

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, 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.