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The Best Performing Fixed Income ETFs of 2023



Introduction

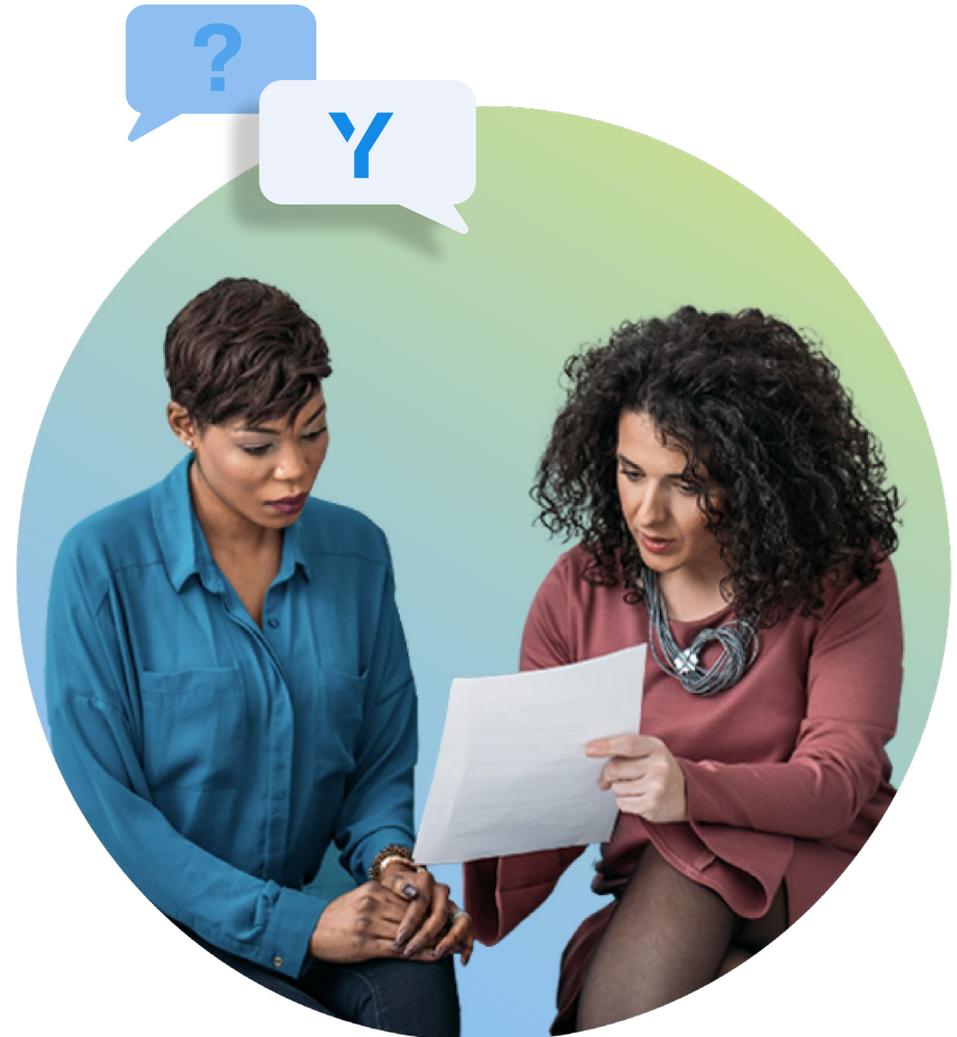
In the wake of a challenging 2022, investor sentiment was largely pessimistic as 2023 began. However, as the year unfolded, it served as a stark reminder of the unpredictability inherent in market forecasting. **In 2023, The Bloomberg US Aggregate finished the year up 5.53%. The Bloomberg Global Aggregate increased by 5.72%, and the Bloomberg US Corporate Index secured 8.52% returns. Meanwhile, the 10-Year Treasury Rate peaked at 4.98% before ending 2023 at 3.84%.**

This guide provides ready-made and customizable screens, tables, and charts to review and compare some of the best strategies of the year across duration and credit quality.

[Check out our Equity Version of this Deck! →](#)

Questions We'll Answer:

- ❓ Which Fixed Income Duration or Credit Quality had the highest percentage of outperformers against the Bloomberg US Aggregate Index?
- ❓ Which Fixed Income Duration or Credit Quality had the highest yield to maturity?
- ❓ How did Active (and Smart Beta) strategies compare to their Passive counterparts?



Key Findings:

1

In 2023, seven of the 12 credit and duration styles analyzed had over 50% of their funds outperform the Bloomberg US Aggregate Index. Notably, all Long Term Bond ETFs included in the study outperformed the benchmark following a substantial rally after the peak in the ten-year treasury rate. This category also saw 62.5% of its funds exceed the Bloomberg US Corporate Index while boasting an average Yield-to-Maturity (YTM) of 5.6%.

2

In a larger sample size, Corporate Bond ETFs produced similarly impressive results: 88.37% of funds outperformed the Bloomberg US Aggregate Index, and 58.14% beat the Bloomberg US Corporate Index. These ETFs offered a slightly higher average YTM than the Long Bond funds analyzed, at 5.64%.

3

The Long Government and Short Government categories did not fare as well, with no funds in these categories surpassing the US AGG benchmark.

4

High Yield Bond ETFs emerged as the standout option for yield-seekers in 2023, offering an average YTM of 7.43%. This category also led in average returns, achieving 11.42% – the highest among all categories analyzed.

5

The debate over Passive versus Active (and Smart Beta) investment strategies in 2023 across various durations also produced interesting insights. Active and Smart Beta strategies generally outperformed Passive fixed-income ETFs regarding average total return and typically offered higher yields. This trend was most evident in funds with an effective maturity of less than four years (short duration). In this space, Active fixed-income ETFs generated an average return of 6.01%, significantly higher than the 4.84% average total return of Passive ETFs.

6

Additionally, in the short-duration category, Active ETFs demonstrated an average YTM of 5.9%, outpacing the 4.85% average YTM of Passive ETFs.

Disclaimer: Outperformance and category average calculations are as of January 1st. Screens and Comp Tables found in this guide are dynamic and can include different calculations depending on when you access them.

Structure of this Guide

To get the most out of this guide, this clickable table of contents can help you find the best performers in your chosen category. In each section, you will find a chart of the ten best performers for their category and high-level metrics for the category. Additionally, a button will bring you to a performance table for the top 23 funds, showing each fund's 2023, 3y,

5y, and since inception performance. Screeners and Comp Tables will include each fund's Yield to Maturity, 30-Day SEC Yield, and Distribution Yield. The one requirement for a fund to be considered in any of the following categories is that it must have an inception date before January 1, 2023.

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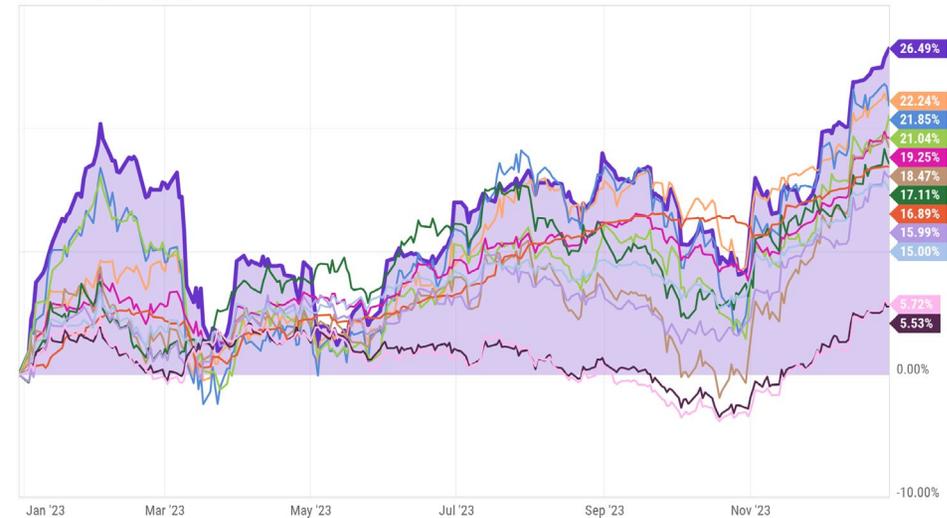
Fixed Income ETFs

The three best-performing fixed income ETFs in 2023 were the Virtus InfraCap US Preferred Stock ETF (**PFFA**), Virtus Private Credit ETF (**VPC**), and WisdomTree Alternative Income Fund (**HYIN**), with 26.49%, 22.24%, and 21.85% gains, respectively.

