

IYM

iShares U.S. Basic Materials ETF

Analyst Report

This ETF offers exposure to the U.S. materials sector, a corner of the domestic economy that includes companies engaged in the extraction and production of various natural resources (and therefore potentially useful as a means of establishing "indirect" commodity exposure through commodity-intensive companies). Given the targeted nature of the underlying benchmark, IYM probably isn't very useful for those building a long-term portfolio; it will be more useful as a means of establishing a tactical tilt towards the materials sector or as part of a sector rotation strategy. Investors seeking more targeted exposure to companies engaged in the production of a certain type of raw material likely have a more granular ETF available to them; the Commodity Producers Equities ETFdb Category includes dozens of resource-specific funds, ranging from agribusiness to gold to timber. With regards to the underlying portfolio, it should be noted that while IYM includes about 70 individual stocks, a small handful account for a significant chunk of assets--a characteristic common among ETFs focused on this sector. Investors looking for better balance among materials stocks may prefer the equal-weighted RTM. The biggest drawback of IYM is the hefty price tag; investors can achieve generally similar exposure through FBM or XLB, both of which are considerably cheaper (and FBM may be eligible for commission-free trading in Scottrade accounts).

ESG Themes and Scores

6.25/10

ESG Rate

40.45%

Global Percentile

62.31%

Peer Percentile

Performance Data

| | IYM | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | -6.64% | -6.00% | -4.54% |
| 3 Month | -1.64% | 13.76% | -0.87% |
| YTD Return | 8.77% | 47.33% | 3.33% |
| 1 Year Return | -4.60% | 31.14% | -5.85% |
| 3 Year Return | 6.61% | 16.83% | 4.08% |
| 5 Year Return | 7.72% | 8.86% | 6.22% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|----------------------------------|----------|
| LIN | Linde plc | 20.17% |
| NEM | Newmont Corporation | 9.82% |
| ECL | Ecolab Inc. | 6.98% |
| FCX | Freeport-McMoRan, Inc. | 6.14% |
| APD | Air Products and Chemicals, Inc. | 4.22% |

Vitals

| | |
|---------------|--|
| Issuer | BlackRock, Inc. |
| Brand | iShares |
| Structure | ETF |
| Expense Ratio | 0.38% |
| Inception | Jun 12, 2000 |
| Index Tracked | Russell 1000 Basic Materials RIC 22.5/45 Capped Index |

ETF Database Themes

| | |
|-------------------|-------------------|
| Category | Materials |
| Asset Class | Equity |
| Asset Class Size | Large-Cap |
| Asset Class Style | Blend |
| Region (General) | Developed Markets |
| Region (Specific) | Broad |

FactSet Classifications

| | |
|------------------|------------------------|
| Segment | Equity: U.S. Materials |
| Category | Sector |
| Focus | Materials |
| Niche | Broad-based |
| Strategy | Vanilla |
| Weighting Scheme | Market Cap |

