

ON THE ROAD FROM SAVING TO INVESTING



How iShares is driving progress for millions of people

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

INTRODUCTION

At iShares, we are committed to offering the highest quality investments for the greatest number of people, delivering the best possible value.

The purpose of our fourth annual iShares Report on Investor Progress is to provide a sense of how we are doing on our commitments to you, our 43 million investors.¹ We hope you find some facts here that provide you with glimmers of optimism and renewed confidence to keep investing for the long term.

Markets in the beginning of 2023 continued to challenge even the most committed optimists, with higher interest rates, an uncertain economic outlook, and geopolitical turmoil all leading to heightened volatility. Many savers sought refuge in cash, in record amounts, in search of stable yields.² But investors globally also continued to turn to ETFs, pouring over \$950 billion into ETFs industry-wide in 2023 and benefiting from strong equity and fixed income markets globally, especially towards the end of the year.³

“People are investing in the belief that the road may be bumpy, but you can’t get to where you’re going unless you start – and ETFs are helping empower them to stay on the road.”

We believe more people are turning to ETFs because they are empowering – they provide choices for a range of buyers, from first-time investors to professional wealth and asset managers, to choose how they navigate investing in a way that’s convenient for them. We sometimes think of ETFs like cars – you can pick the right vehicle for you to get to your destination however you choose.

The remarkable thing about ETFs, though, is that they are more than an investment vehicle; similar to other technologies, quality and selection have increased even as overall costs have come down.⁴ Today, you can access over 1,400 ETFs globally, a 50% increase since 2019, from low-cost Core ETFs used to build long-term portfolios, to bond ETFs that investors use to access hundreds of slices of the bond market efficiently, to active and factor ETFs that seek to outperform market-cap benchmarks, to our precision ETF range that enables access to an array of countries, sectors, and commodities.⁵ The quality and selection of ETFs are great equalisers because they enable individuals to invest in ways that were once exclusively for professionals.

We believe people make the decision to get on the road from saving to investing because they hope for a better future and believe long-term financial security and wealth creation is within their reach. In the past five years, tens of millions of people indicated their belief in a better financial future by doubling the amount of assets they entrust to our ETFs.⁶ Our goal is to be relentless in making it easier to start your journey and in offering you an array of convenient routes to help bring your investment destination within view.

HIGHLIGHTS OF INVESTOR PROGRESS

\$204B

QUALITY

In 2023, our clients entrusted us with over \$186 billion in new ETF assets and \$18 billion in index mutual fund assets.⁷

43M

ACCESS

Around the world, 43 million investors use iShares ETFs.⁸

\$630M

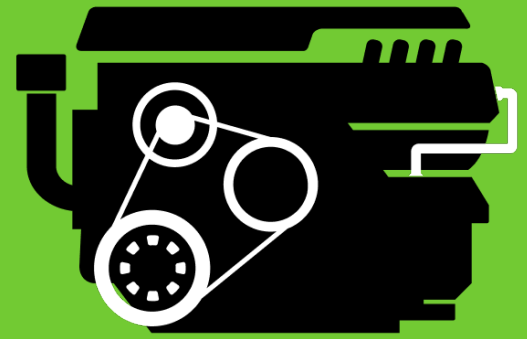
VALUE

Since 2015, iShares has helped save investors \$630 million through fee reductions.⁹

Past performance is not a reliable indicator of current or future results. Please be aware that the costs and fees shown may not be exhaustive. Please refer to the prospectus for more information.

QUALITY

WE BUILD OUR ETFs FOR A VARIETY OF ROADS



Our iShares investment engine focuses on precise outcomes for investors in all market conditions

When people drive, they don't need to think too deeply about how their car's engine works. They can trust the engineering that went into their car, something they feel when they accelerate or brake. This lets them focus on reaching their destination.

At iShares, our Chief Investment Officer, Samara Cohen, leads a team of hundreds of portfolio managers, technologists, and markets experts in a group nicknamed 'The Engine.' They are obsessed with the quality of our ETFs and index investments because we want our clients to stay focused on reaching *their* destinations.

