

IVVM

iShares Large Cap Moderate Buffer ETF

Fund Description

IVVM seeks to participate in the price movement of US large-cap stocks, up to a cap, while applying a 5% buffer against losses, over each calendar quarter. The actively managed fund holds a bundle of iShares Core S&P 500 ETF flex options.

FactSet Analyst Report

IVVM uses FLEX options exclusively based on the price movement of iShares Core S&P 500 ETF shares (ticker: IVV). This ETF aims to participate in the price movement up to a cap and potentially buffer the first 5% decline over each calendar quarter. Basically, in exchange for the 5% downside buffer, investors forgo some upside return. The actively managed portfolio consists of: (i) out-of-the-money FLEX options, (ii) zero strike call options, bought to provide the share price exposure, and (iii) put spread FLEX options which create the funds buffer. At each quarter end, the fund rebalances and resets the upside cap and buffer levels, based on IVVs share price at that time. Investors bear the entire negative impact of the ETF price returns once the buffer is breached. To get the intended results, the fund must be held for the entire period. Investors that purchase outside of the reset day may experience a different level of investment return.