Best Performing Fixed Income ETFs	
Number of Funds	669
Average 2023 Returns	6.81%
Median 2023 Returns	6.49%
Highest Return <i>By Virtus InfraCap US Preferred Stock ETF (PFFA)</i>	26.49%
% of Outperformers against the Bloomberg US Aggregate	55.75% (373/669)
% of Outperformers against the Bloomberg Global Aggregate	54.48% (348/669)
View Comp Table →	View Top 23 Table →

Top 10 Fixed Income Performers in 2023

	VAL
● Virtus InfraCap US Preferred Stock ETF Total Return	26.49%
● Virtus Private Credit ETF Total Return	22.24%
● WisdomTree Alternative Income Fund Total Return	21.85%
● InfraCap REIT Preferred ETF Total Return	21.04%
● BondBloxx CCC Rated USD HY Corp Bd ETF Total Return	19.25%
● Invesco Emerging Markets Sov Debt ETF Total Return	18.47%
● First Trust Emerging Mkts Lcl Ccy Bd ETF Total Return	17.11%
● Janus Henderson B-BBB CLO ETF Total Return	16.89%
● iShares International High Yield Bd ETF Total Return	15.99%
● BondBloxx US HY Cnsmr Cyclcls Sctr ETF Total Return	15.00%
● Bloomberg US Aggregate	5.53%
● Bloomberg Global Aggregate	5.72%



Date Range: 12/30/2022 - 12/29/2023

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Ultrashort Bonds

The three best-performing Ultrashort Bond ETFs in 2023 were the iShares Interest Rate Hedged Long-Term Corporate Bond ETF (**IGBH**), iShares Interest Rate Hedged Corporate Bond ETF (**LQDH**), and Invesco AAA CLO Floating Rate Note ETF (**ICLO**), with 12.12%, 11.14%, and 8.97% gains, respectively.

Ultrashort Bond ETF Metrics			
Number of Funds	60	Average Yield to Maturity	5.96%
Average 2023 Returns	6.15%	Highest Return <i>By iShares Interest Rate Hedged Long-Term Corporate Bond ETF (IGBH)</i>	12.12%
Median 2023 Returns	5.85%	% of Outperformers against the Bloomberg US Aggregate	48.33% <i>(29/60)</i>
Average 30-Day SEC Yield	5.22%	% of Outperformers against the Bloomberg US Corporate	10% <i>(6/60)</i>

[View Comp Table](#) →

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Top 10 Ultrashort Bond ETFs in 2023

ETF	VAL
iShares Interest Rate Hdg L/T Corp BdETF Total Return	12.12%
iShares Interest Rate Hedged Corp Bd ETF Total Return	11.14%
Invesco AAA CLO Floating Rate Note ETF Total Return	8.97%
AXS First Priority CLO Bond ETF Total Return	8.94%
VanEck CLO ETF Total Return	8.94%
Janus Henderson AAA CLO ETF Total Return	8.58%
BlackRock Short Duration Bond ETF Total Return	7.41%
VanEck IG Floating Rate ETF Total Return	7.41%
Invesco Variable Rate Investment Grd ETF Total Return	7.37%
Angel Oak UltraShort Income ETF Total Return	6.84%
Bloomberg US Corporate	8.52%
Bloomberg US Aggregate	5.53%



Date Range: 12/30/2022 - 12/29/2023

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Short-Term Bond

The three best-performing Short-Term Bond ETFs in 2023 were the Overlay Shares Short Term Bond ETF (**OVT**), Virtus Newfleet ABS/MBS ETF (**VABS**), and Hartford Short Duration ETF (**HSRT**), with 7.73%, 7.60%, and 7.52% gains, respectively.

Short-Term Bond ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	45	Average Yield to Maturity	5.64%
Average 2023 Returns	5.24%	Highest Return <i>By Overlay Shares Short Term Bond ETF (OVT)</i>	7.73%
Median 2023 Returns	5.96%	% of Outperformers against the Bloomberg US Aggregate	55.56% <i>(25/45)</i>
Average 30-Day SEC Yield	4.99%	% of Outperformers against the Bloomberg US Corporate	0% <i>(0/45)</i>

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Top 10 Short-Term Bond ETFs in 2023

ETF	VAL
Overlay Shares Short Term Bond ETF Total Return	7.73%
Virtus Newfleet ABS/MBS ETF Total Return	7.60%
Hartford Short Duration ETF Total Return	7.52%
Columbia Short Duration Bond ETF Total Return	7.20%
VictoryShares Short-Term Bond ETF Total Return	6.68%
First Trust Low Dur Strat Foc ETF Total Return	6.53%
Western Asset Short Duration Inc ETF Total Return	6.52%
iShares 1-5 Year Invmt Grd Corp Bd ETF Total Return	6.40%
SPDR® DoubleLine Shrt Dur Tll RetFactETF Total Return	6.39%
First Trust Ltd Drtm Inv Grd Corp ETF Total Return	6.22%
Bloomberg US Aggregate	5.53%
Bloomberg US Corporate	8.52%



Date Range: 12/30/2022 - 12/29/2023

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Duration & Credit Quality

Short Government

The three best-performing Short Government ETFs in 2023 were the iShares Agency Bond ETF (**AGZ**), BondBloxx Bloomberg Six Month Target Duration US Treasury ETF (**XHLF**), and Franklin Short Duration US Government ETF (**FTSD**), with 5.18%, 4.90%, and 4.84% gains, respectively.

Intermediate Core Bond

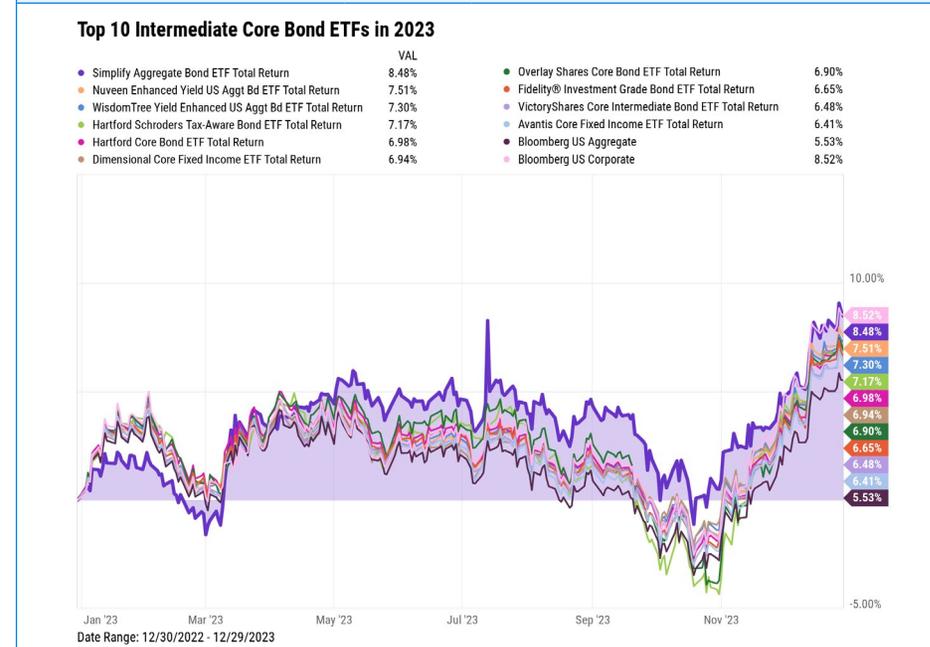
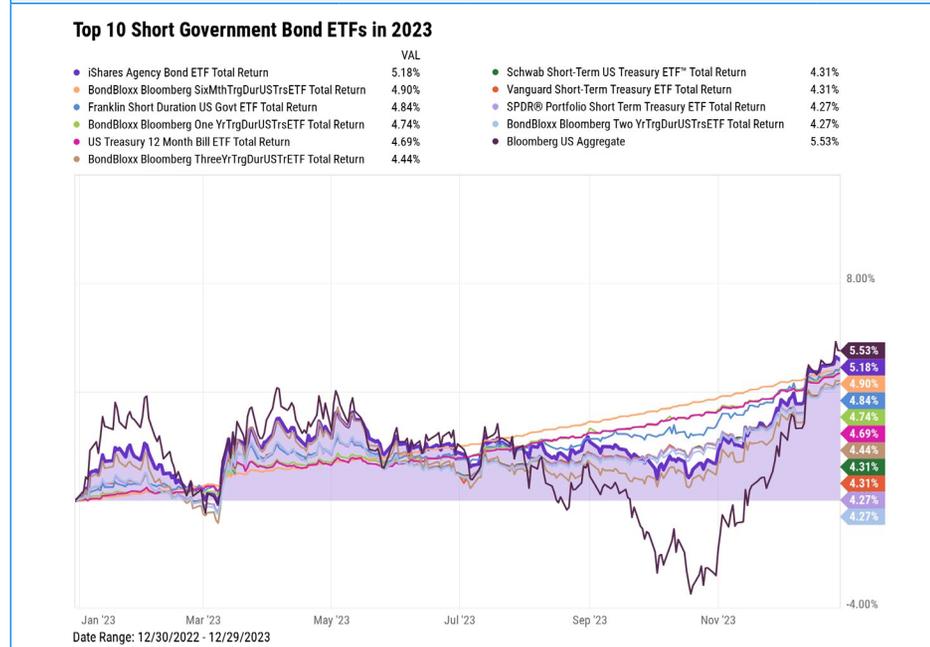
The three best-performing Intermediate Core Bond ETFs in 2023 were the Simplify Aggregate Bond ETF (**AGGH**), Nuveen Enhanced Yield U.S. Aggregate Bond ETF (**NUAG**), and WisdomTree Yield Enhanced U.S. Aggregate Bond Fund (**AGGY**), with 8.48%, 7.51%, and 7.3% gains, respectively.

