

TFLO

iShares Treasury Floating Rate Bond ETF

Fund Description

The iShares Treasury Floating Rate Bond ETF seeks to track the investment results of an index composed of U.S. Treasury floating rate bonds.

FactSet Analyst Report

TFLO targets the floating-rate US Treasury space (or FRNs) without regard to maturities. US Treasury FRNs remain index eligible until they mature. As FRNs reset their coupon rate weekly based on the most recent 90-day T-bill auction (interest is paid quarterly), they offer an extremely low-risk place to park ones cash with minimal interest-rate sensitivity, which should appeal to those concerned about potential rising rates. Of course, that also means reinvestment risk and low returns should rates fall. The index is rebalanced on the last business day of every month.