

IBCE

iShares iBonds Mar 2023 Term Corporate ex-Financials ETF

Fund Description

IBCE tracks an index of investment grade USD-denominated bonds excluding those issued by financial firms. The target maturity fund will terminate in 2023 by design.

FactSet Analyst Report

The security is being delisted. The last day of trading on an exchange is March 30, 2023. IBCE is part of iShares` Target Maturity Bond suite. As such, the fund behaves more like a bond than a typical bond fund. The fund targets a specific duration, in this case March 2023 and a target credit rating of A/A2. The fund achieves this by creating and combining two credit quality subsets: Aaa to A3 rated bonds and Baa1 to Baa3 rated bonds from Bloomberg U.S. Corporate Index (Parent Index). The bonds are market-cap weighted within each subset, with a 3% issuer cap. As the fund approaches its stated maturity, duration and YTM will continue to decline. On its target maturity date, IBCE will unwind and return all capital to investors. The fund takes on an additional wrinkle it excludes debts issued by financial firms. This is a big departure from the broad investment grade Corporate bond market and an interesting choice for those who want to avoid the financial sector.

