

iShares US Financials ETF

Sabrient Category: **Sector/Financials**

NYSE-ARCA: **IYF**

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ETF Fundamentals IYF

Sabrient Rating	Attractive
Outlook Score	76
Specialty	DJ US Sector Indexes
Assets Managed	\$2.00B
Fund Family	BlackRock Fund Advisors
Price	\$88.12
NAV	\$88.58
52-week High/Low	\$91.79/75.47
Dividend Yield	1.41%
Avg. Daily Volume	880,174
ETF Originated	May 26, 2000
Expense Ratio	0.45%
Constituents	277

Constituent Averages

Price-to-book Ratio	1.4
Price-to-earnings Ratio	15.2
Price-to-projected-earnings Ratio	14.6
Price-to-sales Ratio	2.4
Price-to-cash-flow Ratio	15.0
Market Cap	\$29.5B
Long Term Projected Growth Rate	9.9%

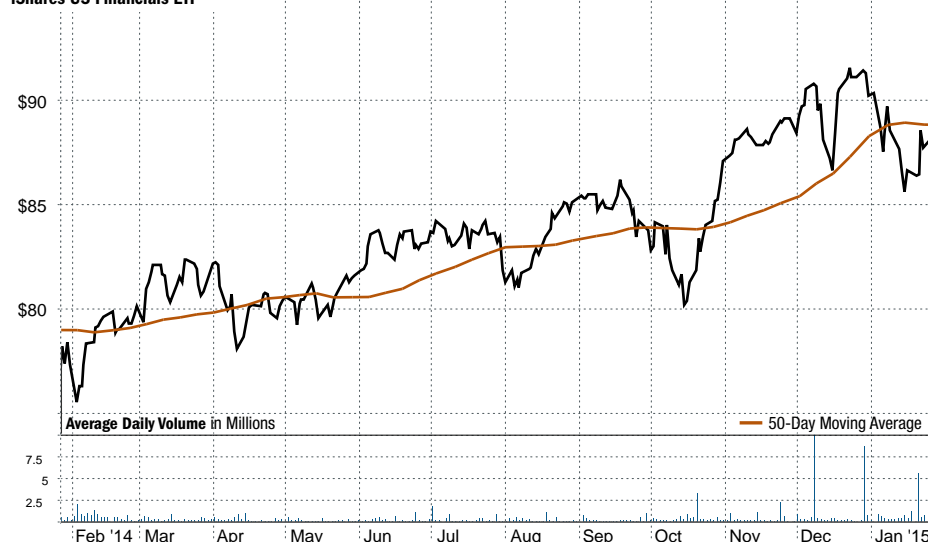
Historical Performance IYF Sabrient Category

	Annualized Returns (%)	
Year to date	-2.4	-3.4
1-Year	15.8	17.7
2-Year	18.3	21.4
3-Year	20.2	23.6
5-Year	12.9	13.6

Sabrient Scores IYF Sabrient Category

Value Score	61	66
Growth Score	50	47
Momentum score	46	41
Efficiency Score	37	23
Analyst Sentiment Score	61	35
% Buys	38	37
% Holds	50	44
% Sells	12	19

iShares US Financials ETF



Fund Profile

The iShares Dow Jones U.S. Financial Sector Index Fund (NYSE Arca: IYF) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Dow Jones U.S. Financials Index. The Index measures the performance of the financial sector of the U.S. equity market and includes companies in these industry groups: banks, non-life insurance, life insurance, real estate and general finance. The Fund invests in a representative sample of companies in that Index.

General Analysis

With a gain of 15.8% versus 17.7% for the average Financials fund over the trailing twelve months, the iShares US Financials ETF has slightly underperformed its peers. Nevertheless, this return places IYF just above the median total return for all exchange traded funds during that time. This basket of Financials stocks, while boasting gains, has lagged other Financials baskets. However, rating in the top third of the markets for Sabrient's forward-looking Outlook Score at 76, IYF offers a favorable probability for relatively high returns over the next six to twelve months.

