

# SMLF

## iShares MSCI USA Small-Cap Multifactor ETF

### Fund Description

SMLF tracks an index of small-cap US equities. Stocks are selected and weighted to increase exposure to 4 factors (quality, value, momentum and size) while maintaining similar characteristics to the MSCI USA Small Cap Index.

### FactSet Analyst Report

SMLF targets US small-caps optimized semi-annually for enhanced exposure to four style factors while keeping its expected risks in line with the MSCI USA Small Cap Index (the parent index). Eligible securities are given a composite score according to the factors quality, value, momentum, and low size derived from the global equity model. Quality score is measured by the company's profitability, earnings variability, investability, and leverage ratios, whereas value is based on book-to-price and earnings yield. Momentum score refers to the performance of the securities as compared to the broader market over a period of time, and low size score measures the market value of a company against other eligible constituents. Overall, SMLF effectively captures the US small-cap space relative to the four style factors and can be used as a complement to LRGF and MIDF which on the other hand focuses on US total market and midcaps respectively.