Short Government ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	15	Average Yield to Maturity	3.78%
Average 2023 Returns	4.46%	Highest Return <i>By iShares Agency Bond ETF (AGZ)</i>	5.18%
Median 2023 Returns	4.37%	% of Outperformers against the Bloomberg US Aggregate	0% (0/15)
Average 30-Day SEC Yield	4.63%		

Intermediate Core Bond ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	42	Average Yield to Maturity	5.20%
Average 2023 Returns	5.15%	Highest Return <i>By Simplify Aggregate Bond ETF (AGGH)</i>	8.48%
Median 2023 Returns	5.67%	% of Outperformers against the Bloomberg US Aggregate	54.76% (23/42)
Average 30-Day SEC Yield	4.39%	% of Outperformers against the Bloomberg US Corporate	0% (0/42)

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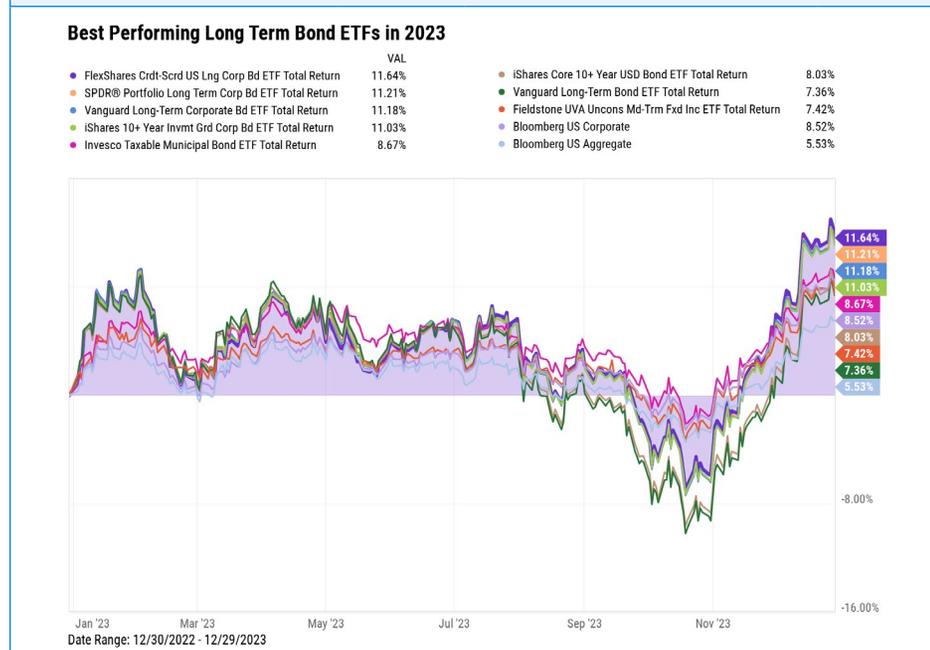
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Long Term Bond

The three best-performing Long Term Bond ETFs in 2023 were the FlexShares Credit-Scored US Long Corporate Bond Index Fund (**LKOR**), SPDR® Portfolio Long Term Corporate Bond ETF (**SPLB**), and Vanguard Long-Term Corporate Bond ETF (**VCLT**), with gains of 11.64%, 11.21% and 11.18%, respectively.

Long-Term Bond ETF Metrics			
Number of Funds	8	Average Yield to Maturity	5.6%
Average 2023 Returns	9.43%	Highest Return <i>By FlexShares Credit-Scored US Long Corporate Bond Index Fund (LKOR)</i>	11.64%
Median 2023 Returns	9.85%	% of Outperformers against the Bloomberg US Aggregate	100% (8/8)
Average 30-Day SEC Yield	5.18%	% of Outperformers against the Bloomberg US Corporate	62.5% (5/8)

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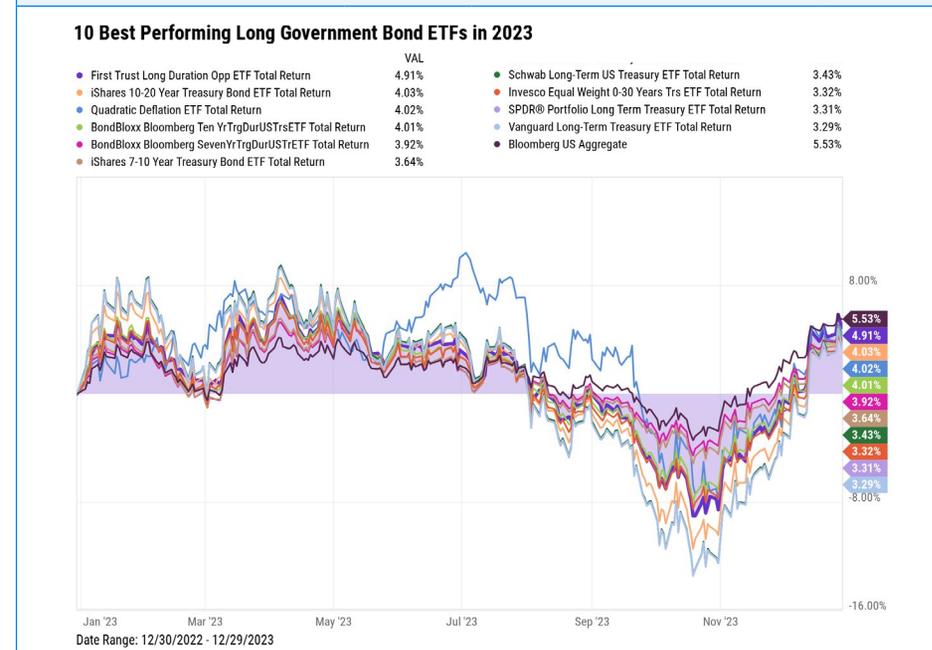
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Long Government

The three best-performing Long Government Bond ETFs in 2023 were the First Trust Long Duration Opportunities ETF (**LGOV**), iShares 10-20 Year Treasury Bond ETF (**TLH**), and Quadratic Deflation ETF (**BNDD**), with gains of 4.91%, 4.03% and 4.02%, respectively.

Long Government Bond ETF Metrics			
Number of Funds	21	Average Yield to Maturity	6.70%
Average 2023 Returns	2.7%	Highest Return <i>By First Trust Long Duration Opportunities ETF (LGOV)</i>	4.91%
Median 2023 Returns	3.3%	% of Outperformers against the Bloomberg US Aggregate	0% (0/21)
Average 30-Day SEC Yield	3.87%		

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High Yield Muni

The three best-performing High Yield Muni Bond ETFs in 2023 were the BlackRock High Yield Muni Income Bond ETF (**HYMU**), Franklin Dynamic Municipal Bond ETF (**FLMI**), and SPDR® Nuveen Bloomberg High Yield Municipal Bond ETF (**HYMB**), with gains of 9.67%, 7.88% and 7.73%, respectively.

