

TAXX

BondBloxx IR+M Tax-Aware Short Duration ETF

Fund Description

TAXX is actively managed, seeking attractive after-tax income while preserving capital through investments in USD-denominated municipal and taxable short-duration fixed income securities.

FactSet Analyst Report

TAXX constructs a tax-efficient portfolio comprising USD-denominated municipal and taxable short-duration fixed income securities, albeit not entirely tax-free. The strategy centers on identifying securities that offer superior after-tax returns compared to their counterparts. At least 50% of the portfolio is held in municipal securities exempted from US federal income tax, while the remainder is allocated to investment-grade fixed income securities, including government bonds, corporate debt, and mortgage-backed securities. The portfolio may allocate up to 20% to high-yield foreign debts, including unrated ones, provided rated securities meet a minimum rating of B3/B-/B-. Meanwhile, investment-grade non-US debts are capped at 30%. Although investments may include debts of any maturity, the fund aims to maintain a weighted average portfolio duration between 1.5 and 2 years. Lastly, holdings are optimized to minimize tax implications, with securities sold and duration managed to mitigate risks.

