

TAFI

AB Tax-Aware Short Duration Municipal ETF

Fund Description

TAFI is an actively managed ETF that primarily invests in investment-grade municipal bonds from the United States. The fund seeks to maintain a dollar-weighted average duration of less than three years.

FactSet Analyst Report

TAFI aims to provide a moderate rate of after-tax return and income by actively investing in short-duration municipal bonds issued and guaranteed by the US and its territories. While focused on investment-grade AMT-free munis, the fund could opportunistically invest in US Treasuries, junk bonds, and taxable debt securities. As such, investors may incur more tax liability than from funds investing exclusively in municipal securities. The adviser selects securities based on various factors, including credit quality, maturity, diversification benefits, and the relative expected after-tax returns of taxable and municipal securities. The adviser also considers tax implications from trading activities. More than 25% of assets may be invested in related securities or obligations that may influence each other. The portfolios dollar-weighted average duration is expected to be less than three years. The fund may also make use of derivatives.