

ISHARES RUSSELL 3000 ETF (IWV)

Risk: **Med**

Zacks ETF Rank 2 - Buy

\$227.73 USD



Fund Type	Style Box - All Cap Blend
Issuer	BLACKROCK
Benchmark Index	RUSSELL 3000 INDEX
Date of Inception	05/22/2000
AUM (million)	\$10,603.24
Number of holdings in the ETF	2854
Assets in top ten holdings	22.11%
Expense Ratio	0.20%
Dividend Yield	1.30%

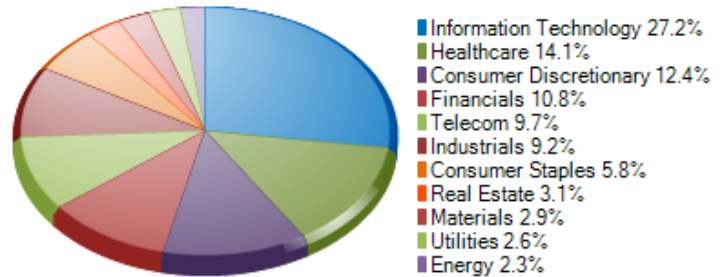
Price Fundamentals of IWV

Current Price	\$227.73
52-Week High	\$224.17
52-Week Low	\$128.35
NAV (12/31/2020)	\$215.04
1Yr ETF Ret (01/01/2021)	19.85%

Risk Statistics

Beta (against S&P 500)	1.04
Standard Deviation	23.71%
R ²	97.01%

IWV Sector Weights



Price Chart



Zacks Opinion

The biggest advantage of IWV is the large number of stocks it covers, allowing it to invest in a wide variety of companies, ranging from large caps to micro caps. While large cap stocks tend to be comparatively stable, these are accused of being hurt by a stronger dollar. Mid and small cap stocks are generally volatile but offer better returns in a rebounding economy. Thus, a good mix ensures that IWV benefits from volatile stocks in a bullish market and performs better than funds investing solely in volatile stocks during a bear phase. Sector diversification also makes IWV a comparatively safe option in our opinion and makes it suitable for investors with a low-risk appetite. However, coronavirus outbreak is a concern though easy money policy and government stimulus should keep Wall Street charged up.

Key Points

- Popular ETF in all cap equities ETF space
- Diversified exposure to various sectors
- Low expense ratio in all cap equities space

Reasons to Buy

- Fed's adoption of crisis-era policy, restart of QE

Reasons to Sell

- Economic fallout from the coronavirus, oil price slump

The data on the front page and all the charts in the report represent market data as of 01/01/2021, while the report's text is as of 01/07/2021

Holdings Breakdown

IWV is a diversified fund with only about 22.11% of its portfolio in the top 10 holdings. This variety is the result of excessive large number of stocks in the portfolio. The fund has exposure in almost all the sectors. However, IT, health care, consumer discretionary and financials segments hold at least or more than 10% of the portfolio individually. Among individual holdings, Apple takes the top spot followed by Microsoft and Amazon. Large cap stocks make up 65% of the basket followed by small caps with 20% exposure and mid caps with 15% exposure.

Performance

The fund is up about 8.4% this year due to the coronavirus outbreak, which has stalled the global economy. The fund gained about 21.6% past year as some gains accumulated last year due to low rates backed by Fed rate cuts and easing trade tensions got wiped out in the massive selling noticed in March 2020 (as of Oct 2, 2020).

IWV Top 5 Holdings	Weight %
APPLE INC	5.10%
MICROSOFT CORP	4.37%
AMAZON COM INC	3.65%
FACEBOOK CLASS A INC	1.79%
ALPHABET INC CLASS A	1.44%

2-Year Comparative



Investment Objective

IWV aims to replicate the price and yield, before fees and expenses, of the Russell 3000 Index. The Russell 3000 Index is a capitalization-weighted index that tracks the broad U.S. equity market. The Index is made up of almost 3,000 large U.S.-based companies.

Analysis

With an asset base of \$10.6 billion, IWV is one of the largest ETFs covering the broad U.S. equity market. The fund offers ample liquidity at a low cost compared to its peers. It charges only 20 basis points in annual fees which is considerably low in the all cap equities ETF space. Moreover, the fund offers a good yield and is highly correlated to the U.S. equity market.

Fundamentals	IWV	VTI	ITOT
Zacks Rank	2	3	2
Price	\$227.73	\$198.09	\$87.83
AUM (million)	\$10,603.24	\$196,898.88	\$32,270.77
Expense Ratio	0.20%	0.03%	0.03%
Dividend Yield	1.30%	1.42%	1.41%
Assets in top 10	22.11%	21.89%	21.94%
Beta	1.04	1.04	1.04
YTD % Price Change	1.62%	1.71%	1.67%

Description

Launched in May 2000, iShares Russell 3000 Index (IWV) is a passively managed exchange traded fund (ETF) designed to track the performance of the Russell 3000 Index.

