

USBF

iShares USD Bond Factor ETF

Fund Description

USBF tracks an index of USD-denominated Treasuries, securitized fixed income instruments, and high yield or investment grade corporate bonds. The index uses a proprietary factor model that selects bonds based on macroeconomic, quality, and value style factors.

FactSet Analyst Report

USBF tracks an index of USD-denominated bonds selected from a broad universe of fixed income securities and allocated based on a proprietary factor model. The portfolio seeks to enhance the performance and balance the return sources of the aggregate US bond market while maintaining a similar risk profile. Portfolio selection and weighting is determined by a model that systematically applies macroeconomic factor timing and tilt, along with investment style factors. Based on these factor assessments, the exposure will shift the overall interest rate and credit risk. Portfolio construction begins with the status of the economy, which considers high yield bond prices and price momentum, to determine sector allocations. The allocation is then optimized to seek maximum carry and duration. The final step considers quality and value factors to select individual securities. The fund is then rebalanced on the last business day of each month.

