AI-04556 FTEC-VGT vs IVES

Tell me more the IVES ETF, who is the Fund Manager and what are his thesis of creating the ETF? How does it compare to VGT/FTEC? Is it based on an Index or active management? Say more.

The **Dan IVES Wedbush AI Revolution ETF (Ticker: IVES)** is a thematic exchange-traded fund launched by Wedbush Capital designed to capture the broader monetization of artificial intelligence.

1. Fund Manager & Core Investment Thesis

The Creator

Dan Ives, Managing Director and Senior Equity Research Analyst at Wedbush Securities, is one of Wall Street's most visible technology analysts.

The Thesis

Ives' core thesis is that **artificial intelligence represents the most significant technological transformation since the inception of the Internet in 1995.**

- **The "3rd Inning" Framework:** Ives argues that the AI transformation is only in its early stages (the "3rd inning" of a 9-inning game).
- **Beyond the Chip Stage:** While the initial stage of the AI boom was driven primarily by hardware demand (GPUs/semiconductors), Ives believes the next phases will unleash over **$1 trillion in capital expenditures** across software, cloud hyper-scalers, cybersecurity, and data infrastructure.
- **Ecosystem Capitalization:** The strategy targets the entire AI value chain—encompassing foundational hardware, cloud providers, cybersecurity platforms, and enterprise software application layer companies monetizing AI models.

2. Structure: Index-Based vs. Active Management

While tied to Dan Ives' active equity research, **IVES is technically an index-tracking ETF.**

- **Underlying Index:** It tracks the **Solactive Dan IVES Wedbush AI Revolution Index**.
- **Methodology:** The index uses proprietary rules based on Wedbush's AI research and Natural Language Processing (NLP) screening to identify, rank, and weight approximately 30–35 global AI leaders.
- **Execution:** Because it tracks an index systematically, it functions as a passive index fund with rules-based rebalancing, though the constituent rules originate from Ives' research framework.

3. How IVES Compares to Broad Tech ETFs (VGT / FTEC)

While **VGT** (Vanguard Information Technology ETF) and **FTEC** (Fidelity MSCI Information Technology ETF) are broad, market-cap-weighted benchmarks for the entire U.S. tech sector, **IVES** is a targeted, thematic play.

Feature	Dan IVES AI Revolution ETF (IVES)	VGT / FTEC
Strategy Type	Thematic AI Ecosystem (Global)	Broad U.S. Tech Sector
Index Tracked	Solactive Dan IVES Wedbush AI Revolution Index	MSCI US IMI Info Tech 25/50 Index

Expense Ratio	**0.75%**	**0.10% (VGT) / 0.084% (FTEC)**
Holdings Count	Concentrated (~30–35 stocks)	Broad (300+ stocks)
Geographic Scope	**Global:** Includes U.S., Taiwanese, South Korean, and European AI supply chain leaders (e.g., TSMC, SK Hynix).	**U.S. Only:** Restricted strictly to U.S.-domiciled equities.
Sector Boundaries	Cross-sector (Tech, Telecom, AI infrastructure).	Strictly standard GICS "Information Technology" classification (excludes Meta and Alphabet/Google, which are classified as Communication Services).

Summary Takeaway

- **VGT and FTEC** serve as ultra-low-cost, highly diversified foundational core holdings for broad exposure to the U.S. technology sector.
- **IVES** is a higher-cost (0.75% expense ratio) thematic play designed for tactical allocation. It cuts across traditional sector boundaries and geographic borders to focus specifically on companies directly tied to the AI buildout and monetization curve.

ChatGPT

The **Dan IVES Wedbush AI Revolution ETF (NYSE: IVES)** is quite different from **VGT** or **FTEC**. Although all three are technology-oriented ETFs, their investment philosophy couldn't be more different.

1. Who is Dan Ives?

Dan Ives is one of Wall Street's best-known technology analysts. He is Managing Director and Global Head of Technology Research at Wedbush Securities.

