SEEK ENHANCED INCOME

iShares by BlackRock

iShares Equity BuyWrite ETFs

Key Takeaways

Seeks Enhanced Income
Seeks to enhance dividend income through the sale of monthly call options.

Diversification
Potential to outperform the benchmark in periods of flat or falling markets, providing diversification when its needed.

Easy Access
Convenient and cost-efficient single-ticker access to a custom options overlay strategy.

iShares S&P 500 BuyWrite ETF

IVVW

Underlying ETF: IVV
Strike: 101%*
Expense Ratio: 0.25%

iShares Russell 2000 BuyWrite ETF

IWMW

Underlying ETF: IWM
Strike: 102%*
Expense Ratio: 0.39%

A Refresher on BuyWrite Investing

BuyWrite ETFs can be a way to diversify traditional sources of income through writing monthly call options.

BuyWrite Strategy	=	Long Underlying Security	+	Short Call Option
Potential for increased income and some market participation to a specified cap		Exposure to an underlying asset		Writing (selling) a call option to generate income

For illustrative purposes only.
*The strike price of a call option is the price of the underlying security at which the option can be exercised. In this case, the strike price target is calculated using the closing price of the underlying indices the day before the option is written.

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iShares Equity BuyWrite ETFs – investment process

1. Buy — iShares Equity BuyWrite Strategy ETFs invest the majority of assets in their respective underlying iShares Equity ETFs.

2. Write — The funds will write (sell) call options which expire approximately 1 month after issuance. The notional of option contracts will correspond to the notional value of ETF shares owned.

3. Roll — Each month, the existing option will be replaced (rolled) with a new one. The current option will be repurchased one business day before expiry, and a new one-month option will be written.

4. Distribute — iShares Equity BuyWrite Strategy ETFs seek to pay monthly distributions that include both the option premiums received and the underlying ETF dividends.

Focus on monthly income

BuyWrite strategies sacrifice potential return of the underlying equity ETF in exchange for monthly income.

Return scenarios of a BuyWrite strategy vs. underlying ETF at expiration

When...	Underlying equity ETF	BuyWrite vs. underlying ETF	Rationale
Strong rally in equity market	Appreciates	Potentially underperforms	Covered call creates a ceiling on growth
Steady, moderate growth in equity market	Appreciates	Potentially outperforms	Premium income supplements growth and improves performance
Decline in equity market	Depreciates	Potentially outperforms	Premium income offsets decline

For illustrative purposes only. The information presented does not take into consideration commissions, tax implications, or other transactions costs, which may significantly affect the economic consequences of a given strategy or investment decision.

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 or www.blackrock.com. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

Investment in a fund of funds is subject to the risks and expenses of the underlying funds.

A BuyWrite Strategy ETF use of options may reduce returns or increase volatility. During periods of strong equity market rallies, the ETF may underperform the Underlying Fund. By writing covered call options in return for the receipt of premiums, the ETF will give up the opportunity to benefit from increases in the value of the Underlying Fund but will continue to bear the risk of declines in the value of the Underlying Fund. The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the Underlying Fund over time. The ETF will be subject to capital gain taxes, ordinary income tax and other tax considerations due to its writing covered call options strategy.

Diversification and asset allocation may not protect against market risk or loss of principal. There is no guarantee that any fund will pay dividends. Buying and selling shares of ETFs may result in brokerage commissions. Information on derivatives is for educational purposes only.

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