



## iShares ETF Fees

A quick guide to fee presentations on iShares.com

### A record of low cost

For the past 20 years, iShares has used its size, scale and trading expertise to provide investors with quality exposures at a low cost. For certain funds, we keep costs low by utilizing contractual waivers to eliminate the costs incurred as a result of holding affiliated funds and investment companies (e.g. iShares ETFs, BlackRock Money Market Funds, etc.) – also known as *Acquired Fund Fees and Expenses* (“AFFE”).

iShares is committed to presenting its fees with the same transparency associated with its ETFs. Below is a quick guide to the fee presentation on iShares.com.

### iShares fees – quick and simple

The following example will help illustrate the various fee components on the iShares product pages. For any fund with a contractual waiver, there are two lines at the top of the product page: the *Expense Ratio* and the *Net Expense Ratio*.

Fees as stated in the prospectus

Expense Ratio: 0.06%

Net Expense Ratio: 0.05%<sup>ⓘ</sup>

The *Expense Ratio* shown above (0.06%) is equivalent to the *Total Annual Fund Operating Expenses* as stated in the fund’s prospectus (also referred to as the *Gross Expense Ratio*).

The *Net Expense Ratio* shown below (0.05%) is the amount an investor pays after accounting for the impact of the contractual waiver. Contractual waivers are in place for a set period of time – click the i-icon for the waiver’s expiration date.

Further down the page is a more a more detailed breakout of fund fees. Clicking the *Expense Ratio* line reveals the full fee breakout.

Fees as of current prospectus		Fees as of current prospectus	
> Expense Ratio ⓘ	0.06%	> Expense Ratio ⓘ	0.06%
- Fee Waivers ⓘ	0.01%	Management Fee	0.05%
= Net Expense Ratio	0.05%	Acquired Fund Fees and Expenses ⓘ	0.01%
		Foreign Taxes and Other Expenses	0.00%
		- Fee Waivers ⓘ	0.01%
		= Net Expense Ratio	0.05%

The *Management Fee* is the fee the investment advisor charges to manage the fund. For this particular fund, the Management Fee is **0.05%**. In addition to the Management Fee, this fund also has **0.01%** of AFFE, making the (Gross) Expense Ratio **0.06%**.

In order to offset the 0.01% of AFFE, the investment advisor will contractually waive the portion of the management fee attributable to the AFFE, leaving the fund with a Net Expense Ratio that is equal to the Management Fee, **0.05%**.

## Appendix

### Management Fee

*Management Fees* are the fees paid by an iShares Fund to BlackRock Fund Advisors (BFA), the Fund's investment advisor. Management fees are expressed as a percentage of a Fund's average daily net assets.

### Total Annual Fund Operating Expenses (Gross/Total Expense Ratio)

Also known as the *Gross/Total Expense Ratio*, the *Total Annual Fund Operating Expenses* represent an aggregated fee rate that includes the Management Fees paid to BFA, any other fund expenses and any Acquired Fund Fees and Expenses. Gross Expense Ratios are disclosed annually in prospectuses and reflect the weighted average daily expenses charged by a fund over the past 12 months as of the fiscal year-end.

### Acquired Fund Fees and Expenses

*Acquired Fund Fees and Expenses*, shown in a fund's expense table, reflect the fund's pro rata share of the indirect fees and expenses that the fund incurs by investing in one or more acquired funds. Acquired Fund Fees and Expenses are not paid directly by the fund that invests in the acquired fund. Acquired Fund Fees and Expenses, similar to the expenses incurred by an operating company, are reflected in the share prices of the acquired fund and, as a result, affect the total returns of a fund that invests in the acquired fund.

## Additional information

### How are Acquired Fund Fees and Expenses (AFFE) included in a fund's returns?

As an example, assume that for an entire year a fund (i.e., the "acquiring fund") invests 10% of its assets in another mutual fund (i.e., the "acquired fund"), the acquired fund pays its adviser a Management Fee of 1% and generates a return (after fees) of 5%. The acquiring fund would receive the net return of 5%. The acquiring fund does not directly pay a 1% Management Fee to the acquired fund, because that Management Fee is paid by the acquired fund and is already reflected in the 5% return that would otherwise have been 6%. In this example, as a result of holding the acquired fund there would be "Acquired Fund Fees and Expenses" of 10 basis points, which would result in a 10 basis point increase in the reported Gross Expense Ratio for the acquiring fund. If the acquiring fund only held the acquired fund for a portion of the year, the expense calculation would be adjusted for the applicable time period.

## Want to know more?



iShares.com



800-iShares (1-800-474-2737)

**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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