

TBIL

US Treasury 3 Month Bill ETF

Fund Description

TBIL is a passively managed, single-bond fund that invests in the most recently issued, on-the-run, 3-month US Treasury Bill. The fund is designed for those specifically required to track the 3-month tenor on the yield curve.

FactSet Analyst Report

TBIL is part of the first single-bond ETF suite. The targeted holding makes it very different from other ETFs holding 3-month Treasury Bills. This is a tool used in portfolio management. The fund tracks an index that holds just the on-the-run 3-month US T-Bills, which are the most recently issued and most liquid. At the beginning of the month, the 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 3-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 and should be expected. 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.