIBR has exposure to MBS, short- and intermediate-term investment-grade bonds, and high-yield securities. FIBR's duration-hedged overlay further equalizes the funds interest rate risk and credit risk. FIBR undergoes monthly rebalancing.