High Yield Bond

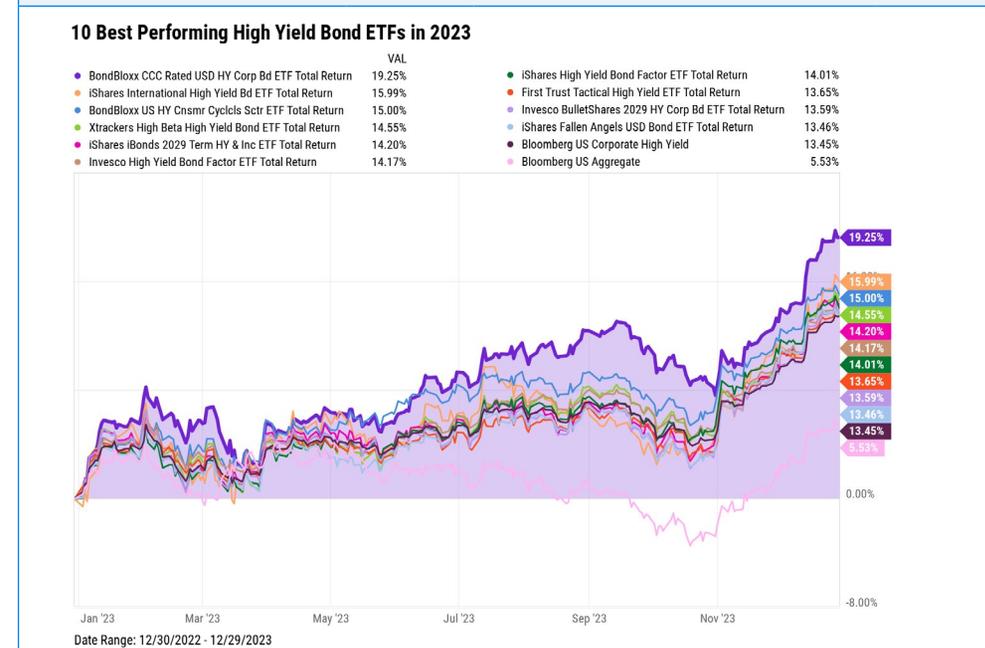
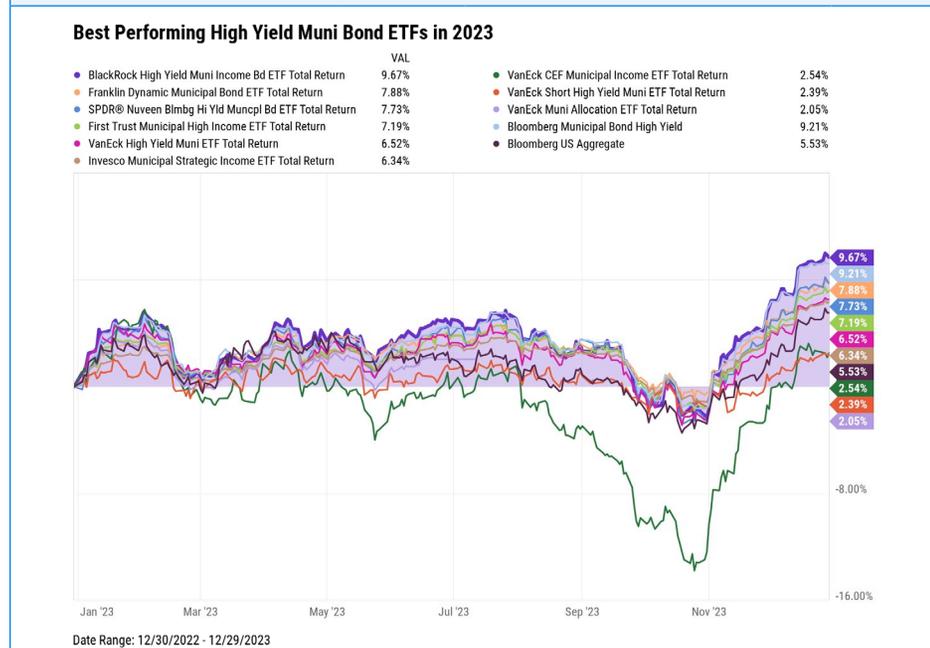
The three best-performing High Yield Bond ETFs in 2023 were the BondBloxx CCC Rated USD High Yield Corporate Bond ETF (**XCCC**), iShares International High Yield Bond ETF (**HYXU**), and BondBloxx USD High Yield Bond Consumer Cyclical Sector ETF (**XHYC**), with gains of 19.25%, 15.99% and 15%, respectively.

High Yield Muni Bond ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	9	Average Yield to Maturity	4.54%
Average 2023 Returns	9.67%	Highest Return <i>By BlackRock High Yield Muni Income Bond ETF (HYMU)</i>	9.67%
Median 2023 Returns	7.88%	% of Outperformers against the Bloomberg US Aggregate	66.67% <i>(6/9)</i>
Average 30-Day SEC Yield	4.19%	% of Outperformers against the Bloomberg Municipal Bond High Yield	11.11% <i>(1/9)</i>

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High Yield Bond ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	83	Average Yield to Maturity	7.43%
Average 2023 Returns	11.42%	Highest Return <i>By BondBloxx CCC Rated USD High Yield Corporate Bond ETF (XCCC)</i>	19.25%
Median 2023 Returns	11.97%	% of Outperformers against the Bloomberg US Aggregate	84.34% <i>(70/83)</i>
Average 30-Day SEC Yield	6.98%	% of Outperformers against the Bloomberg US Corporate High Yield	12.05% <i>(10/83)</i>

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Duration & Credit Quality

Corporate Bond

The three best-performing Corporate Bond ETFs in 2023 were the VanEck Moody's Analytics BBB Corporate Bond ETF (**MBBB**), iShares BBB Rated Corporate Bond ETF (**LQDB**), and iShares Investment Grade Bond Factor ETF (**IGEB**), with gains of 9.75%, 9.6% and 9.55%, respectively.

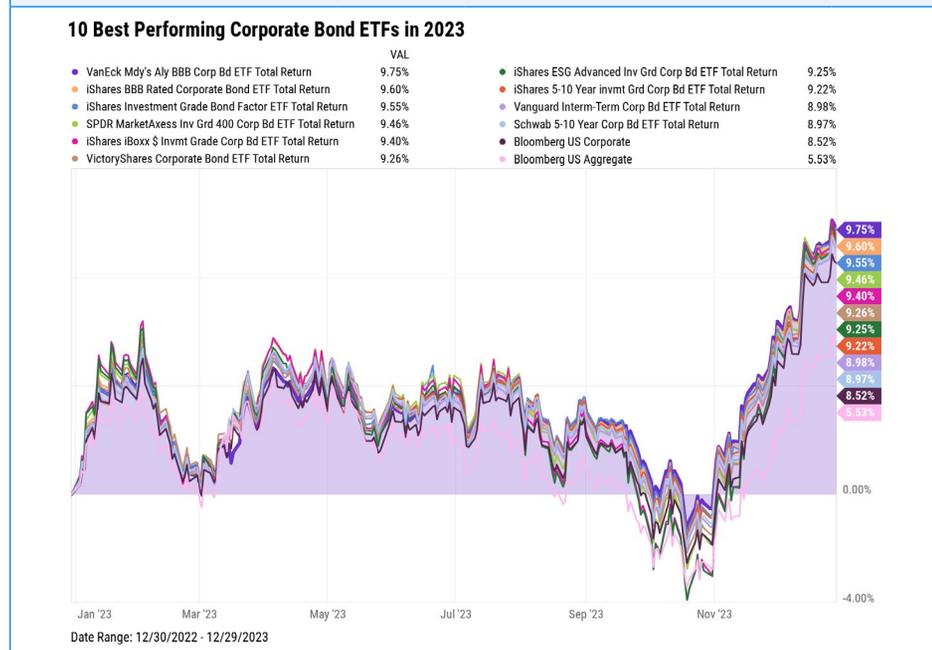
Corporate Bond ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	43	Average Yield to Maturity	5.64%
Average 2023 Returns	7.25%	Highest Return <i>By VanEck Moody's Analytics BBB Corporate Bond ETF (MBBB)</i>	9.75%
Median 2023 Returns	8.74%	% of Outperformers against the Bloomberg US Aggregate	88.37% <i>(38/43)</i>
Average 30-Day SEC Yield	4.69%	% of Outperformers against the Bloomberg US Corporate	58.14% <i>(25/43)</i>

Inflation-Protected Bonds

The three best-performing Inflation-Protected Bond ETFs in 2023 were iShares Inflation Hedged High Yield Bond ETF (**HYGI**), JPMorgan Inflation Managed Bond ETF (**JCPI**), and iShares Inflation Hedged U.S. Aggregate Bond ETF (**AGIH**), with gains of 11.1%, 5.04%, and 5.01%, respectively.

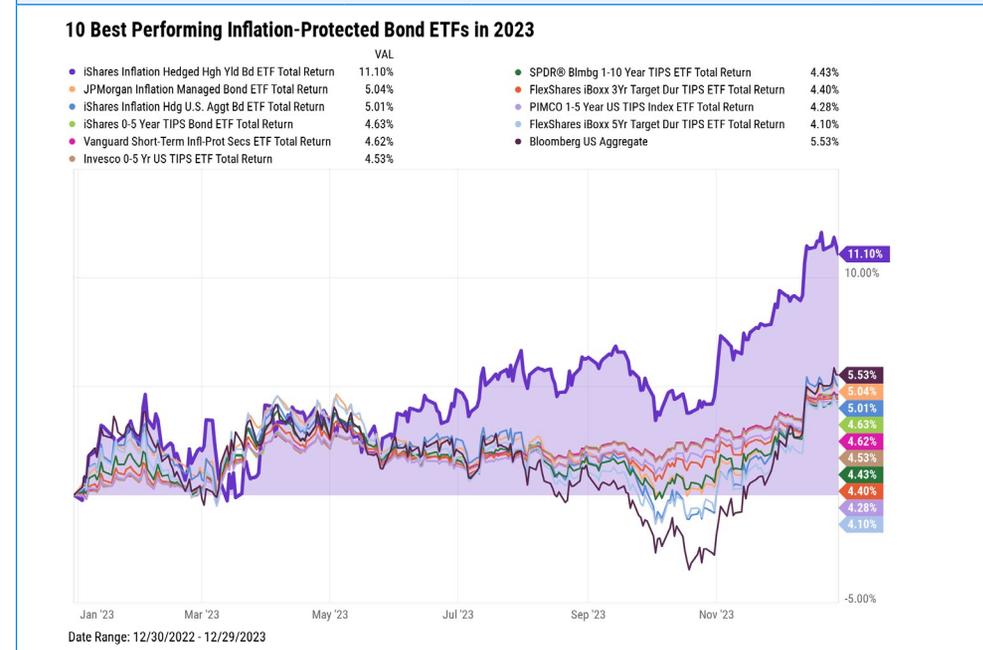
Inflation-Protected Bond ETF Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	23	Average Yield to Maturity	4.58%
Average 2023 Returns	0.87%	Highest Return <i>By iShares Inflation Hedged High Yield Bond ETF (HYGI)</i>	11.1%
Median 2023 Returns	3.99%	% of Outperformers against the Bloomberg US Aggregate	4.35% <i>(1/23)</i>
Average 30-Day SEC Yield	2.70%		

