

## RATING REPORT

*iShares Edge MSCI Min Vol USA ETF*

AS OF: May 01, 2024

INCEPTION DATE: Jan 01, 2011

**SPONSOR:** MSCI**FEE:** 15 bps**TOTAL ASSETS:** \$23,590,307,810**TICKER:** USMV US**STYLE INFORMATION:** Low Volatility**REPLICATION PROCESS:** Physical**INDEX TYPE:** Total Return**WEIGHTING SCHEME:** Optimized**UNDERLYING REGION:** USA**BLOOMBERG TICKER:** USMV US Equity**ASSET CLASS:** Equity**REGION DISTRIBUTED:** United States**Platinum****WHAT YOU NEED TO KNOW**

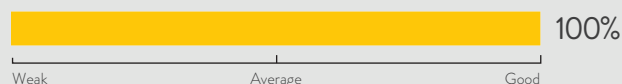
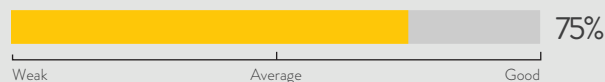
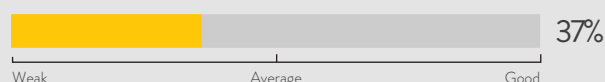
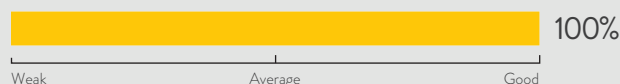
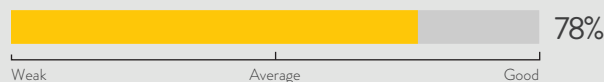
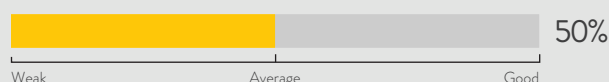
Platinum indices are determined to be of the highest all-round quality, scoring highly in categories judged to be critical by The Index Standard. This is an admirable index ETF that uses a well-structured framework to deliver more stable and smoother returns than the benchmark index. Using an optimized approach with tools that MSCI is well known for, the index essentially overweight's stocks with the lowest volatility and low correlation to other stocks. The result is a well diversified, defensive index that gives exposure to a group of US stocks with more consistent performance. It has a lower beta to the benchmark and could be appealing to risk-adverse readers and those seeking stability. The index may have some overweight sector exposures over time and as of Q2 2024 it has a slight overexposure to the IT sector that currently has more than 20% allocation.

**ABOUT THE INDEX**

The index selects stocks from the MSCI USA universe and uses an optimization process that weights the stocks to obtain as little variation and as much diversification to produce an index that has the lowest volatility. Academics have extensively researched the "low volatility" phenomena and demonstrated that it is a proven technique. (It works due to some inherent investor biases that exist, in this case, they prefer high beta stocks and chase up prices of these stocks.)

**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)	170
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%)	Yes
Does this have Country concentration? (Exceeds 20%)	Yes

## iShares Edge MSCI Min Vol USA ETF

	YTD	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Returns*	3.55%	13.25%	11.09%	5.53%	7.94%	10.30%
Volatility		8.01%	8.35%	12.95%	17.49%	14.39%
Ann Return/Volatility		3.31	1.33	0.43	0.45	0.72

## BENCHMARK PERFORMANCE

S&amp;P 500 Total Return Index

	YTD	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Returns*	6.04%	20.98%	22.66%	8.06%	13.19%	9.14%
Volatility		11.15%	11.45%	17.04%	20.99%	17.47%

