

LQDH

iShares Interest Rate Hedged Corporate Bond ETF

Fund Description

LQDH tracks an index that holds iShares iBoxx USD Investment Grade Corporate Bond ETF (LQD), which targets USD-denominated investment corporate bonds, while mitigating duration risk.

FactSet Analyst Report

LQDH tracks an index that primarily takes a long position in iShares iBoxx USD Investment Grade Corporate Bond ETF (LQD) 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. Prior to Dec. 1, 2021, the fund is actively-managed holding the ETF LQD and using the same strategy of hedging interest rate risk.