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Short Duration ETFs

Short Duration Bond ETFs in this section are funds with an effective maturity of less than four years (excluding high yield, high yield bond performance can be found on page 18).

Smart Beta Short Duration

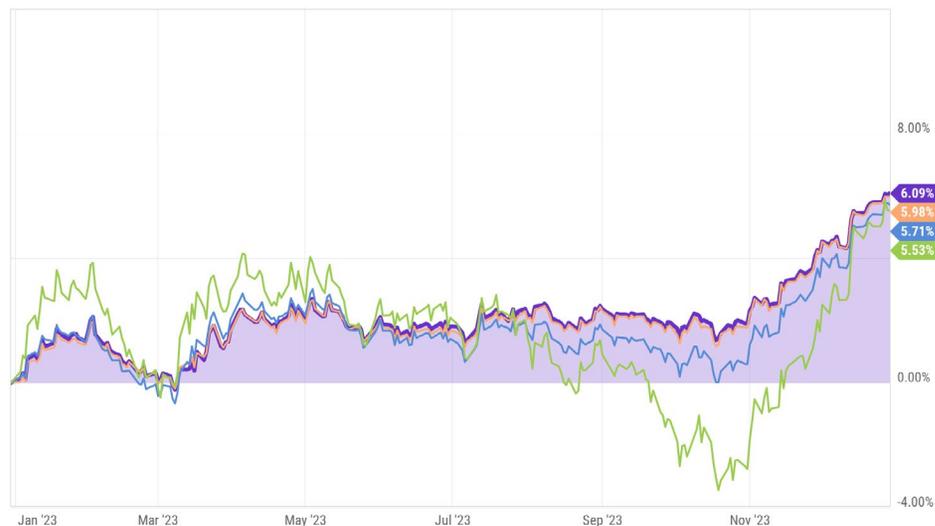
The best-performing Smart Beta Short Duration Bond ETFs in 2023 were WisdomTree U.S. Short-Term Corporate Bond Fund (**SFIG**), iShares ESG Aware 1-5 Year USD Corporate Bond ETF (**SUSB**), and Invesco Investment Grade Defensive ETF (**IIGD**), with gains of 6.09%, 11.58% and 7.73%, respectively.

Smart Beta Short Duration Metrics	
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	3
Average 2023 Returns	5.93%
Median 2023 Returns	5.98%
Average 30-Day SEC Yield	4.97%
Average Yield to Maturity	5.22%
Highest Return <i>By WisdomTree U.S. Short-Term Corporate Bond Fund (SFIG)</i>	6.09%
% of Outperformers against the Bloomberg US Aggregate	100% <i>(3/3)</i>

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Best Performing Smart Beta Short Duration Fixed Income ETFs in 2023

	VAL
● WisdomTree US Shrt-Term Corp Bd Total Return	6.09%
● iShares ESG 1-5 Year USD Corp Bd ETF Total Return	5.98%
● Invesco Investment Grade Defensive ETF Total Return	5.71%
● Bloomberg US Aggregate	5.53%



Date Range: 12/30/2022 - 12/29/2023

Short Duration Bond ETFs in this context are funds with an effective maturity of less than 4 years (excluding high yield)

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Passive v
Active v
Smart Beta

Passive Short Duration

The three best-performing Passive Short Duration Bond ETFs in 2023 were VanEck IG Floating Rate ETF (**FLTR**), Columbia Short Duration Bond ETF (**SBND**), and SPDR® Bloomberg Investment Grade Floating Rate ETF (**FLRN**), with gains of 7.41%, 7.2% and 6.54%, respectively.

Active Short Duration

The three best-performing Active Short Duration Bond ETFs in 2023 were First Trust Senior Loan ETF (**FTSL**), Janus Henderson AAA CLO ETF (**JAAA**), and Overlay Shares Short Term Bond ETF (**OVT**), with gains of 11.58%, 8.58%, and 7.73%, respectively.

Passive Short Duration Metrics			
Number of Funds	52	Average Yield to Maturity	4.85%
Average 2023 Returns	4.84%	Highest Return <i>By VanEck IG Floating Rate ETF (FLTR)</i>	7.41%
Median 2023 Returns	4.94%	% of Outperformers against the Bloomberg US Aggregate	28.85% (15/52)
Average 30-Day SEC Yield	4.39%		

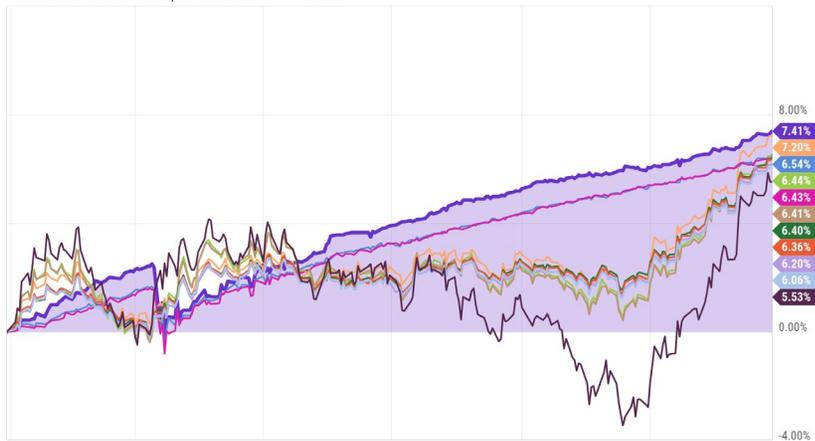
Active Short Duration Metrics			
Number of Funds	47	Average Yield to Maturity	5.9%
Average 2023 Returns	6.01%	Highest Return <i>By First Trust Senior Loan ETF (FTSL)</i>	11.58%
Median 2023 Returns	5.96%	% of Outperformers against the Bloomberg US Aggregate	59.57% (28/47)
Average 30-Day SEC Yield	5.10%		

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10 Best Performing Passive Short Duration Fixed Income ETFs

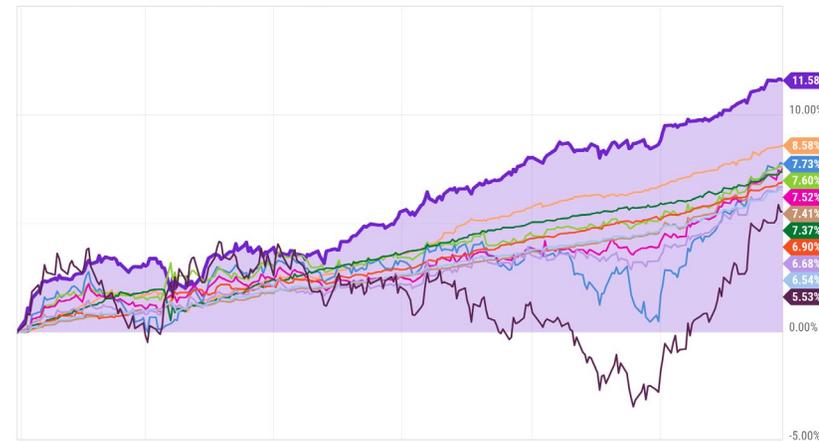
ETF	Total Return	ETF	Total Return
VanEck IG Floating Rate ETF Total Return	7.41%	iShares 1-5 Year Invmt Grd Corp Bd ETF Total Return	6.40%
Columbia Short Duration Bond ETF Total Return	7.20%	Schwab 1-5 Year Corporate Bond ETF Total Return	6.36%
SPDR® Blmbg Inv Grd Flt Rt ETF Total Return	6.54%	Vanguard Short-Term Corporate Bond ETF Total Return	6.20%
iShares iBonds Dec 2027 Term Corp ETF Total Return	6.44%	Goldman Sachs Acvs Inv Gd Cp 1-5Yr Bd ETF Total Return	6.06%
iShares Floating Rate Bond ETF Total Return	6.43%	Bloomberg US Aggregate	5.53%
Invesco BulletShares 2027 Corp Bd ETF Total Return	6.41%		



