

# QUAL

**iShares**  
by BlackRock

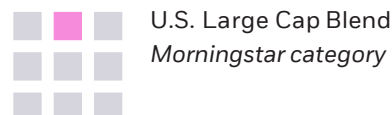
## NEW BLEND FOR YOUR STYLE BOX

iShares Factor ETFs seek to track indexes that employ intuitive screens that active managers have used for generations, but can now be accessed with ease using tax-efficient and low-cost ETFs.

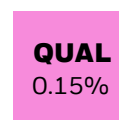
**QUAL is a large cap blend portfolio** for investors seeking higher long-term returns by investing in companies with healthy balance sheets.

### Screens for:

Ratio	Objective
Return on equity	To identify profitable companies
Earnings consistency	To determine stocks with earnings stability
Debt-to-equity	To find stocks with low leverage



U.S. Large Cap Blend  
*Morningstar category*



**iShares MSCI USA  
Quality Factor ETF**  
*Expense ratio*

**Holdings:** 125

**Inception date:** July 16, 2013

**Index:** MSCI USA Sector Neutral  
Quality Index

# 97%

## LOW COST

QUAL's expense ratio is **lower than 97%** of its peers, **0.53% less** than comparable active mutual funds.<sup>1</sup>

# 0%

Capital gains

## TAX EFFICIENT

QUAL **has never paid a capital gains distribution** vs. avg. annual Morningstar Large Cap Blend category of 5.3%.<sup>2</sup>

<sup>1</sup> Morningstar as of 3/31/24. Universe includes non-index funds and institutional class of funds with 5 years of performance and based on average prospectus net expense ratios.

<sup>2</sup> Morningstar as of 3/31/24. Capital gains for Open Ended Large Cap Blend (Morningstar category) active mutual funds. Universe includes non-index funds and institutional class of funds with 5 years of performance. **Past performance does not guarantee future results. Past distributions are not indicative of future distributions. There is no guarantee that distributions will not be made in the future.**

## Companies identified by screens

### Notable QUAL Inclusion (Weight %)

#### NVDA: NVIDIA (6.85%)

NVIDIA scores well across all Quality metrics. In particular, NVIDIA had a relative high ROE score to the broader market and also had positive exposures to the D/E and Enterprise Value Metrics

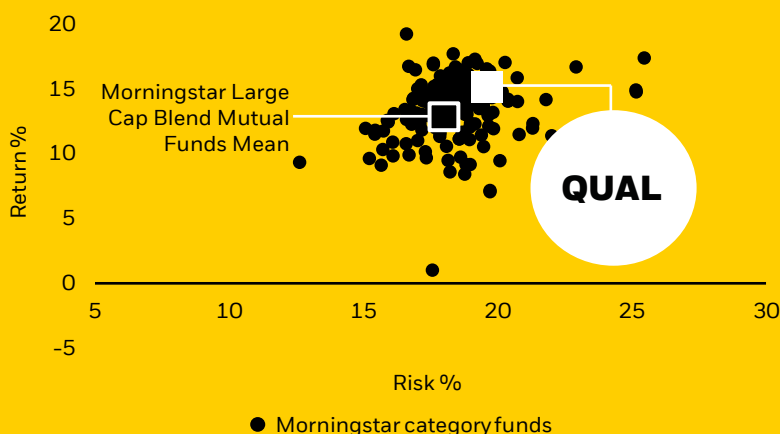
### Notable QUAL Exclusion

#### CVX: Chevron

Chevron has an attractive Debt to equity score. However Chevron has negative exposure to the ROE metric as well as one of the highest earnings variability of measures companies. Therefore, Chevron was excluded from the fund.

## QUAL vs. Morningstar competitor funds\*

(4/1/2019 - 3/31/2024)



Holdings as of 3/31/24 and are subject to change. Notable Inclusions and Exclusions are selected as they are illustrative of the investment process as of the most recent rebalance (11/30/23). Securities shown for illustrative purposes only and should not be construed as recommendation to buy, hold or sell. There is no guarantee that any securities remain in or out of the fund. For current fund holdings, see [www.iShares.com](http://www.iShares.com).

\*Source: Morningstar, since QUAL inception performance for period ending 3/31/2024. Universe includes the institutional share class of actively managed U.S. large cap blend funds. Risk, represented by standard deviation, measures how dispersed returns are around the average. A higher standard deviation indicates that returns are spread out over a larger range of values and thus, more volatile. **Past performance does not guarantee future results. BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.**

QUAL Standardized Performance (as of 3/31/24)	1 Year	5 Years	10 Years	Since inception (7/16/2013)
Fund NAV Total Return	34.05%	14.86%	13.14%	13.57%
Fund Market Price Total Return	34.18%	14.87%	13.14%	13.58%
MSCI USA Sector Neutral Quality Index	34.26%	15.07%	13.33%	13.76%

*The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com).*

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Any applicable brokerage commissions will reduce returns. Beginning August 10, 2020, market price returns for BlackRock and iShares ETFs are calculated using the closing price and account for distributions from the fund. Prior to August 10, 2020, market price returns for BlackRock and iShares ETFs were calculated using the midpoint price and accounted for distributions from the fund. The midpoint is the average of the bid/ask prices at 4:00 PM ET (when NAV is normally determined for most ETFs). The returns shown do not represent the returns you would receive if you traded shares at other times.

**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.**

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There can be no assurance that performance will be enhanced or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

Diversification may not protect against market risk or loss of principal. Transactions in shares of ETFs may result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders.

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