

INVESTING WITH BOND ETFs

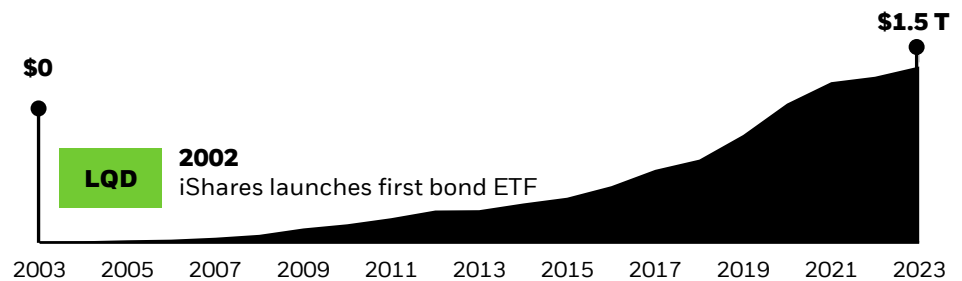
iShares
by BlackRock

SAME POTENTIAL BENEFITS, DIFFERENT ASSET CLASS

Exchange traded funds (“ETFs”) first appealed to equity investors, as they provided transparency and liquidity through exchange trading. Investors increasingly recognize that the potential three benefits of ETFs—**competitive performance, low cost and liquidity**—apply to bonds just as they do to equities.

Bond ETFs: fastest growing U.S. bond market

Bond ETF AUM*



1. COMPETITIVE PERFORMANCE

iShares Bond ETFs have outperformed a majority of their peers over the last year.[†]

2. LOW COST

On average, iShares bond ETFs cost 77% less than active mutual funds.[‡]

3. LIQUIDITY

Bond ETFs trade thousands of times throughout the day on the exchange, while individuals bonds may not trade daily.[§]

What role do bonds play in your portfolio?

Diversify equities

AGG

iShares Core U.S. Aggregate Bond ETF
Expense ratio: 0.03%

IUSB

iShares Core Total USD Bond Market ETF
Expense ratio: 0.07%

LQD

iShares iBoxx \$ Investment Grade Corporate Bond ETF
Expense ratio: 0.14%

MUB

iShares National Muni Bond ETF
Expense ratio: 0.05%

Preserve capital

ICSH

BlackRock Ultra Short-Term Bond ETF (active)
Expense ratio: 0.08%

ISTB

iShares Core 1-5 Year USD Bond ETF
Expense ratio: 0.06%

IGSB

iShares 1-5 Year Investment Grade Corporate Bond ETF
Expense ratio: 0.04%

TFLO

iShares Treasury Floating Rate Bond ETF
Expense ratio: 0.15%

Generate income

HYG

iShares iBoxx \$ High Yield Corporate Bond ETF
Expense ratio: 0.49%

BINC

BlackRock Flexible Income ETF (active)
Expense ratio: 0.53%

USHY

iShares Broad High Yield Corporate Bond ETF
Expense ratio: 0.08%

*Source: Bloomberg 12/31/2023. Universe represented by U.S. fixed income ETF AUM. †Source: BlackRock calculation using fund performance rankings from Morningstar, as of 12/31/2023. Comparison universe is ETFs and mutual funds in the Morningstar category and uses total return. Overall figure is a weighted average of the percentage of funds that the iShares bond ETFs have outperformed in each Morningstar category, weighted based on the number of funds in the Morningstar category. The funds outperformed 53%, 54% and 52% of peers on a 1, 5 and 10 year basis, respectively. Performance may be different for other time periods. ‡Source: Morningstar as of 12/31/2023. Comparison is between the Prospectus Net Expense Ratio for the average Fixed Income iShares ETF (0.19%) and the average Fixed Income Open-End Mutual Fund (0.83%) available in the U.S. ex money market funds. §Source: TRACE and Markit iBoxx from 12/1/22 to 12/31/2023.