Date Range: 12/30/2022 - 12/29/2023 Short Duration Bond ETFs in this context are funds with an effective maturity of less than 4 years (excluding high yield)

10 Best Performing Active Short Duration Fixed Income ETFs in 2023

ETF	Total Return	ETF	Total Return
First Trust Senior Loan ETF Total Return	11.58%	Invesco Variable Rate Investment Grd ETF Total Return	7.37%
Janus Henderson AAA CLO ETF Total Return	8.58%	Angel Oak UltraShort Income ETF Total Return	6.90%
Overlay Shares Short Term Bond ETF Total Return	7.73%	VictoryShares Short-Term Bond ETF Total Return	6.68%
Virtus Newfleet ABS/MBS ETF Total Return	7.60%	T. Rowe Price Ultra Short-Term Bond ETF Total Return	6.54%
Hartford Short Duration ETF Total Return	7.52%	Bloomberg US Aggregate	5.53%
BlackRock Short Duration Bond ETF Total Return	7.41%		



Date Range: 12/30/2022 - 12/29/2023 Short Duration Bond ETFs in this context are funds with an effective maturity of less than 4 years (excluding high yield)

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Intermediate Duration

Intermediate Duration Bond ETFs in this section are funds with an effective maturity between 4-10 years (excluding high yield, high yield bond performance can be found on page 18).

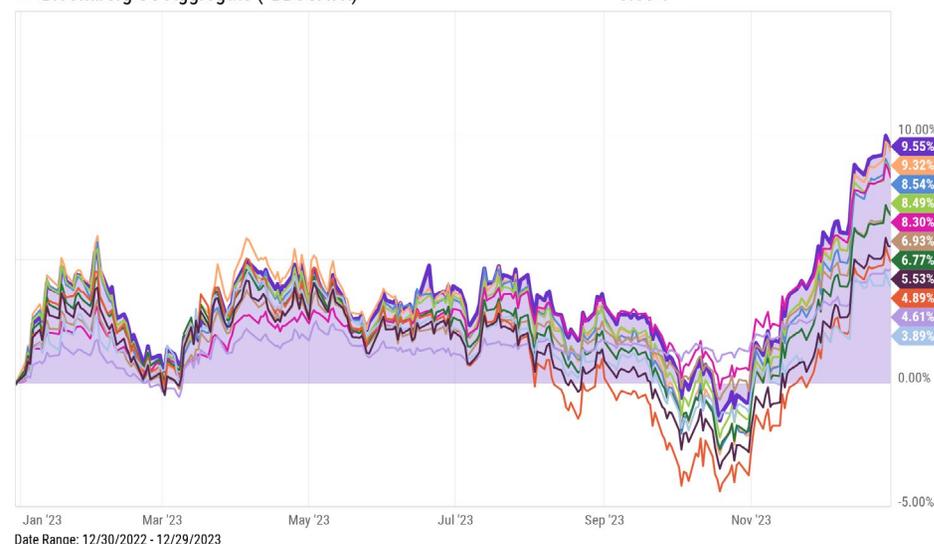
Smart Beta Intermediate Duration

The three best-performing Smart Beta Intermediate Duration Bond ETFs in 2023 were iShares Investment Grade Bond Factor ETF (**IGEB**), Invesco BulletShares 2032 Corporate Bond ETF (**BSCW**), and Columbia Diversified Fixed Inc Allc ETF (**DIAL**), with gains of 9.55%, 9.32% and 8.54%, respectively.

Smart Beta Intermediate Duration Metrics	
Number of Funds	10
Average 2023 Returns	7.13%
Median 2023 Returns	7.62%
Average 30-Day SEC Yield	4.21%
Average Yield to Maturity	5.4%
Highest Return <i>By iShares Investment Grade Bond Factor ETF (IGEB)</i>	9.55%
% of Outperformers against the Bloomberg US Aggregate	70% (7/10)
<p>Contact support@ycharts.com or Start Your Free Trial to access the screen and table in this section</p>	

Best Performing Smart Beta Intermediate Duration Fixed Income ETFs in 2023

	VAL
● iShares Investment Grade Bond Factor ETF (IGEB) Total Return	9.55%
● Invesco BulletShares 2032 Corp Bd ETF (BSCW) Total Return	9.32%
● Columbia Diversified Fixed Inc Allc ETF (DIAL) Total Return	8.54%
● WisdomTree US Corporate Bond (WFIG) Total Return	8.49%
● iShares Yield Optimized Bond ETF (BYLD) Total Return	8.30%
● Invesco Fdmtl Invmt Grd Corp Bd ETF (PFIG) Total Return	6.93%
● iShares® USD Bond Factor ETF (USBF) Total Return	6.77%
● Monarch Ambassador Income ETF (MAMB) Total Return	4.89%
● WisdomTree Yield Enh US S-T Aggt Bd ETF (SHAG) Total Return	4.61%
● Goldman Sachs Acs Infl Protcd USD Bd ETF (GTIP) Total Return	3.89%
● Bloomberg US Aggregate (^BBUSATR)	5.53%



Intermediate Duration Bond ETFs in this context are funds with an effective maturity between 4 and 10 years (excluding high yield)

Passive v
Active v
Smart Beta

Passive Intermediate Duration

The three best-performing Passive Intermediate Duration Bond ETFs in 2023 were Invesco Senior Loan ETF (**BKLN**), Invesco International Corporate Bond ETF (**PICB**), and iShares J.P. Morgan EM High Yield Bond ETF (**EMHY**), with gains of 12.53%, 11.56% and 11.45%, respectively.

Active Intermediate Duration

The three best-performing Active Intermediate Duration Bond ETFs in 2023 were First Trust Emerging Markets Local Currency Bond ETF (**FEMB**), Janus Henderson B-BBB CLO ETF (**JBBS**), and Franklin Senior Loan ETF (**FLBL**), with gains of 17.11%, 16.89% and 14.83%, respectively.

Passive Intermediate Duration Metrics			
Number of Funds	77	Average Yield to Maturity	5.09%
Average 2023 Returns	6.37%	Highest Return <i>By Invesco Senior Loan ETF (BKLN)</i>	12.53%
Median 2023 Returns	5.69%	% of Outperformers against the Bloomberg US Aggregate	59.74% <i>(46/77)</i>
Average 30-Day SEC Yield	3.98%		

Active Intermediate Duration Metrics			
Number of Funds	68	Average Yield to Maturity	5.73%
Average 2023 Returns	7.40%	Highest Return <i>By First Trust Emerging Markets Local Currency Bond ETF (FEMB)</i>	17.11%
Median 2023 Returns	6.89%	% of Outperformers against the Bloomberg US Aggregate	72.06% <i>(49/68)</i>
Average 30-Day SEC Yield	4.78%		

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10 Best Performing Passive Intermediate Duration Fixed Income ETFs in 2023

ETF	Return	ETF	Return
Invesco Senior Loan ETF Total Return	12.53%	Invesco BulletShares 2031 Corp Bd ETF Total Return	9.16%
Invesco International Corporate Bond ETF Total Return	11.56%	SPDR® Blimbg Em Mkts Lcl Bd ETF Total Return	9.00%
iShares J.P. Morgan EM High Yld Bd ETF Total Return	11.45%	Vanguard Inter-Term Corp Bd ETF Total Return	8.98%
VanEck JPMorgan EMLcl Coy Bd ETF Total Return	11.16%	Schwab 5-10 Year Corp Bd ETF Total Return	8.97%
SPDR® Blimbg Intl Corp Bd ETF Total Return	10.37%	Bloomberg US Aggregate	5.53%
iShares 5-10 Year Invmt Grd Corp Bd ETF Total Return	9.22%		



Date Range: 12/30/2022 - 12/29/2023 Intermediate Duration Bond ETFs in this context are funds with an effective maturity between 4 and 10 years (excluding high yield)

Top 10 Active Intermediate Duration Fixed Income ETFs in 2023

ETF	Return	ETF	Return
First Trust Emerging Mkts Lcl Coy Bd ETF Total Return	17.11%	First Trust TCW Emerging Mkts Dbt ETF Total Return	11.70%
Janus Henderson B-BBB CLO ETF Total Return	16.89%	SPDR Blackstone Senior Loan ETF Total Return	11.62%
Franklin Senior Loan ETF Total Return	14.83%	Kingsbarn Tactical Bond ETF Total Return	10.07%
WisdomTree Emerging Markets Lcl Dbt ETF Total Return	14.30%	SPDR® DoubleLine® Emerg Mkts Fxd Inc ETF Total Return	9.59%
PIMCO St Ln Activ ETF Total Return	12.56%	Bloomberg US Aggregate	5.53%
T. Rowe Price Floating Rate ETF Total Return	12.08%		



Date Range: 12/30/2022 - 12/29/2023 Intermediate Duration Bond ETFs in this context are funds with an effective maturity between 4 and 10 years (excluding high yield)

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Long Duration

Long Duration Bond ETFs in this section are funds with an effective maturity greater than 10 years (excluding high yield, high yield bond performance can be found on page 18).

