

IGHG

ProShares Investment Grade-Interest Rate Hedged

Fund Description

IGHG tracks an index with long exposure to USD-denominated investment-grade debt and short exposure to US Treasurys. The fund aims to minimize interest-rate risk.

FactSet Analyst Report

IGHG is passively-managed with the aim of reducing interest-rate risk by going long on corporate bonds while at the same time shorting US Treasurys. The resulting portfolio should have close to zero duration. The long positions in USD-Denominated investment-grade bonds should have atleast 5.5 years until maturity. The positions in US Treasurys should minimize interest rate risks. This sounds simple in theory but can be tricky in practice. IGHG broadly succeeds in delivering its strategy, making it an interesting option for investors concerned about rate risk. The underlying index is reconstituted and rebalanced (including a reset of the interest rate hedge) monthly.