1. COMPETITIVE PERFORMANCE

Fund percentile ranking

Based on total return

Percentile ● 1% – 25% ● 26% – 50% ● 51% – 75% ● 76% – 100%

What role bonds can Play in your portfolio:			1-year	3-year	5-year	10-year	Morningstar category
Seek to diversify from equities	iShares Core U.S. Aggregate Bond ETF	AGG	52%	42%	49%	38%	Intermediate Core Bond
	iShares Core Total USD Bond Market ETF	IUSB	54%	47%	55%	--	Intermediate Core-Plus Bond
	iShares National Muni Bond ETF	MUB	40%	37%	28%	22%	Muni National Intermediate
	iShares iBoxx \$ Investment Grade Corporate Bond ETF	LQD	14%	92%	35%	31%	Corporate Bond
Seek capital preservation	BlackRock Ultra Short-Term Bond ETF (active)	ICSH	56%	32%	29%	33%	Ultrashort Bond
	iShares 1-5 Year Investment Grade Corporate Bond ETF	IGSB	21%	57%	18%	33%	Short-term Bond
	iShares Core 1-5 Year USD Bond ETF	ISTB	56%	77%	60%	45%	Short-term Bond
	iShares Treasury Floating Rate Bond ETF	TFLO	76%	27%	71%	--	Ultrashort Bond
Seek to generate income	iShares Broad USD High Yield Corporate Bond ETF	USHY	18%	46%	33%	--	High Yield Bond
	iShares iBoxx \$ High Yield Corporate Bond ETF	HYG	46%	69%	69%	65%	High Yield Bond
	BlackRock Flexible Income ETF (active)	BINC	--	--	--	--	Multisector Bond

Source: Morningstar as of 12/31/2023. Comparison universe is ETFs and mutual funds within the fund's Morningstar category and based on total return. Total return represents changes to the NAV and accounts for distributions from the funds (excluding any applicable sales charges).

The following shows the number of funds rated against for each year shown for every fund: **iShares Core U.S. Aggregate Bond ETF** rated against 471, 425, 385 and 277 Intermediate Core Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Core Total USD Bond Market ETF** rated against 632, 568 and 536 Intermediate Core-Plus Bond funds over the 1, 3 and 5-years respectively; **iShares National Muni Bond ETF** rated against 285, 259, 236, and 176 Muni National Intermediate funds over the 1, 3, 5 and 10-years respectively; **iShares iBoxx \$ Investment Grade Corporate Bond ETF**: rated against 204, 187, 171 and 100 Corporate Bond funds over the 1, 3, 5 and 10-years respectively; **BlackRock Ultra Short-Term Bond ETF (active)**: rated against 234, 205 and 184 Ultrashort Bond funds over the 1, 3, and 5-years respectively; **iShares 1-5 Year Investment Grade Corporate Bond ETF**: rated against 574, 535, 495 and 357 Short-term Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Core 1-5 Year USD Bond ETF**: rated against 574, 535, 495 and 357 Short-term Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Broad USD High Yield Corporate Bond ETF**: rated against 670, 618 and 586 High Yield Bond funds over the 1, 3 and 5-years respectively; **iShares Treasury Floating Rate Bond ETF**: rated against 234, 205, and 184 Short-term Bond funds over the 1, 3 and 5-years respectively; **iShares iBoxx \$ High Yield Corporate Bond ETF**: rated against 670, 618, 586 and 432 Short-term Bond funds over the 1, 3, 5 and 10-years respectively **BlackRock Flexible Income ETF**: Inception date is 05/19/2023. **Past performance does not guarantee future results.**

2. LOW COST

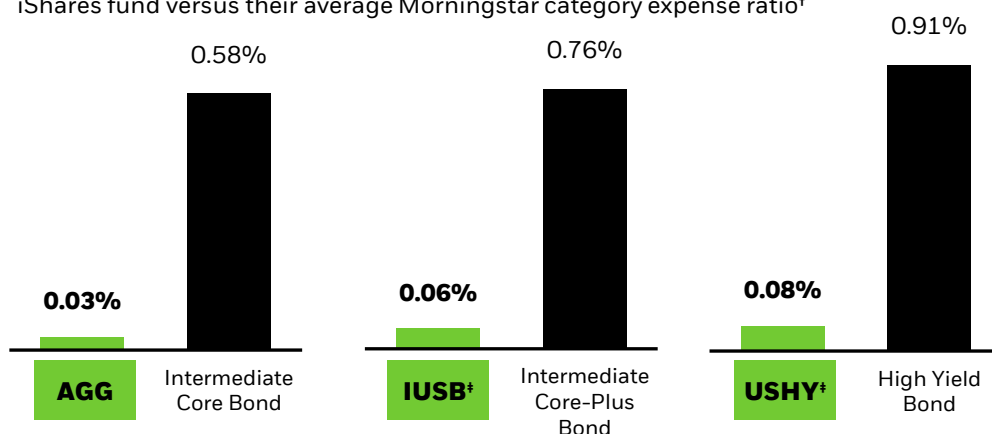
Don't let high fees eat up your yield.

