

OBIL

US Treasury 12 Month Bill ETF

Fund Description

OBIL is a passively managed, single-bond fund that invests in the most recently issued, on-the-run, 12-month US Treasury bill. The fund is designed for those specifically required to track the 12-month tenor on the yield curve.

FactSet Analyst Report

OBIL is part of the first single-bond ETF suite. The targeted holding makes it different from other ETFs holding a basket of 12-month Treasury Bills. This is a tool used in portfolio management. The fund tracks an index that holds just the on-the-run 12-month US T-Bills, which are the most recently issued and most liquid. At the beginning of the month, the underlying index purchases a single issue which will be held for a full month. At each month-end rebalancing, the underlying issue is sold and rolled into a newly selected issue, given that there has been a new public sale or auction by the US Government for 12-month T-Bills. This roll transition occurs on one day, each month. The fund pays transaction costs when it buys and sells securities. These costs are not reflected in the annual fund operating expenses. The fund will experience a very high turnover. This may result in higher taxes, as compared to other ETFs, if the shares are held in a taxable account.