Smart Beta Long Duration

The three best-performing Smart Beta Long Duration Bond ETFs in 2023 were Invesco Emerging Markets Sovereign Debt ETF (**PCY**), Goldman Sachs Access Investment Grade Corporate Bond ETF (**GIGB**), and iShares ESG USD Corporate Bond ETF (**SUSC**), with gains of 18.47%, 8.8%, and 8.58%, respectively.

Smart Beta Long Duration Metrics	
Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	7
Average 2023 Returns	7.49%
Median 2023 Returns	8.49%
Average 30-Day SEC Yield	5.46%
Average Yield to Maturity	5.81%
Highest Return <i>By Invesco Emerging Markets Sovereign Debt ETF (PCY)</i>	7.41%
% of Outperformers against the Bloomberg US Aggregate	57.14% <i>(4/7)</i>
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Top Smart Beta Long Duration Fixed Income ETFs in 2023

	VAL
● Invesco Emerging Markets Sov Debt ETF Total Return	18.47%
● Goldman Sachs Acss Invmt Grd Corp Bd ETF Total Return	8.80%
● iShares ESG USD Corporate Bond ETF Total Return	8.58%
● Goldman Sachs Access Emrg Mkts USD BdETF Total Return	8.49%
● iShares Invmt Grd Crp Bd Buywrt Styg ETF Total Return	4.01%
● Invesco Equal Weight 0-30 Years Trs ETF Total Return	3.32%
● iShares 20+ Year Trs Bd Buywrt Styg ETF Total Return	0.76%
● Bloomberg Global Aggregate	5.72%
● Bloomberg US Aggregate	5.53%



Date Range: 12/30/2022 - 12/29/2023

Long Duration Bond ETFs in this context are funds with an effective maturity greater than 10 years (excluding high yield)

Passive v
Active v
Smart Beta

Passive Long Duration

The three best-performing Passive Long Duration Bond ETFs in 2023 were iShares Interest Rate Hedged Long-Term Corporate Bond ETF (IGBH), SPDR® Portfolio Long Term Corporate Bond ETF (SPLB), and Vanguard Long-Term Corporate Bond ETF (VCLT), with gains of 12.12%, 11.21% and 11.18%, respectively.

Active Long Duration

The three best-performing Active Long Duration Bond ETFs in 2023 were Global X Emerging Markets Bond ETF (EMBD), Hartford Sustainable Income ETF (HSUN), and BlackRock High Yield Muni Income Bond ETF (HYMU), with gains of 10.60%, 9.9% and 9.67%, respectively.

Passive Long Duration Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage and inverse funds)</i>	48	Average Yield to Maturity	5.05%
Average 2023 Returns	6.99%	Highest Return <i>By iShares Interest Rate Hedged Long-Term Corporate Bond ETF (IGBH)</i>	12.12%
Median 2023 Returns	7.58%	% of Outperformers against the Bloomberg US Aggregate	66.67% <i>(32/48)</i>
Average 30-Day SEC Yield	4.21%		

Active Long Duration Metrics			
Number of Funds <i>(In the US Domicile, excluding leverage and inverse funds)</i>	28	Average Yield to Maturity	5.41%
Average 2023 Returns	7.34%	Highest Return <i>By Global X Emerging Markets Bond ETF (EMBD)</i>	10.60%
Median 2023 Returns	7.33%	% of Outperformers against the Bloomberg US Aggregate	82.14% <i>(23/28)</i>
Average 30-Day SEC Yield	4.16%		

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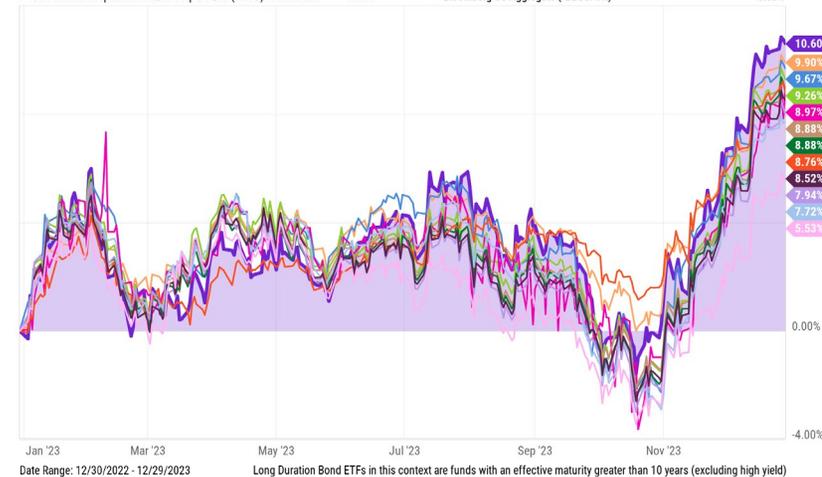
10 Best Performing Passive Long Duration Fixed Income ETFs in 2023

iShares Interest Rate Hdg L/T Corp BdETF (IGBH) Total Return	12.12%	iShares JP Morgan USD Em Mkts Bd ETF (EMB) Total Return	10.60%
SPDR® Portfolio Long Term Corp Bd ETF (SPLB) Total Return	11.21%	iShares BBB Rated Corporate Bond ETF (LQDB) Total Return	9.60%
Vanguard Long-Term Corporate Bd ETF (VCLT) Total Return	11.18%	JPMorgan USD Emerging Mkts Svr Bd ETF (JPMB) Total Return	9.47%
iShares Interest Rate Hedged Corp Bd ETF (LQDH) Total Return	11.14%	iShares iBoxx \$ Invmt Grade Corp Bd ETF (LQD) Total Return	9.40%
iShares 10+ Year Invmt Grd Corp Bd ETF (IGLB) Total Return	11.03%	Bloomberg US Corporate (*BBUSCOTR)	8.52%
Vanguard Emerging Mkts Govt Bd ETF (VWOB) Total Return	10.68%	Bloomberg US Aggregate (*BBUSATR)	5.53%



10 Best Performing Active Long Duration Fixed Income ETFs in 2023

Global X Emerging Markets Bond ETF (EMBD) Total Return	10.60%	JHancock Corporate Bond ETF (JHCB) Total Return	8.88%
Hartford Sustainable Income ETF (HSUN) Total Return	9.90%	WisdomTree Emerging Markets Corp Bd ETF (EMCB) Total Return	8.76%
BlackRock High Yield Muni Income Bd ETF (HYMU) Total Return	9.67%	Franklin Investment Grade Corporate ETF (FLCO) Total Return	7.94%
VictoryShares Corporate Bond ETF (UCRD) Total Return	9.26%	Franklin Municipal Green Bond ETF (FLMB) Total Return	7.72%
First Trust Flexible Munclpl High Inc ETF (MFLX) Total Return	8.97%	Bloomberg US Corporate (*BBUSCOTR)	8.52%
BNY Mellon Responsible Hzns Corp Bd ETF (RHCB) Total Return	8.88%	Bloomberg US Aggregate (*BBUSATR)	5.53%



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High Yield

High Yield Bond ETFs in this section are funds of varying maturities.

Smart Beta High Yield Metrics

Number of Funds <i>(In the US Domicile, excluding leverage & inverse funds)</i>	12
Average 2023 Returns	11.69%
Median 2023 Returns	12.10%
Average 30-Day SEC Yield	7.25%
Average Yield to Maturity	7.62%
Highest Return <i>By Xtrackers High Beta High Yield Bond ETF (HYUP)</i>	14.55
% of Outperformers against the Bloomberg US Corporate High Yield	16.67% <i>(2/12)</i>
% of Outperformers against the Bloomberg US Aggregate	91.67% <i>(11/12)</i>

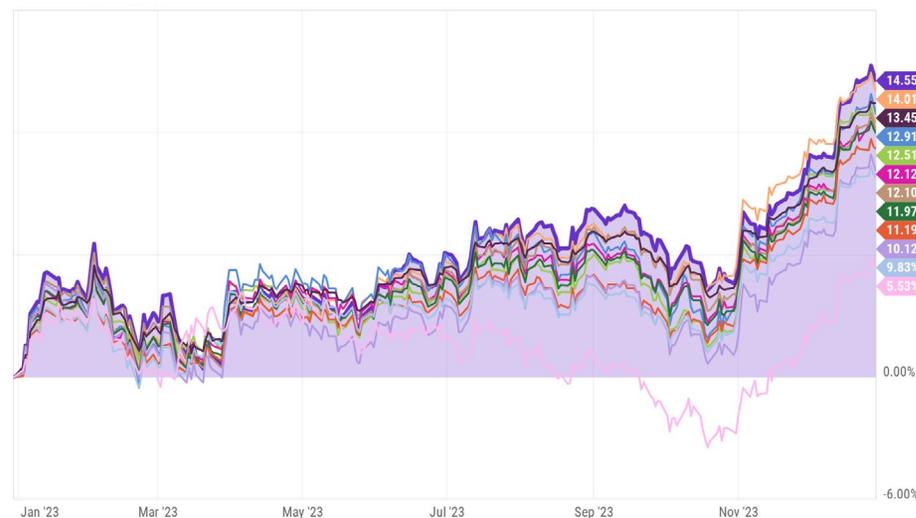
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Smart Beta High Yield

The three best-performing Smart Beta High Yield Bond ETFs in 2023 were Xtrackers High Beta High Yield Bond ETF (**HYUP**), iShares High Yield Bond Factor ETF (**HYDB**), and Invesco BulletShares 2030 High Yield Corporate Bond ETF (**BSJU**), with gains of 14.55%, 14.01%, and 12.91%, respectively.