He has become famous for:

- Being one of the earliest and most vocal AI bulls.
- Consistently bullish on Nvidia, Microsoft, Palantir, Tesla, Oracle and the AI infrastructure buildout.
- Appearing almost daily on CNBC, Bloomberg and Fox Business.

His ETF was launched because investors kept asking:

> "Why don't you just package your favorite AI stocks into an ETF?"

That's essentially what happened.

His investment thesis

Dan Ives believes we are entering what he calls the

> **Fourth Industrial Revolution**

His thesis is simple:

> AI is not another software upgrade.

It is comparable to

- electricity
- the internet
- smartphones

combined.

He believes AI spending will last **10-15 years**, creating trillions of dollars of enterprise investment. (Barron's)

Instead of buying "technology" broadly...

...he wants to own the companies that are **actually building the AI revolution.**

His AI ecosystem

Rather than buying every technology company, IVES invests in roughly **30 companies** that Dan Ives believes directly benefit from AI.

Examples include

- Nvidia
- Microsoft
- Amazon
- Alphabet
- Oracle
- Palantir
- Broadcom
- Apple
- Tesla
- AMD
- IBM

and several infrastructure companies. (Barron's)

Notice something?

Many are names you already like.

Is IVES index based?

No.

This is probably the biggest difference.

VGT/FTEC	**IVES**
Passive	Active
Tracks index	Human judgment
Quarterly index rebalance	Portfolio changes when Dan Ives changes his thesis

No opinions	Entirely opinion-driven

VGT and FTEC simply follow published indexes. (Vanguard)

IVES is essentially

> "Dan Ives' Top 30 AI stocks."

Who manages it?

This is an interesting nuance.

Dan Ives does **not** personally execute trades in the ETF due to conflict-of-interest rules. Instead:

- Wedbush licenses his research and name.
- The ETF manager implements the portfolio based on the strategy and research framework. (Barron's)

Expense ratio

This is where many investors hesitate.

Approximate expenses:

- FTEC: **0.08%**
- VGT: **0.09%**
- IVES: **0.75%** (Vanguard)

That's about **8–9 times more expensive** than VGT or FTEC.

The question becomes:

> Can Dan Ives outperform the index by at least 0.66% annually after fees?

Compare the philosophies

VGT / FTEC

These ETFs say:

> We don't know who will win.

So they own almost every IT company.

Approximately 300+ holdings.

Very diversified.

Very low turnover.

Passive.

IVES

IVES says:

> We DO know who will win.

Own only the companies building AI.

Ignore everyone else.

Much more concentrated.

Holdings overlap

Interestingly...

There is a large overlap.

Approximate overlap:

- Nvidia
- Microsoft
- Apple
- Broadcom
- AMD
- Oracle

These are already major positions inside VGT/FTEC.

The difference is what IVES **adds** or **overweights**, such as companies like Palantir or Tesla depending on Dan Ives' current conviction. (Barron's)

Risk comparison

VGT / FTEC

Risk comes from:

- technology sector

That's about it.

If AI underperforms but cybersecurity does well...

VGT still benefits.

If semiconductors slow but software accelerates...

VGT adjusts automatically through the index.

IVES

Much more dependent on Dan Ives being right.

If his AI thesis plays out...

IVES could outperform.

If he overestimates certain companies...

it may lag passive funds.

Which would Warren Buffett prefer?

Almost certainly:

VGT/FTEC.

Because Buffett generally prefers:

- rules
- low fees
- broad diversification
- avoiding manager risk

Which would Cathie Wood prefer?

Probably IVES.

It is closer to a high-conviction thematic strategy centered on disruptive innovation.

If I were building an AI portfolio today

For a long-term investor (20+ years):

- **VGT/FTEC**: Core holding for broad, low-cost technology exposure.
- **IVES**: Satellite position if you specifically want to express confidence in Dan Ives' AI thesis and are comfortable paying a higher fee for active selection.

Given what you've shared previously about favoring long-term compounding, low complexity, and concentrating on enduring technology leaders, **FTEC or VGT aligns more closely with that philosophy**. IVES is best viewed as an optional tactical overlay rather than a replacement for a broad technology ETF.