

SLDR

Global X Short-Term Treasury Ladder ETF

Fund Description

SLDR tracks an index comprised of US Treasury bonds maturing in 1 to 3 years, using a laddering approach. By rotating investments annually between two maturity groups, the fund seeks to provide steady yield and manage interest rate risk, focusing on short-term government bonds.

FactSet Analyst Report

SLDR provides access to US Treasury bonds that mature between 1 and 3 years through a bond laddering strategy. The fund organizes its investments into two maturity groups, known as rungs: one for bonds maturing in 1 to 2 years and another covering those maturing in 2 to 3 years. At the annual rebalance, these rungs are equally weighted, and the bonds within each rung are weighted based on their market capitalization. Each year, SLDR transitions bonds from the 2 to 3-year rung into the 1 to 2-year rung, selling the securities from the shorter group and using the proceeds to acquire new bonds for the longer-dated rung. To qualify, bonds must be denominated in US dollars and publicly accessible, while certain bonds like variable-rate and convertibles are excluded. The index gets updated monthly, and the fund may also hold cash and money market instruments. This approach helps SLDR to maintain exposure to short-term government bonds while balancing its holdings.

