

## RATING REPORT

*iShares Investment Grade Bond Factor ETF*

AS OF: Apr 01, 2024

INCEPTION DATE: May 31, 2017

**SPONSOR:** BlackRock**FEE:** 18 bps**TOTAL ASSETS:** \$593,605,977**TICKER:** IGEB US**STYLE INFORMATION:** Optimized**REPLICATION PROCESS:** Physical**INDEX TYPE:** Total Return**WEIGHTING SCHEME:** Optimized**UNDERLYING REGION:** USA**BLOOMBERG TICKER:** IGEB US Equity**ASSET CLASS:** Fixed Income**REGION DISTRIBUTED:** United States

Gold

## WHAT YOU NEED TO KNOW

Gold indices are determined to be of high quality, scoring favorably in categories judged to be critical by The Index Standard. This index ETF uses probability of default to determine the health of a range of corporate issuers. Many large bond managers produce this metric, so it is a common and accepted process. The optimization approach is widely used and has typically been proven to be robust. Overall, the implementation is sensible and tries to provide a defensive approach to investment grade instruments. The duration of the ETF is approximately 6.3 years as of Q1 2024. Duration measures the sensitivity of bonds to interest rates and how long it will take for the bonds' price to be repaid via total coupons. So the higher a bond's duration, the bigger its price change as interest rates move. The rule of thumb is, if interest rates fall (rise) by 1%, this index could expect a price gain (drop) of roughly 1% for every year of its duration, i.e. 6.3%.

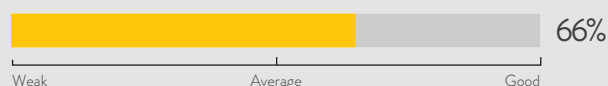
## ABOUT THE INDEX

This index aims to provide returns with an enhanced risk-versus-reward profile over the long term compared to a comparable market-value-weighted US investment grade bond index. The index first screens out bonds with the highest probability of default. The index then uses an optimization process to tilts weights of the remaining bonds according to their returns, adjusted for their risk of default, while aiming to keep the portfolio characteristics similar to an ordinary investment grade bond index and with minimal turnover. In particular, the index tries to keep the duration in line with similar conventional bond indices.

## KEY INDEX STANDARD CATEGORIES

The graphs below show how the index or ETF scores in the categories The Index Standard® deems to be critical. A higher score is better and we show these as percentages. Please see the glossary at the end for more details.

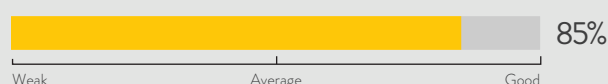
## Capital at Risk Metrics



## Efficiency Metrics



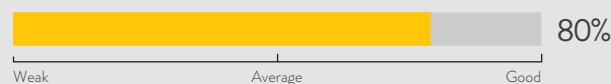
## Return Metrics



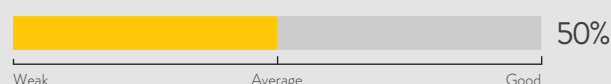
## Risk Metrics



## Robustness Metrics



## Transparency Metrics



## KEY POINTS

Number of Holdings (Circa)	420
Potential for wide Bid/Offer spreads	Low
Current Attractiveness	Neutral
Is this concentrated in the Top 10? (Exceeds 20%)	No
Does this have Sector concentration? (Exceeds 20%)	No
Does this have Country concentration? (Exceeds 20%)	Yes

## iShares Investment Grade Bond Factor ETF

	YTD	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Returns*	-0.08%	7.96%	4.92%	-1.44%	2.21%	1.53%
Volatility		6.76%	6.71%	7.36%	7.61%	6.73%
Ann Return/Volatility		2.36	0.73	-0.20	0.29	0.23

## BENCHMARK PERFORMANCE

	YTD	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Returns*	-0.74%	5.65%	1.29%	-2.58%	0.23%	9.14%
Volatility		6.98%	6.66%	6.61%	6.51%	5.06%

