

LQDH

iShares Interest Rate Hedged Corporate Bond ETF

Fund Description

LQDH is an actively managed fund-of-funds that targets USD-denominated investment corporate bonds while mitigating duration risk.

FactSet Analyst Report

LQDH, an actively managed fund-of-funds, primarily takes a long position in LQD (an iShares corporate investment-grade ETF) and shorts Treasury futures to achieve a net-zero portfolio duration. This strategy aims to capture only the credit spread without interest-rate risk, although precise duration hedging is hard to implement in the real world. For reference, LQD consists of USD denominated, investment-grade corporate bonds, weighted by market value and rebalanced monthly.