Keep more of what you earn
4.53%

Yield to maturity of the Bloomberg U.S. Aggregate Bond Index*

A cost effective alternative

iShares fund versus their average Morningstar category expense ratio†

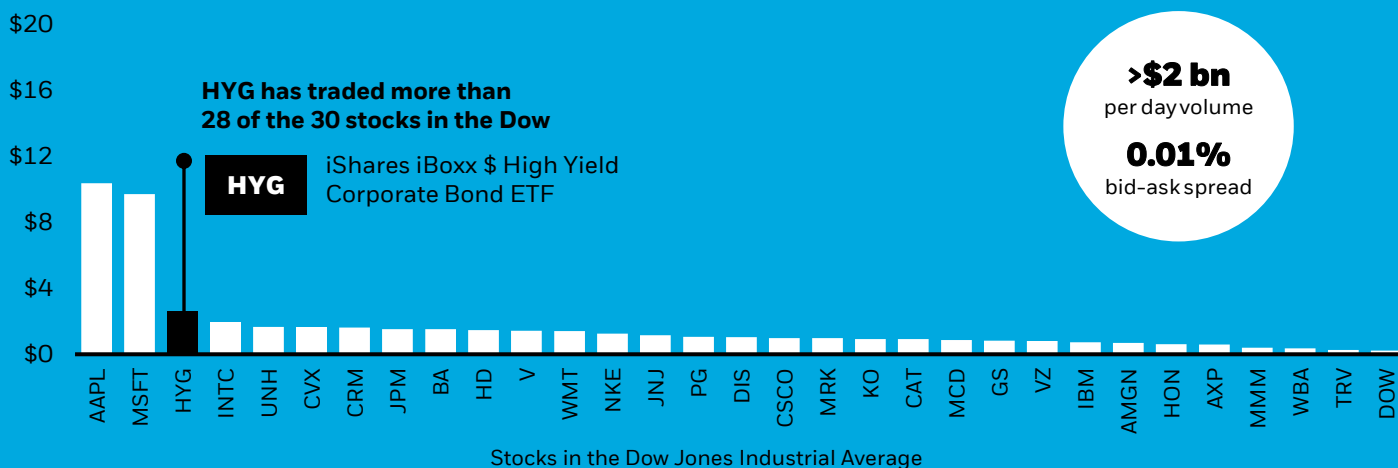


3. LIQUIDITY

The world's largest capital market, U.S. bonds, is finally moving to the transparency and liquidity of exchange trading.

The Dow vs. HYG

Average daily trading volume (\$ bn)§



* Source: Morningstar as of 12/31/2023. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

† Source: Morningstar as of 12/31/2023. Average prospectus Net expense ratio is shown for the Morningstar category averages and span the entire universe of ETFs and mutual funds, inclusive of active and passive, within the respective categories.

‡ Source: Morningstar as of 12/31/2023. Contractual fee waivers are in effect for IUSB through 02/29/2024 respectively and gross expenses for IUSB is 0.07%.

§ Source: Bloomberg, BlackRock, S&P Dow Jones, as of 12/31/2023. Volume based on full year average. HYG spread data as per NYSE Arca, Bloomberg as of 12/31/2023.