We measure the quality of our ETFs by how precisely they track their respective benchmark indices and how they perform in diverse market conditions in three ways: liquidity, price discovery, and efficient market access. Our investment 'engine' handles thousands of benchmarks, performs millions of calculations and portfolio adjustments to seek precise outcomes, and benefits from the billions we have invested over the years in our technology, including our Aladdin risk management platform.¹⁰

It's in moments of market stress, however, that the investment quality of our ETFs has stood out. In March 2023, for example, as a handful of banks in the US and Switzerland failed, European investors increasingly adopted fixed income ETFs as an efficient way to navigate a volatile bond market. The iShares range represented 66% of the industry's fixed income UCITS ETF trades in March 2023.¹¹ Last year marked the second time ever that iShares' top three fixed income ETFs in EMEA have surpassed the top three equity ETFs in terms of average daily volume.¹² As investors of all types moved back to bonds in 2023, allocating record inflows to fixed income ETFs, many chose iShares, investing \$109 billion with us – more than twice our next competitor.¹³

“ Our engine is always humming. We're constantly innovating to enable our ETFs to expand the world of investments – over 20% of our flows in 2023 came from products launched since 2020. ”¹⁴

As part of our mission to help modernise the bond market globally, in 2023 we launched iBonds ETFs in Europe, Latin America, and Asia Pacific. The innovative iBonds ETF suite, which builds on our leadership position in the US, has fixed maturity dates and can help investors gain exposure to a basket of thousands of bonds and a steady income stream. Unlike bonds, which have been historically difficult to trade, iBonds ETFs trade on exchange, like a stock, offering flexibility to trade in and out with a click of a button. These benefits have been recognised by a whole spectrum of investors seeking to lock in high yield levels, from individuals through to institutional investors. Within just three months of launching in EMEA, the iBonds range surpassed \$1 billion in assets, making it one of our most successful launches in history, and this growth shows no signs of slowing down.¹⁵

Another way we are focused on improving the bond markets is by forging partnerships across the bond ecosystem. For example, in Europe we have expanded our collaboration with trading platform Tradeweb to improve the sourcing of bonds, the liquidity of bond ETFs, and overall market quality – benefits that are ultimately passed to investors through cheaper and more efficient ETF trading.¹⁶

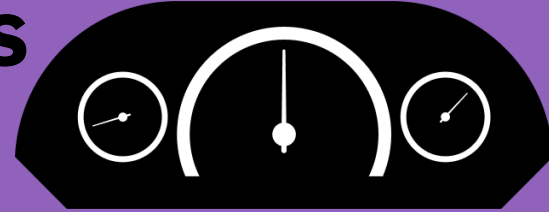
While our clients trust us to obsess about our investment quality measures, some will want to trust and verify. In Europe, we were awarded ETF Provider of the Year at Financial News's Excellence in Institutional Fund Management Awards,¹⁷ and ETF Issuer of the Year at the ETF Stream Awards, where we also received the ETF Launch of the Year award for our iBonds ETFs range.¹⁸

Our commitment to providing people with high-quality investments is resonating. In 2023, our clients entrusted us with over \$204 billion in new ETF and index mutual fund assets.¹⁹

Past performance is not a reliable indicator of current or future results. Fixed income risk: two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to repay the principal and make interest payments.

Aladdin/risk management platform – risk management benefits: While proprietary technology platforms may help manage risk, risk cannot be eliminated.

PUTTING MORE INVESTORS IN THE DRIVER'S SEAT



Empowering millions of people to shift gears from saving to investing

We believe access means freedom of choice for investors with fewer barriers, no matter where they are in their investing journey or how much they want to invest. Lack of access is cited as the main reason why investing is a source of stress for people.²⁰ Our aim is to clear the road so more people can shift gears from saving to investing. Today, 43 million people worldwide use iShares, which we want to more than double to 100 million by the end of the decade.²¹

“Our iShares ETFs are now available with low or no commission on over 100 wealth platforms in 20 countries.”²²

We are forging new relationships with digital wealth platforms and banks to expand access to more people by making investing more convenient and affordable. We believe that even small, incremental reductions in barriers can result in meaningful behavioural shifts.