Showing assets of \$2.0 billion under management, this rates among the largest U.S. equity funds. IYF shows a Value Score of 61, a Growth Score of 50 and a Momentum Score of 46. On the whole, there just isn't anything too exciting or too weak with this fund. It's running in the middle of the pack across a wide variety of style metrics.

Some fundamental ratios like return on sales, assets and equity quantify operational efficiency and so give insight into performance and company fitness. Aggregating these traditional fundamental measures across all holdings results in a middle of the pack Sabrient Efficiency score of 37. The lower this composite fundamental measure, the greater the downside volatility. Of all the stocks comprising this fund, 38.3% are rated a buy by the Sabrient Rating algorithm.

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Risk Metrics	IYF	Sabrient Category
Annual return	23.5%	28.1%
Volatility	4.2%	5.1%
Sharpe	1.87	1.82
Alpha	0.04%	0.59%
Beta	1.23	1.45

Exposures (small moves)

Cap. size	0.81	0.81
Style	0.90	0.94
Interest rates	0.00	-0.01
Sabrient Category	1.30	

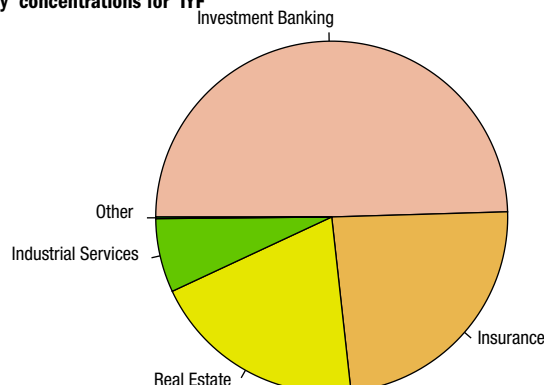
Exposures (large moves)

Market	0.76	0.69
Cap. size	0.77	0.70
Style	0.80	0.74
Interest rates	-0.00	-0.00
Sabrient Category	1.31	

Top Holdings

Berkshire Hathaway	6.8%
Wells Fargo	6.4%
J P Morgan	5.8%
Bank Of America	4.7%
Citigroup	4.1%
Visa	3.2%
MasterCard	2.1%
American Express	2.1%
US Bancorp	2.0%
Goldman Sachs	2.0%

Industry concentrations for IYF



Risk Analysis

This Financials sector fund has had mixed performance results over the past one to three years compared with other Financials sector funds. This performance comes with a volatility of 4.2% compared with 5.1% for the category average. Single-factor model performance estimates this fund has an alpha of 0.04% and a beta of 1.23, so this fund's response to market moves is substantially amplified, and in the past it has neither gained nor lost ground relative to the market regardless of market ups and downs. With a Sharpe ratio of 1.87, this fund has offered quite a large amount of extra return for the extra volatility relative to a standard savings account. All of these figures are computed on data from the past three years.

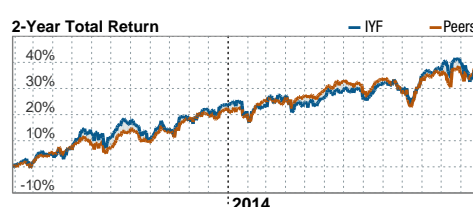
This fund invests primarily in a single sector or industry. While this exposes holders of this fund to the risk characteristics of just this single sector or industry, that is of course, usually the point of funds like this.

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Peer Analysis

This table compares IYF with other similar ETFs. The Peer Analysis chart compares IYF's 2-year total return with the average 2-year total return of these ETFs.



