

IVVW

iShares S&P 500 BuyWrite ETF

Fund Description

IVVW is passively managed, aiming to participate in the price movement of US large-cap stocks, up to a certain cap, while also providing enhanced monthly income through a covered call option writing strategy. The fund-of-fund holds shares of the iShares Core S&P 500 ETF (IVV) while simultaneously writing one-month call options.

FactSet Analyst Report

IVVW aims to distribute monthly income from option premiums and dividends, subject to a 2% cap of the funds NAV per month. Through a covered call strategy, the index mirrors the large-cap US sector while simultaneously writing one-month call options. Specifically, these options reference the iShares Core S&P 500 ETF (IVV) and will have strike prices set at 101% of the closing value of the option index. This approach allows investors to benefit from market stability while potentially enhancing returns through premiums. The fund utilizes European-style call options, which means they can only be exercised on the expiration date. The fund may adjust its option writing strategy based on prevailing market conditions and avoid options with minimal income potential. Investors should be aware that distributions may exceed earnings and profits, potentially resulting in a return of capital. The index is rebalanced monthly.