

GARP

iShares MSCI USA Quality GARP ETF

Fund Description

GARP tracks an index of US large- and mid-cap growth stocks with perceived quality and value characteristics.

FactSet Analyst Report

GARP focuses on large- and mid-cap US growth stocks that exhibit value and quality traits, or growth at a reasonable price. The selection process begins with the MSCI USA Index, where each stock is assigned a growth score based on five criteria: long-term and short-term forward EPS growth rates, historical EPS and sales per share growth trends, and current internal growth rate. Stocks with higher growth scores are selected until they represent approximately 50% of the parent index. Each stock then receives a tilt score, which considers value (P/B, forward P/E, and EV/CFO) and quality (ROE, D/E, and earnings variability) metrics relative to its sector. The portfolio is then tilted toward securities that score favorably on both metrics. To maintain diversification, constraints ensure no stock exceeds 5% and sector weights are balanced. Index rebalancing is done quarterly. Before June 3, 2024, the fund was named iShares Factors US Growth Style ETF and was listed under the ticker STLG. It also tracked a different index, the Russell US Large Cap Factors Growth Style Index.