Standardized performance as of 12/31/2023

Fund name	Fund inception date	Gross/net expense ratio (if applicable)	30 day SEC yield (with/without waiver)	Contractual fee waiver expiration (if applicable)	1-year returns		5-year returns		10-year returns		Since inception	
					NAV	Mkt price	NAV	Mkt price	NAV	Mkt price	NAV	Mkt price
iShares Core U.S. Aggregate Bond ETF (AGG)	09/22/2003	0.03%	4.15%	--	5.58%	5.65%	1.05%	1.03%	1.77%	1.75%	3.08%	3.08%
iShares Core Total USD Bond Market ETF (IUSB)	06/10/2014	0.06%	4.47%	--	6.20%	6.23%	1.40%	1.37%	0.00%	0.00%	1.78%	1.78%
iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD)	07/22/2002	0.14%	5.07%	--	9.27%	9.40%	2.80%	2.79%	3.03%	2.98%	4.54%	4.53%
iShares National Muni Bond ETF (MUB)	09/07/2007	0.05%	3.17%	06/30/2026	5.86%	5.56%	2.21%	2.15%	2.79%	2.82%	3.27%	3.26%
BlackRock Ultra Short-Term Bond ETF (ICSH)	12/11/2013	0.08%	5.57%	--	5.59%	5.58%	2.29%	2.28%	1.70%	1.69%	1.69%	1.69%
iShares Core 1-5 Year USD Bond ETF (ISTB)	10/18/2012	0.06%	4.7%	--	5.55%	5.55%	1.72%	1.72%	1.61%	1.58%	1.47%	1.48%
iShares 1-5 Year Investment Grade Corporate Bond ETF (IGSB)	01/05/2007	0.04%	5.17%	--	6.42%	6.41%	2.38%	2.41%	1.78%	1.77%	2.52%	2.52%
iShares Treasury Floating Rate Bond ETF (TFLO)	02/03/2014	0.15%	5.39%	--	5.17%	5.12%	1.89%	1.90%	0.00%	0.00%	1.29%	1.30%
iShares iBoxx \$ High Yield Corporate Bond ETF (HYG)	04/04/2007	0.49%	7.25%	--	12.41%	11.53%	4.29%	4.19%	3.49%	3.42%	4.75%	4.69%
BlackRock Flexible Income ETF (BINC)	05/19/2023	0.53% / 0.40%	5.66%	06/30/2025	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.41%	7.95%
iShares Broad USD High Yield Corporate Bond ETF (USHY)	10/25/2017	0.08%	7.83%	--	13.50%	12.72%	5.16%	4.97%	0.00%	0.00%	3.71%	3.67%

The performance quoted represents past performance of specific funds and does not guarantee future results for such funds. 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 or 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 p.m. 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. Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher rated securities. Preferred stocks are not necessarily correlated with securities markets generally. Rising interest rates may cause the value of the Fund's investments to decline significantly. Removal of stocks from the index due to maturity, redemption, call features or conversion may cause a decrease in the yield of the index and the Fund. There is no guarantee any fund will pay dividends. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes than the general securities market. The BlackRock Short Maturity Bond ETF will invest in privately issued securities that have not been registered under the Securities Act of 1933 and as a result are subject to legal restrictions on resale. Privately issued securities are not traded on established markets and may be illiquid, difficult to value and subject to wide fluctuations in value. Delay or difficulty in selling such securities may result in a loss to the BlackRock Short Maturity Bond ETF. The Fund may invest in asset-backed ("ABS") and mortgage-backed securities ("MBS") which are subject to credit, prepayment and extension risk, and react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly reduce the value of certain ABS and MBS.

The BlackRock Liquidity Income Fund (ICSH) is not a money market fund and is not subject to the strict rules that govern the quality, maturity, liquidity and other features of securities that money market funds may purchase. Under normal circumstances, the Fund's investments may be more susceptible than a money market fund is to credit risk, interest rate risk, valuation risk and other risks relevant to the Fund's investments. The Fund does not seek to maintain a stable net asset value of \$1.00 per share. The Fund will hold securities with floating or variable interest rates which may decline in value if their coupon rates do not reset as high, or as quickly, as comparable market interest rates. Although floating rate notes are less sensitive to interest rate risk than fixed rate securities, they are subject to credit and default risk, which could impair their value. Actively managed funds do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds.

Securities with floating or variable interest rates may decline in value if their coupon rates do not keep pace with comparable market interest rates. The Fund's income may decline when interest rates fall because most of the debt instruments held by the Fund will have floating or variable rates. The strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective. 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. Diversification and asset allocation may not protect against market risk or loss of principal. Prepared by BlackRock Investments, LLC, member FINRA. The iShares Funds are not sponsored, endorsed, issued, sold or promoted by JPMorgan Chase & Co. or Market Indices Limited. Neither of these companies make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with these companies. **BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.**

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