Glossary

ACTIVE MANAGEMENT:	A portfolio management strategy where the manager uses variety of skills and attributes (like top-down approach, bottom-up approach, value investing, growth investing or absolute returns strategy) in the portfolio so that the fund outperforms the benchmark index.
ALPHA:	A measure of outperformance that can be calculated as the return of the fund minus the benchmark's return. A positive alpha indicates the fund has outperformed the benchmark index whereas negative alpha means underperformance.
AMERICAN DEPOSITORY RECEIPT:	A negotiable non-US security that trades in the US financial market.
AUTHORIZED PARTICIPANTS:	An entity chosen by an ETF sponsor to undertake the responsibility of obtaining the underlying assets needed to create an ETF. Authorized participants are typically large institutional organizations, such as market makers or specialists.
AVERAGE YIELD TO MATURITY:	The expected rate of return on a fund's portfolio if it is held until the maturity while reinvesting all coupon payments at the bond yield.
BASKET:	A portfolio of several stocks or securities that are selected for the inclusion in the fund with different weightings.
BETA:	A measure of risk compared to the market benchmark. A beta of less than 1 indicates that the fund is less volatile than the market and vice versa.
BID/ASK SPREAD:	The difference between the highest price that a buyer is willing to pay (often called bid price) for the underlying assets of securities of the fund and the lowest price that a seller is willing to accept (often called as offer or ask price) for it.
CONTRARIAN:	An investment style that goes against prevailing market trends (i.e. against the thinking of many) by buying assets that are performing poorly and then selling when they perform well.
CREATION UNIT:	A set of securities or underlying assets that can be created or redeemed by Authorized Participants for a certain number of ETF shares with the fund or trust. The creation units can vary in size ranging from 25,000 to 600,000 shares each.
DIVIDEND YIELD:	A financial ratio that measures how much a company pays out in dividends each year relative to its share price. It can be calculated as annual dividend per share divided by price per share.
EFFECTIVE DURATION:	A measure of a fund's interest-rate sensitivity. The longer the duration, the more sensitive is the fund to the changes in interest rates.
ENHANCED INDEXING:	An investment idea that attempts to amplify the returns of an underlying asset or the fund with lower tracking error. Enhanced indexing combines elements of both passive and active management.
EXCHANGE TRADED FUND:	The fund represents a basket of securities (that typically track an index), and is listed and trades like stocks on an exchange. ETFs can be traded throughout the day in amounts as little as one share.
EXCHANGE-TRADED NOTE:	The note is a senior, unsecured, unsubordinated debt issued by a major bank. It has a maturity date and is backed only by the credit of the issuer. The ETN however, do not actually hold any security, instead an issuing bank promises to pay to investors the amount reflected by the index's performance (minus fees).
EXPENSE RATIO:	An annual fee that the fund or ETF charge from the investors in order to provide exposure to the underlying asset.
FUND OF FUNDS:	A fund that invests in other funds instead of investing directly in stocks, bonds or other securities.
FUNDAMENTAL INDEXING:	A type of equity index in which stocks or securities are selected based on fundamental metrics such as revenue, dividend rates, earnings or book value.
INDEX:	An imaginary portfolio of securities representing a particular market or a portion of it.
INVERSE ETF:	An ETF that provides opposite (inverse) exposure in the underlying index through use of various financial and money market instruments over a specified period of time. This ETF is similar to holding a short position in order to take profit from the falling prices.
INVESTMENT STYLE:	A different style of investing such as growth, value and blend in a basket of asset.
LEVERAGED ETF:	An ETF that uses various financial instruments to amplify the returns (up to 3 times) of the underlying index over a specified period of time.

LIQUIDITY:	The degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is characterized by a high level of trading activity.
MARKET CAPITALIZATION:	Represents the aggregate value of the fund or underlying asset.
NET ASSET VALUE:	Value of an ETF on per share basis and is calculated as total asset minus total liabilities divided by number of shares.
PASSIVE MANAGEMENT:	A portfolio management strategy where the fund is the mirror image of the performance of the benchmark index.
PORTFOLIO TURNOVER:	A percentage of underlying assets bought and sold in a given year.
R-SQUARED:	A measure of correlation with the market benchmark. An R-Squared of 100 indicates perfect correlation of the fund that of market while an R-Squared of 0 indicates no correlation.
SECTOR ROTATION:	A strategy that involves moving from one sector to another by selling the underlying assets or securities of a sector and purchasing securities or assets in another.
SEC YIELD:	A standard yield that the bond funds must pay to its shareholders based on the most recent 30-day period covered by the fund's filings with the SEC.
SHORT ETF:	An investment strategy that offers to take short position in the underlying index through various financial instruments.
STYLE BOX:	A visual representation of the fund, created by Morningstar, to determine risk-return structures of the portfolio. A style box is comprised of nine squares, or categories, that classify securities by size (small, mid and large cap) along the vertical axis and by value, growth and blend characteristics along the horizontal axis.
TARGET DATE FUND:	A fund that invests exclusively in the assets or securities with a certain defined maturity.
TRACKING ERROR:	A measure of how closely a portfolio follows the benchmark index. It is calculated as the difference between the returns of fund portfolio and the benchmark index.
TREASURY INFLATION PROTECTED SECURITIES:	The bonds that are issued by the U.S. Treasury to protect against inflation. These securities pay interest on an inflated-principal amount (principal rises with inflation) and when the securities mature, investors get either the inflation-adjusted principal or the original principal, whichever is greater.
VOLATILITY:	A measure of risk calculated by the annualized daily movement in the fund price. The lower the volatility of the fund the better it is.
VOLUME:	The number of shares traded in the market during a given period of time.
YIELD CURVE:	A line that plots the interest rates of bonds having equal credit quality but differing maturity dates. The yield curve provides an idea of future interest rate change and economic activity. It generally compares the three-month, two-year, five-year and 30-year U.S. Treasury debt
WEIGHTED MATURITY:	The remaining time to maturity of the underlying securities in a portfolio. A fund with a short average maturity is more sensitive to current interest rate fluctuations than one with longer average maturity.

Disclosure

This material is being provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. All information is current as of the date of herein and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Please read the prospectus carefully.

The data on the front page and all the charts in the report represent market data as of 01/01/2021, while the report's text is as of 01/07/2021