\* Returns for 3, 5, 10 years are annualized

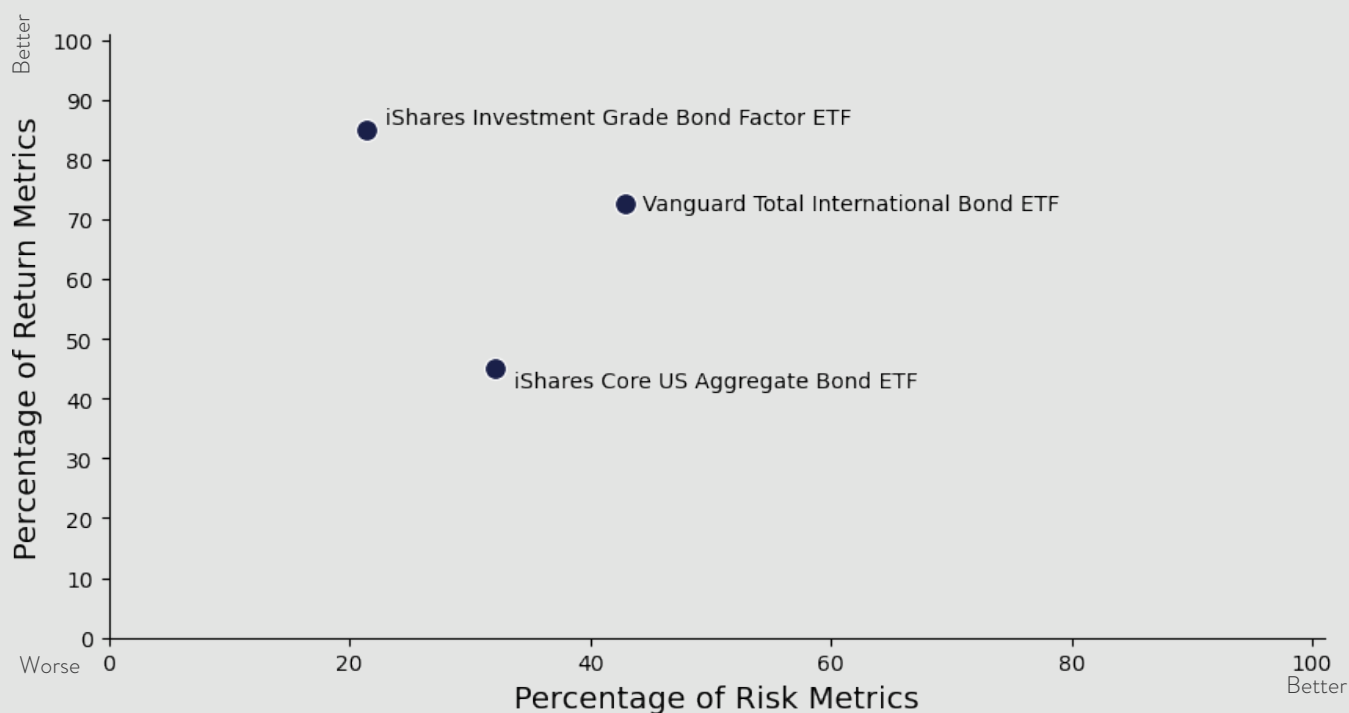
## KEY METRICS &amp; DRAWDOWNS

Beta	1.01
Dividend Yield	No
Max Drawdown 3 years	-21.13%
Max Drawdown Overall	-21.13%
Max Drawdown Recovery Days	692

\* Calculated using data starting at the later of the index base (backtest start) date and 1st Jan 2000

## CATEGORY METRIC COMPARISON

This graph shows the particular index or ETF on The Index Standard®'s key categories. We show the return scores as a percentage, higher is better. We combine all our risk scores to show one composite risk score, again, higher is better.



## MOST SIMILAR ETF / INDICES

Vanguard Intermediate-Term Corporate Bond ETF, ticker VCIT US

Goldman Sachs Access Investment Grade Corporate Bond ETF, ticker GIGB US

iShares Intermediate-Term Corporate Bond ETF, ticker IGIB US

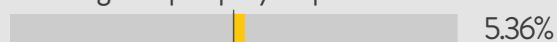
iShares Broad USD Investment Grade Corporate Bond ETF, ticker USIG US

iShares iBoxx \$ Investment Grade Corporate Bond ETF, ticker LQD US

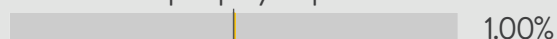
## FACTORS

The Index Standard® runs a comprehensive analytical process to narrow down the characteristics of each index. We determine how much of the index performance can be attributed to various investment factors. A positive number means it leans on the factor and a negative number means it is not related to this factor.

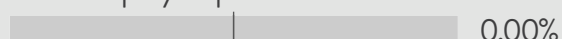
### US Large Cap Equity Exposure



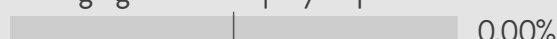
### US Small Cap Equity Exposure



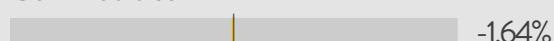
### EAFE Equity Exposure



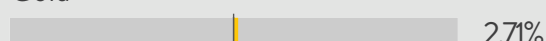
### Emerging Market Equity Exposure



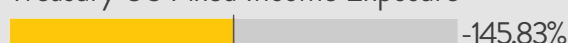
### Commodities



### Gold



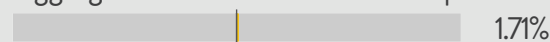
### Treasury US Fixed Income Exposure



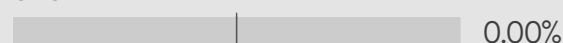
### Aggregate US Fixed Income Exposure



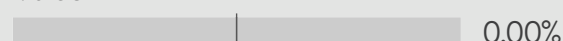
### Aggregate Global Fixed Income Exposure