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

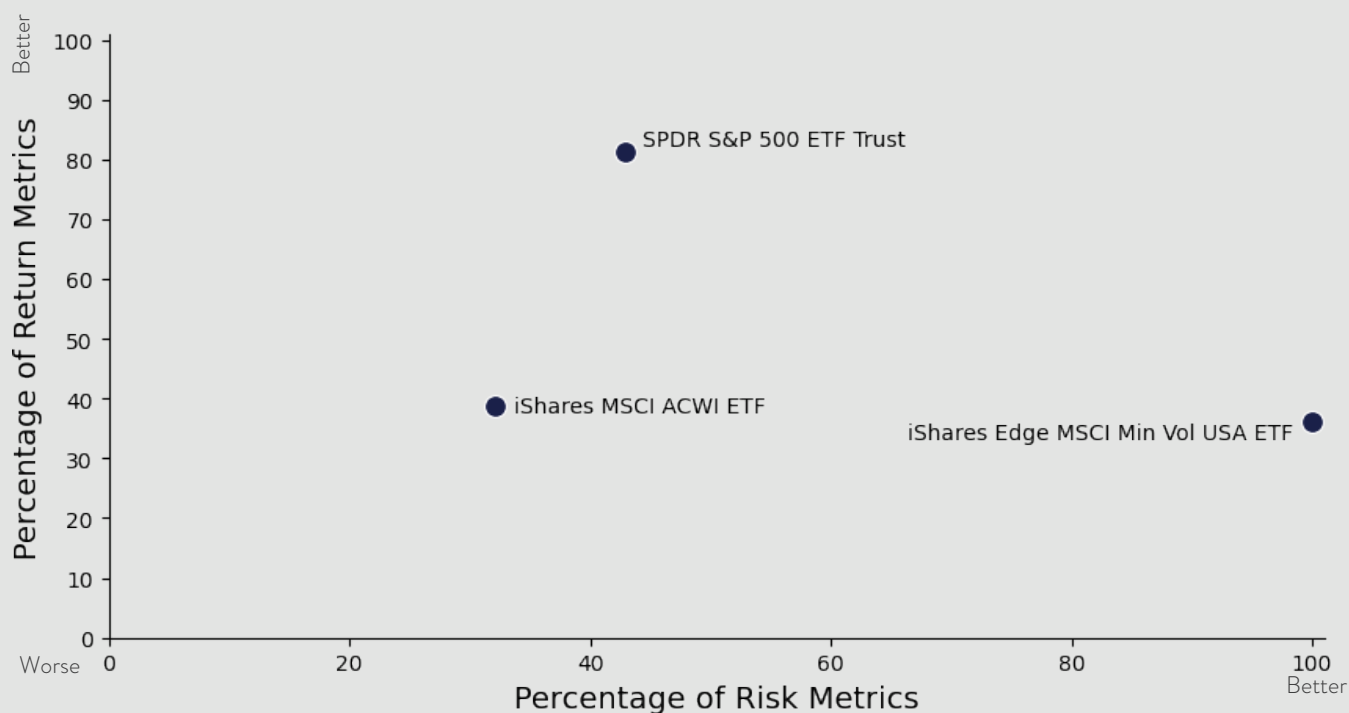
## KEY METRICS &amp; DRAWDOWNS

Beta	0.68
Dividend Yield	No
Max Drawdown 3 years	-17.92%
Max Drawdown Overall	-46.61%
Max Drawdown Recovery Days	905

\* 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

SPDR SSGA US Large Cap Low Volatility Index ETF, ticker LGLV US

Vanguard Dividend Appreciation ETF, ticker VIG US

iShares Edge MSCI Min Vol Global ETF, ticker ACWV US

First Trust Capital Strength ETF, ticker FTCS US

SPDR MSCI USA StrategicFactors ETF, ticker QUS US

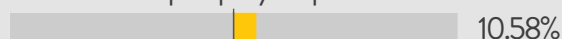
## FACTORS

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.

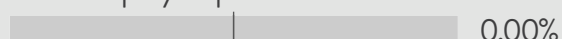
### US Large Cap Equity Exposure



### US Small Cap Equity Exposure



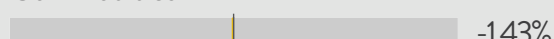
### EAFE Equity Exposure



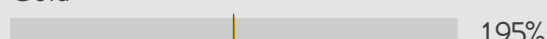
### Emerging Market Equity Exposure



### Commodities



### Gold



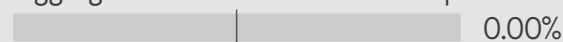
### Treasury US Fixed Income Exposure



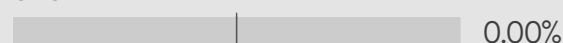
### Aggregate US Fixed Income Exposure



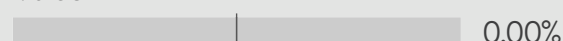
### Aggregate Global Fixed Income Exposure



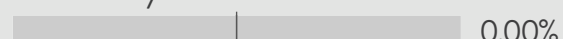
### Size



### Value



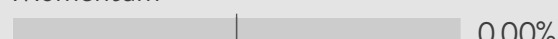
### Profitability



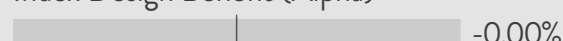
### Investment



### 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)

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