The shift from saving to investing has accelerated dramatically in Germany, through the growth of digital wealth platforms, convenient automated investing through ETF Savings Plans and the abundance of ETF choices. Five years ago, several hundred thousand Germans invested about €150 a month into ETF Savings Plans – today, it's over seven million.²³ We expect that number to exceed 20 million over the next five years in Germany alone, and to reach over 30 million across Continental Europe as this more accessible way of investing spreads.²⁴

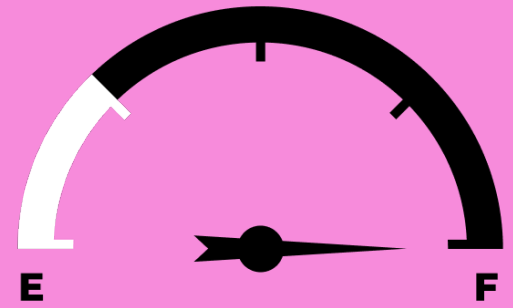
In the UK, we worked with Britain's leading digital bank, Monzo, to offer its customers ready-made investment portfolios built with ETFs through its app, with minimum investments as low as £1. Monzo's mission, 'To make money work for everyone', was such a natural fit with ours. Potential investors seem to agree, with hundreds of thousands of people signing up for the offering even before the official launch.²⁵ We also collaborated with Lloyds Banking Group to launch a shortlist of iShares ETFs to support first-time investors to get started in a simple and cost-effective way.²⁶

Accessibility is about more than offering investors the technology and products to help them build a better financial future. It's also about education and awareness. When we asked European non-investors what would make them feel comfortable to start investing, the most popular response was 'a better understanding of investing'.²⁷ That's why, alongside our partnerships and development of new products, we're focusing on a comprehensive education programme across our social media channels to help empower individual investors to take the wheel. For example, we're working with international online bank and digital brokerage SAXO to close the gender investment gap by launching an international campaign to encourage more women to start on their investing journeys.

Please be aware that the costs and fees shown may not be exhaustive. Please refer to the prospectus for more information.

GET MORE MILEAGE OUT OF YOUR INVESTMENTS

Helping our clients keep more of what their money earns



Our ambition is not just to provide high-quality investments to millions of people, but also to be relentless in providing you a great deal. Over the years, as our clients' investments have grown, we've become better able to invest in our scale and pass back efficiencies through lower fees.

For people starting out on their investing journey, as well as experienced investors, our Core range offers a broad selection of low-cost, diversified ETFs across a breadth of geographic exposures. Our Core ETFs benefit from the depth and scale of the iShares ETF platform to bring you high quality at an affordable price.²⁸

“ In Europe, iShares Core ETFs charge roughly one-tenth the average price of the comparable mutual fund. ²⁹

Since 2015, iShares has helped save investors over \$630 million through fee reductions.³⁰ Those savings are in the billions of US dollars when you factor in the greater price competition ETFs have stimulated across the whole asset management industry.³¹

We also want investors to get more mileage through more affordable access to professionally managed solutions. In Europe, our ESG multi-asset portfolio 'active' ETFs offer sustainable, whole portfolio solutions to investors. The suite of funds invests in a diversified portfolio of sustainable ETFs and is designed to provide return while maintaining pre-defined risk profiles that investors can choose from. Crucially, although these funds are actively managed – a feature that would tend to command a higher fee versus indexed products – we are able to offer them at a price that's similar to many indexed ETFs.³²

We're looking for opportunities to expand our offering of active ETFs to more asset classes and investment exposures, bringing professional active management to investors through low-cost vehicles. Our suite of 35 actively-managed ETFs ranks in the lowest cost quintile in the active management universe.³³

Ultimately, we want you to keep more of what your money earns. Investors historically had to trade off investment quality and cost, but ETF technology has upended all that. iShares ETFs enable all investors – from professionals to novices – to access more markets in more ways, while benefiting from ETFs' low fees and tax efficiency.

