

RATING REPORT

iShares Investment Grade Bond Factor ETF

AS OF: May 01, 2024

INCEPTION DATE: May 31, 2017

SPONSOR: BlackRock**FEE:** 18 bps**TOTAL ASSETS:** \$650,919,301**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

WHAT YOU NEED TO KNOW

Silver indices are determined to be in the medium tier, scoring positively in most 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 Q2 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



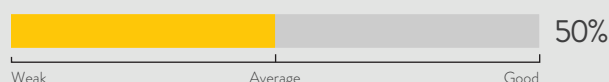
Risk Metrics



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*	-2.55%	7.59%	1.91%	-2.50%	1.72%	1.31%
Volatility		6.57%	6.86%	7.43%	7.66%	6.73%
Ann Return/Volatility		2.31	0.28	-0.34	0.22	0.20

BENCHMARK PERFORMANCE

	YTD	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Returns*	-3.20%	4.67%	-1.78%	-3.63%	-0.23%	9.14%
Volatility		6.55%	6.71%	6.68%	6.56%	5.09%

* Returns for 3, 5, 10 years are annualized

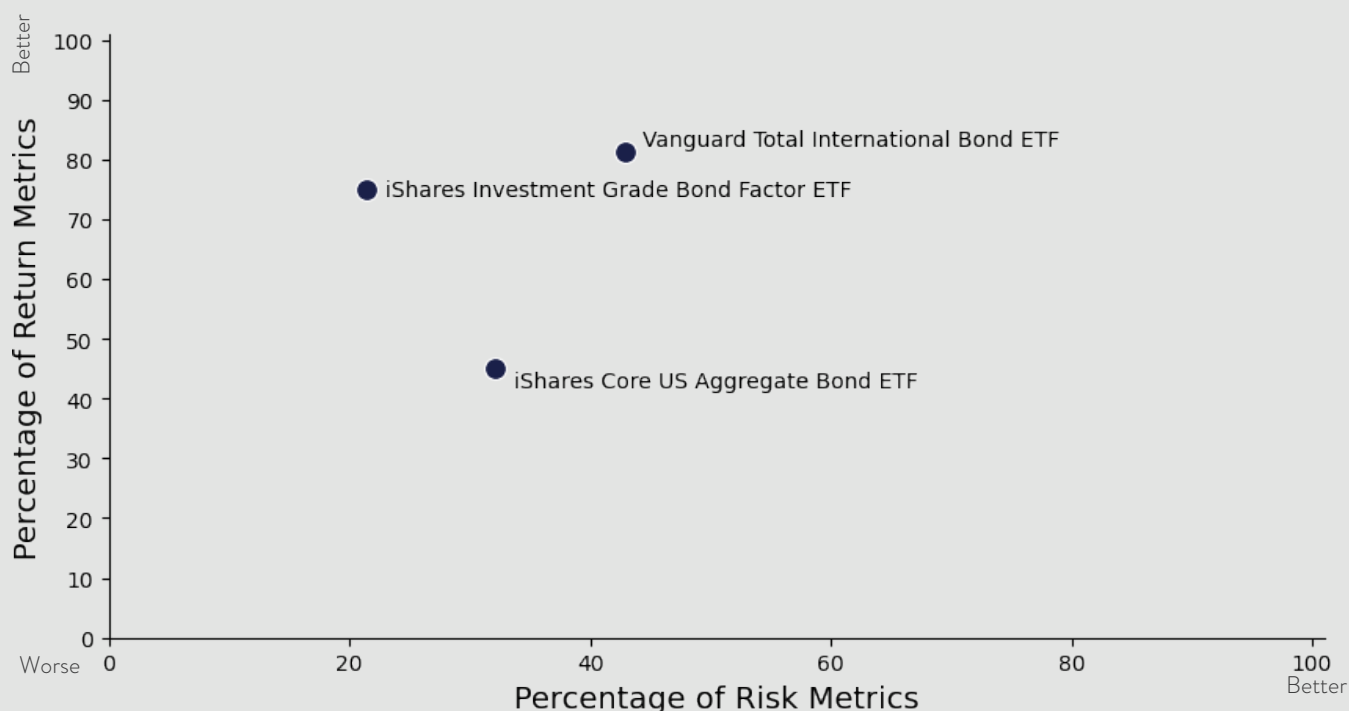
KEY METRICS & DRAWDOWNS

Beta	1.01
Dividend Yield	No
Max Drawdown 3 years	-21.13%
Max Drawdown Overall	-21.13%
Max Drawdown Recovery Days	714

* 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

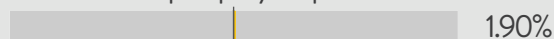
FACTORS

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.

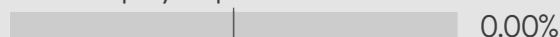
US Large Cap Equity Exposure



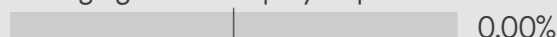
US Small Cap Equity Exposure



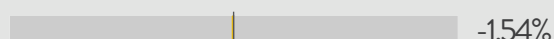
EAFE Equity Exposure



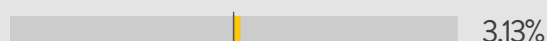
Emerging Market Equity Exposure



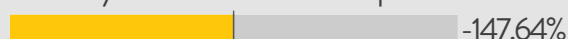
Commodities



Gold



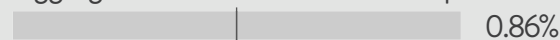
Treasury US Fixed Income Exposure



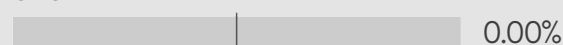
Aggregate US Fixed Income Exposure



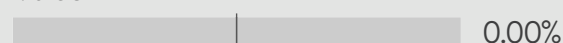
Aggregate Global Fixed Income Exposure



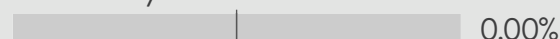
Size



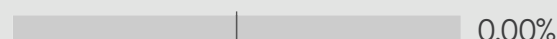
Value



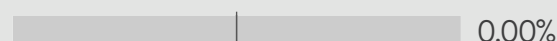
Profitability



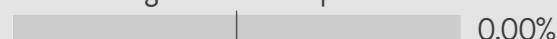
Investment



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

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