

SMMV

iShares MSCI USA Small-Cap Min Vol Factor ETF

Fund Description

SMMV tracks an index of US-listed small capitalization stocks selected and weighted to create a low volatility portfolio, subject to constraints.

FactSet Analyst Report

SMMV is a potential fit for investors looking to capture the small-cap size factor but trying to avoid interim volatility. Starting with the US small-cap universe, SMMVs underlying index uses a volatility-based optimization approach including correlation between stocks within the index, to build a minimum variance portfolio of small-cap stocks. This semi-annual optimization process is applied within a given set of constraints (minimum and maximum constituent weight, sector, and factor constraints) to help maintain index investability and replicability. By design, SMMV will have lower market risk (beta) than a typical market-cap-selected and -weighted small-cap portfolio.