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*. We use a contractual waiver to remove the costs incurred from holding affiliated BlackRock funds or investment companies (e.g. iShares ETFs, BlackRock Money Market Funds, etc.) - also known as Acquired Fund Fees and Expenses (“AFFE”).

The *Expense Ratio* shown above (0.32%) 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 (0.25%) 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 detailed breakout of fund fees.

**Fees**

<table>
<thead>
<tr>
<th>Fees as stated in the prospectus</th>
<th></th>
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<tbody>
<tr>
<td>Expense Ratio: 0.32%</td>
<td></td>
</tr>
<tr>
<td>Net Expense Ratio: 0.25%</td>
<td></td>
</tr>
</tbody>
</table>

The *Management Fee* is the fee the investment advisor charges to manage the fund. For this particular fund, the Management Fee is **0.25%**. In addition to the Management Fee, this fund also has **0.07%** of AFFE, making the (Gross) Expense Ratio **0.32%**.

In order to offset the **0.07%** 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, **0.25%**.
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 0.10%, which would result in a 0.10% 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.