

UTEN

US Treasury 10 Year Note ETF

Fund Description

UTEN is a passively managed, single-bond fund that invests in the most recently issued, on-the-run, 10-year US Treasury note. The fund is designed for those specifically required to track the 10-year tenor on the yield curve.

FactSet Analyst Report

UTEN is part of the first single-bond ETF suite. The targeted holding makes this ETF very different from other ETFs holding a basket of 10-year Treasury notes. This is a tool used in portfolio management. The fund tracks an index that holds just the on-the-run 10-year US Treasury notes, which are the most recently issued and most liquid. At each monthly 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 10-year Treasury notes. 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.