

USFR

WisdomTree Floating Rate Treasury Fund

Fund Description

USFR tracks a market-value-weighted index of US Treasury floating-rate securities.

FactSet Analyst Report

USFR launched just weeks after the first floating-rate Treasuries (or FRNs) came to market in early 2014. The fund selects FRNs that have a two-year term that have an issue date on or before the index rebalancing date. 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.