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“ At iShares, it's our mission to help you navigate the twists and turns of today's markets as you shift from saving to investing. We are driven by our commitment to offering high-quality, convenient, and affordable investments, because we know achieving your long-term financial goals is one of the most important journeys you'll ever take.

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¹ BlackRock, as of September 30, 2023. 43 million figure is an estimate of the number of investors holding iShares ETFs globally using various sources. For the United States, ETF investors calculated using data from Broadridge Financial Solutions, based on a ticker-level analysis of unique, anonymized individual brokerage account numbers that hold at least one iShares ETF and have an account balance greater than \$0, and assumes one account equals one investor which may not reflect potential double counting for households that may have more than one account. For the European Union and the United Kingdom, data is from digital platforms, ExtraETF, Financial Times, AMF, Le Monde, Wisdom Tree, Finanzas, Italian Association of Asset Managers.

² Investment Company Institute data show that total money market fund assets were a record \$5.84 trillion on 29 November 2023. That figure includes \$2.25 trillion in retail investor funds and \$3.59 trillion in institutional funds.

³ Denotes inflows into Global ETPs across the industry. BlackRock Global Business Intelligence, \$825.9 billion as of 7 December 2023.

⁴ Investment Company Institute, Trends in the Expenses and Fees of Funds, 2022, March 2023.

⁵ BlackRock, as of 10 November 2023. iShares offers 1,418 ETFs.

⁶ BlackRock, as of 30 November 2023. Total assets under management (AUM) in iShares ETFs globally as of 30 November 2023 is \$3,352.1 trillion, compared to \$1,794.5 trillion as of 30 November 2018.

⁷ ETF assets: BlackRock iShares Global Business Intelligence (YTD data as of 7 December 2023). BlackRock IMFs: BlackRock Financial Planning and Analysis (YTD as of 31 October 2023).

⁸ BlackRock, as of September 30, 2023. 43 million figure is an estimate of the number of investors holding iShares ETFs globally using various sources. For the United States, ETF BlackRock, as of September 30, 2023. 43 million figure is an estimate of the number of investors holding iShares ETFs globally using various sources. For the United States, ETF investors calculated using data from Broadridge Financial Solutions, based on a ticker-level analysis of unique, anonymized individual brokerage account numbers that hold at least one iShares ETF and have an account balance greater than \$0, and assumes one account equals one investor which may not reflect potential double counting for households that may have more than one account. For the European Union and the United Kingdom, data is from digital platforms, ExtraETF, Financial Times, AMF, Le Monde, Wisdom Tree, Finanzas, Italian Association of Asset Managers.

⁹ BlackRock as of 30 September 2023. Cumulative cost-savings figure is calculated by taking the difference between the previous fund expense ratio and the new fund expense ratio from 2015 through 30 September 2023, multiplied by the fund assets under management at the time of the fund reduction.

¹⁰ BlackRock, Benchmarks and Projections as of 30 September 2023. iShares handled over 1.3 million index changes for over 960 unique equity benchmarks in 2023 through September. Full year spending on technology totals \$2.1 billion since 2020, based on full-year financial results, released 12 January 2024.

¹¹ big xyt, December 2023.

¹² BlackRock, March 2023.

¹³ BlackRock Global Business Intelligence, using data from Markit and Bloomberg: Bond ETFs world- and industry-wide saw record inflows of \$304 billion through 30 November, 2023. iShares bond ETFs saw \$109 billion of inflows through 30 November, 2023, while Vanguard had \$49 billion.

¹⁴ BlackRock Global Business Intelligence, as of 8 December 2023.

¹⁵ BlackRock Global Business Intelligence, as of 30 November 2023.

