

ISVL

iShares International Developed Small Cap Value Factor ETF

Fund Description

ISVL tracks an index of small-cap value companies selected by a combination of technical and fundamental factors and also weighted by market-cap.

FactSet Analyst Report

ISVL targets 450-550 small-cap stocks in developed markets outside of the US and Korea with value characteristics. Portfolio construction starts by screening its parent index for liquidity, volatility, and leverage. This screening process excludes: (i) 20% of the least liquid stocks based on the 60-day average dollar value traded, (ii) top 20% of those with the highest risk based on 12-month trailing realized volatility, and (iii) top 20% of those with the highest leverage. Then, additional exclusion applies to stocks with a negative sentiment score and negative price momentum. The final portfolio is composed of the remaining companies ranked using a weighted composite score of price-to-book, price-to-earnings, and price-to-cash flow from operations. The fund is weighted in proportion to their float adjusted market capitalization as of previous month end with a country constraint of +/- 10% relative to the parent index.