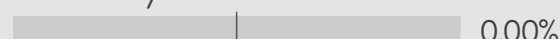
### Size



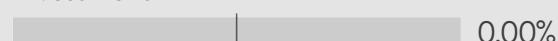
### Value



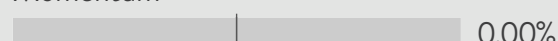
### Profitability



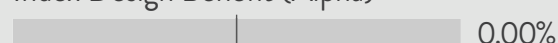
### Investment



### Momentum



### Index Design Benefit (Alpha)



## Glossary on The Index Standard® Rating Categories.

**Robustness Metrics:** This category helps us to understand the number and type of parameters used in the index, and the tradability in times of market stress, and the erosion of returns to due to tradability considerations. In addition, this metric assists us in understanding the validity of our results and should not be ignored by readers.

**Transparency Metrics:** This is a qualitative scorecard metric that explores the "small print", such as hidden fees or costs, as well as adherence to IOSCO principles.

**Capital at Risk Metrics:** This is a critical category for readers concerned with avoiding capital losses. Volatility is not an all-encompassing measure. It can be deceptive at times. The value at risk metric and drawdowns are critical inputs into this category.

**Risk Metrics:** This is an important category for us. We evaluate each index with several key risk and volatility metrics.

**Efficiency Metrics:** We evaluate several efficiency metrics to determine an Index's ability to balance off return and risk attributes and deliver returns commensurate with these risks.

**Return Metrics:** We analyze several critical return-related metrics, such as annualized returns, skew, and kurtosis. This category should not be viewed in isolation but balanced off with performance and risk.

For further information, please contact us at [info@theindexstandard.com](mailto:info@theindexstandard.com)

Past performance is not indicative of future performance. All opinions, reports, ratings, and scenarios of The Index Standard are subject to change. The Index Standard is not a registered investment advisor, and nothing in The Index Standard's reports is intended, and it should not be construed, to be investment advice. This material has been prepared by The Index Standard on the basis of publicly available information internally developed and other third-party resources believed to be reliable. The Index Standard did not attempt to verify the information independently. No representation is made as to the accuracy of the assumptions made within, or completeness of any opinion, report, rating, or scenarios. No representation is made that any omissions or error in any of its opinion, report, rating, or scenarios will be corrected. The Index Standard is not obliged to inform the recipients of this report, or any other communication of any change to any opinion, report, rating, or scenarios.

The Index Standard does not own, sponsor or administer any index, nor act as calculation agent, consultant, advisor or licensor in respect of any index. The Index Standard makes no representation or warranty, express or implied, regarding any index or its development and has no responsibilities, obligations or liabilities with respect to the inception, calculation, operation, maintenance or adjustment of any index. The Index Standard has not been authorized to act as agent for any index and in no way promotes, solicits, negotiates, endorses, offers, sells, issues, supports, structures or prices any security or investment relating to any index.

Unless expressly stated otherwise by the relevant entity, no owner, sponsor, administrator, calculation agent or licensor of an index (i) acts as fiduciary or agent of any purchaser, seller or holder of any security or investment relating to the index; (ii) makes any representation or warranty, express or implied, including, but not limited to, regarding (a) the advisability of purchasing, selling or holding any security or investment relating to the index, (b) the ability of the index to track corresponding or relative market performance, and (c) the merchantability or fitness for a particular purpose or use of the index or any data or information relating thereto; (iii) guarantees the timeliness, accuracy, adequacy, completeness or availability of the index or any data or information relating thereto, or is responsible for any errors or omissions regardless of the cause; (iv) shall have any liability in connection with the index or any data or information relating thereto; or (v) shall have any liability with respect to any security or investment, or any liability for any loss relating to any security or investment, whether arising directly or indirectly from the use of the index, its methodology, or otherwise.

The index performance data and ratings are calculated by COMPASS FINANCIAL TECHNOLOGIES SA. COMPASS FINANCIAL TECHNOLOGIES SA uses its best efforts to ensure that the services are calculated correctly. The calculation of these index performance data and ratings by COMPASS FINANCIAL TECHNOLOGIES SA does not constitute a recommendation by COMPASS FINANCIAL TECHNOLOGIES SA to invest capital in financial products nor does it in any way represent an assurance or opinion of COMPASS FINANCIAL TECHNOLOGIES SA with regards to any investment therein. Readers are made aware, and accept, that calculations are based on large quantities of data provided by third parties and are thus susceptible to errors, interruptions and delay.

Reproduction of this report or any content or information contained herein in any form is prohibited except with the prior written permission of The Index Standard or, in the case of third-party content, its respective owner.