Symbol	Company	Outlook	Ann. Ret.	Volatility	Expense	Assets (\$M)
IYF	iShares US Financials ETF	76	23.5%	4.2%	0.45%	2,000
IYC	iShares US Consumer Services ETF	58	25.2%	3.6%	0.45%	836
IDU	iShares US Utilities ETF	49	14.8%	3.7%	0.45%	2,065
IYJ	iShares US Industrials ETF	58	19.8%	3.9%	0.45%	861
IYH	iShares US Healthcare ETF	75	27.8%	3.3%	0.45%	2,164
IYE	iShares US Energy ETF	7	5.1%	4.9%	0.45%	1,190

Sabrient Definitions

Sabrient Rating: There are 5 possible Sabrient ratings: Most Attractive, Attractive, Neutral, Less Attractive, and Least Attractive. These ratings are based on the Sabrient Outlook Score and are tied to a forecast of returns during the coming 3 to 6 months.

Outlook Score: The Sabrient Outlook Score reflects the likelihood of above average returns during the coming 3 to 6 month period. Scores are from 0-100 with higher numbers representing the greater likelihood of above average returns.

Sabrient Category: Sabrient categorizes each ETF into one of 8 broad classes of ETFs: Cap-style, Sector, Industry, Location, Active, Income, Technical, Exotic and then into a "subcategory" within each category.

Specialty: Some funds are further categorized by a specialty. This field may be blank when a specialty does not make sense for a particular ETF.

Constituent Averages: These are weighted averages or otherwise aggregated common fundamental analysis statistics for the underlying holdings of the ETF and can be thought of as representing the ETF as a whole.

Sabrient Scores: The Sabrient Scores are used to rank ETFs against one another, with higher scores being better. This section compares various Sabrient scores for the subject ETF with its Sabrient category. Scores range from 0-100 with higher numbers being better.

- **Value Score:** The Sabrient Value Score represents the attractiveness of the ETF to a typical value-seeking investor. The score is based on aggregate price-to-book, price-to-earnings, price-to-sales ratios and other valuation-oriented statistics.
- **Growth Score:** The Sabrient Growth Score reflects a fund's attractiveness to a typical growth-seeking investor. Historical and projected earnings growth, sales growth, projected cash flows, and changes in earnings estimates are all factors in this score, among other things.
- **Momentum Score:** The Sabrient Momentum Score measures a fund's aggregated constituent scores for earnings and price momentum, augmented by group strength, money flow, and relative volume. This score is higher when returns and earnings have been rising, in general.
- **Efficiency Score:** Sabrient's efficiency score for ranking ETFs against one another is a measure of return on sales, return on assets, and return on earnings. These statistics are combined and ranks are generated to result in this score.
- **Analyst Sentiment Score:** The Sabrient Analyst Sentiment Score is a measure of how bullish or bearish recent changes in analyst projections have been. Stocks with recently lowered expectations will score low whereas stocks with recently raised expectations will score high.

Exposures: The "small moves" section lists the historical percent ETF return coinciding with a 1% change in the listed variable, averaged over ordinary levels of changes in the variable. The "large moves" section is the same thing, except it is averaged over larger levels of change in the exposure variable.

About Sabrient

Sabrient Systems LLC is an independent equity research firm based in Santa Barbara, CA, providing fundamentals-based quantitative research on more than 5,000 U.S.-traded equities. The Sabrient proprietary methodology and systems were developed by an experienced research team led by David Brown, a former NASA scientist and past founder & CEO of Telescan. Clients include institutions, portfolio managers, investment advisors, and hedge funds, as well as self-directed investors and active traders. The firm was founded in 2000 and is headquartered in Santa Barbara, CA.

Using a scientific hypothesis-testing approach, the Sabrient research team selects from more than 400 factors to create a library of over 100 multi-factor filters, each targeting a key area of traditional stock analysis, including value, growth, and momentum. Combining multi-factor filters and using non-linear relevance scoring has led to full-spectrum strategies and flexible models.

Sabrient's proprietary SectorCast model provides relative rankings of sectors, industries, and the ETFs that track them based on a bottom-up composite profile of the underlying constituents. This fundamentals-based model employs both historical and forward-looking growth metrics, as well as factors related to Wall Street analyst consensus sentiment. The model is useful for relative rankings among ETFs, as well as sector rotation, enhanced ETF, and sector-specific long/short portfolios.

For more information on Sabrient and its performance, go to www.sabrient.com

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