Best Performing Smart Beta High Yield Fixed Income ETFs in 2023

	VAL
Xtrackers High Beta High Yield Bond ETF Total Return	14.55%
iShares High Yield Bond Factor ETF Total Return	14.01%
Invesco BulletShares 2030 Hi YldCrpBdETF Total Return	12.91%
VanEck Fallen Angel HiYld Bd ETF Total Return	12.51%
Goldman Sachs Access Hi Yld Corp Bd ETF Total Return	12.12%
FlexShares HY Val-Scrd Bd Total Return	12.10%
Xtrackers Risk Managed USD HY Strat ETF Total Return	11.97%
Invesco Fundamental Hi Yld@ Corp Bd ETF Total Return	11.19%
WisdomTree US Hi Yld Corp Bd Total Return	10.12%
Xtrackers Low Beta High Yield Bond ETF Total Return	9.83%
Bloomberg US Corporate High Yield	13.45%
Bloomberg US Aggregate	5.53%



Date Range: 12/30/2022 - 12/29/2023

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Passive v
Active v
Smart Beta

Passive High Yield

The three best-performing Passive High Yield Bond ETFs in 2023 were BondBloxx CCC Rated USD High Yield Corporate Bond ETF (**XCCC**), iShares International High Yield Bond ETF (**HYXU**), and BondBloxx USD High Yield Bond Consumer Cyclical Sector ETF (**XHYC**), with gains of 19.25%, 15.99%, and 15%, respectively.

Active High Yield

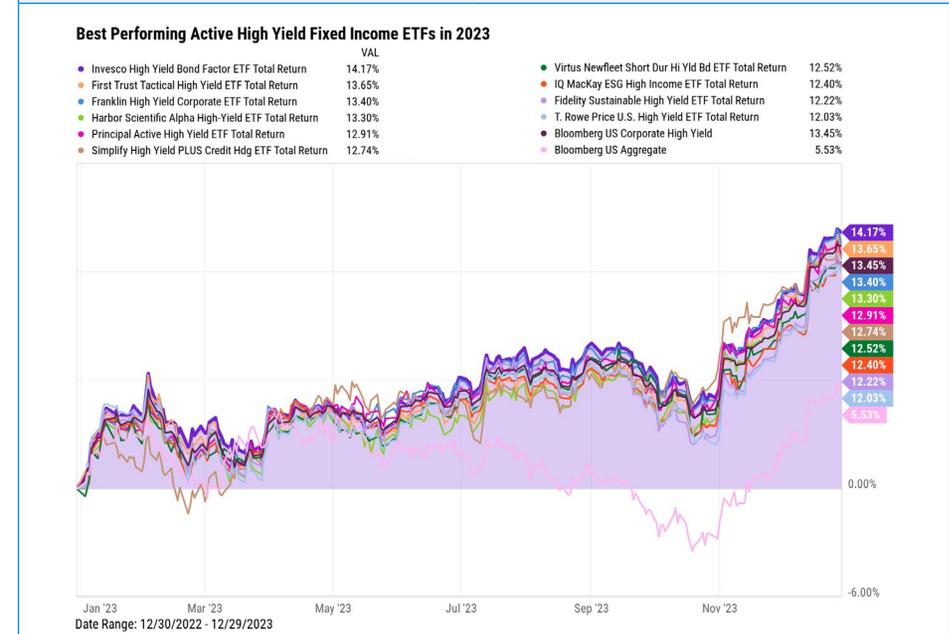
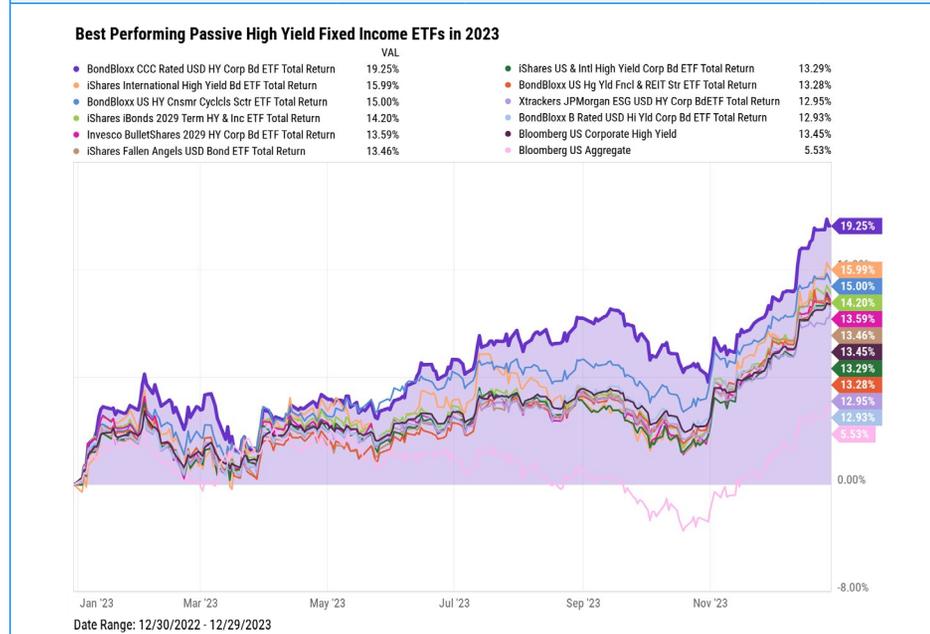
The three best-performing Active High Yield Bond ETFs in 2023 were Invesco High Yield Bond Factor ETF (**IHYF**), First Trust Tactical High Yield ETF (**HYLS**), and Franklin High Yield Corporate ETF (**FLHY**), with gains of 14.17%, 13.65%, and 13.4%, respectively.

Passive High Yield Metrics			
Number of Funds	49	Average Yield to Maturity	7.26%
Average 2023 Returns	11.67%	Highest Return By BondBloxx CCC Rated USD High Yield Corporate Bond ETF (XCCC)	19.25%
Median 2023 Returns	11.86%	% of Outperformers against the Bloomberg US Corporate High Yield	10.2% (5/49)
Average 30-Day SEC Yield	6.95%	% of Outperformers against the Bloomberg US Aggregate	87.76% (43/49)

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Active High Yield Metrics			
Number of Funds	22	Average Yield to Maturity	7.87%
Average 2023 Returns	10.64%	Highest Return By Invesco High Yield Bond Factor ETF (IHYF)	14.17%
Median 2023 Returns	12.12%	% of Outperformers against the Bloomberg US Corporate High Yield	9.09% (2/22)
Average 30-Day SEC Yield	6.93%	% of Outperformers against the Bloomberg US Aggregate	72.73% (16/22)

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Conclusion

In 2023, seven of the analyzed fixed-income categories had over half of the ETFs outperform the Bloomberg US Aggregate Index, with Long Term and Corporate Bond ETFs emerging as particularly strong performers. High Yield Bonds distinguished themselves for yield-seeking investors. The year also highlighted the growing efficacy of Active and Smart Beta strategies over their Passive counterparts, especially in short-duration funds. This trend underscores a broader movement towards more nuanced, active investment approaches in the fixed-income market.

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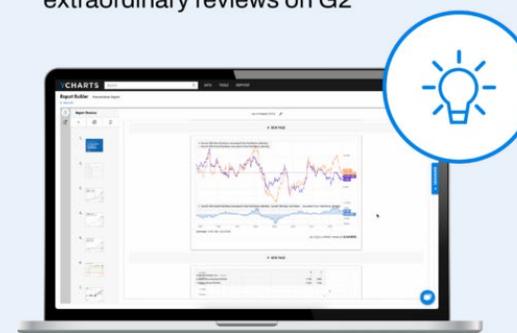
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