

ICVT

iShares Convertible Bond ETF

Fund Description

ICVT tracks an index of USD-denominated convertible bonds weighted by market value. The index contains only cash-pay convertibles and excludes mandatory and preferred convertibles.

FactSet Analyst Report

ICVT offers modest differences from its State Street rival, CWB. The fund can hold smaller issues (\$250M vs. \$500M minimum) and screens out certain kinds of convertibles (mandatory, preferred, and zero coupons). Investors with a nuanced view of the space might appreciate having a choice in exposure. By design, convertible bonds hold equity-like upside while tending to fare well when rates rise. However, they carry more credit risk and are much more volatile than a diversified, total-market bond portfolio.