¹⁶ Tradeweb, 6 December 2022: [Tradeweb issues a press release announcing a partnership with BlackRock to further electrify corporate bond market.](#)

¹⁷ Financial News, as of 27 November 2023, <https://www.fnlondon.com/articles/robeco-schroders-scoop-prizes-at-fn-fund-management-awards-20231127>.

¹⁸ ETF Stream, as of 1 December 2023. <https://www.etfstream.com/articles/etf-stream-reveals-winners-of-etf-awards-2023>.

¹⁹ ETF assets: BlackRock iShares Global Business Intelligence (YTD data as of 7 December 2023). BlackRock IMFs: BlackRock Financial Planning and Analysis (YTD as of 31 October 2023).

²⁰ BlackRock and Human Interest research, Retirement Insights, as of 14 September 2023.

²¹ BlackRock, as of September 30, 2023. 43 million figure is based on account-level data from digital platforms using internal assumptions to estimate the number of individual investors in iShares ETFs across the United States, European Union, and the United Kingdom, using Broadridge Financial Solutions, ExtraETF, Financial Times, AMF, Le Monde, Wisdom Tree, Finanzas, Italian Association of Asset Managers. US iShares ETF investors calculated based on a ticker-level analysis of unique, anonymised individual brokerage account numbers that hold at least one iShares ETF and have an account balance greater than \$0, and internal assumptions on number of accounts per household, per user and tickers per account, which may include double counting.

²² BlackRock, as of 30 September 2023.

²³ ExtraETF, September 2023. Each month, German investors save €164 on average according to the brokers analysed.

²⁴ ExtraETF as of September 2023. The number of ETF savings plans in Germany is expected to triple in five years, to 21.3 million by 2028 from 7.1 million in 2023. In the rest of Continental Europe, the number of savings plans is expected to surge to 10 million by 2028, up from just 500,000 in 2023.

²⁵ BlackRock, Monzo as of 30 September 2023.

²⁶ Lloyds Banking Group, 28 September 2023. [New ETF Quicklist offers easy access to regular investing - Lloyds Banking Group plc.](#)

²⁷ Cerulli research, November 2022. Based on results of survey of 816 European individuals aged 18-44, conducted October 2022.

²⁸ BlackRock, December 2023. iShares Core UCITS ETF costs range from 0.03% TER to 0.74% TER with average of 0.17%. Please be aware that the costs and fees shown may not be exhaustive. Please refer to the prospectus for more information.

²⁹ BlackRock and Broadridge, as of 30 September 2022. Comparison is between the simple average Prospectus Total Expense Ratio (TER) for Europe-domiciled iShares Core Series ETFs (0.14%), and the simple average Total Expense Ratio (TER) for comparable EMEA-domiciled active and index mutual funds determined by BlackRock and using the Broadridge filters for "Allocation," "Equity," and "Fixed Income" (1.16%) available as of 1 December 2021. Europe, Middle East, and Africa (EMEA) is defined by fund domiciled in Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Isle of Man, Israel, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Netherlands, Norway, Poland, Portugal, Slovenia, South Africa, Spain, Sweden, Switzerland, UAE, United Kingdom.

³⁰ BlackRock, as of 30 September 2023. Cumulative cost-savings figure is calculated by taking the difference between the previous fund expense ratio and the new fund expense ratio from 2015 through 30 September 2023, multiplied by the fund assets under management at the time of the fund reduction. Methodology does not account for compounding savings over time.

³¹ *Journal of Portfolio Management*, volume 48 number 5, April 2022 [JPM BR April22 On the Benefits of Scale \(pm-research.com\)](#)

³² BlackRock, November 2023. BlackRock ESG Multi-Asset Conservative, Moderate and Growth ETFs offered at 0.25% Total Expense Ratio.

³³ Morningstar, as of 30 September 2023. Oldest share class used. Comparison of the Average Prospectus Net Expense Ratio universe across exchange traded funds (ETFs) available globally.

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Risk Warnings

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Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

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