iBONDS® ETFs

Build better bond ladders

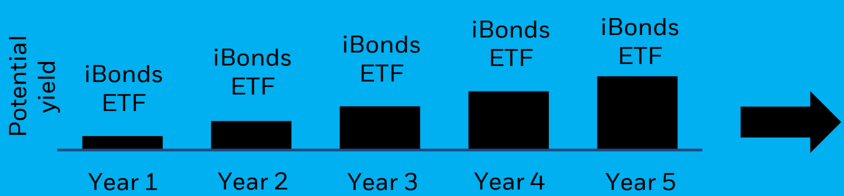
iShares by BlackRock

Build more efficient bond ladders

iBonds ETFs offer investors an easier way to build and maintain bond ladders. They are designed to:

- **Mature, like a bond –** iBonds ETFs have a specified maturity date. Like individual bonds, you are exposed to less interest rate risk over time as each ETF approaches maturity.
- **Trade, like a stock –** iBonds ETFs trade throughout the day on an exchange, so you are not subject to trading in the over- the-counter (OTC) bond market.
- **Diversify, like a fund –** iBonds ETFs provide exposure to several bonds in a single fund and are available in multiple asset classes, including U.S. Treasuries, TIPS, investment grade corporates, high yield corporates and municipal bonds.

Start building better bond ladders today



For illustrative purposes only. Not meant to portray any specific fund yield.

Consider these applications:

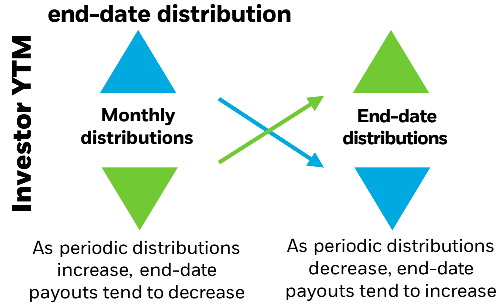
- Create new bond ladders
- Plug holes in existing ladders when the bonds mature, get called or default
- Reinvest bond coupons

Test drive the iBonds ETFs suite with our fully customizable bond laddering tool. Visit **iShares.com/iBonds** for more information.

How do iBonds ETFs work?

- iBonds are designed to provide a yield-to-maturity profile (YTM) comparable to that of the underlying bond portfolio. The funds seek to preserve an investor's anticipated YTM through a combination of monthly distributions and a final end-date distribution. On any given day, you can see the current YTM of an iBonds portfolio on iShares.com.
- Monthly distributions can be variable depending on changes in market yields and fund assets.
- Changes in distribution amounts are expected to be offset by an opposite change in final NAV to preserve investors' anticipated YTM.

Anticipated investor YTM driven by monthly income distributions and end-date distribution



Suite	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2044	2054
U.S. Treasuries	IBTF	IBTG	IBTH	IBTI	IBTJ	IBTK	IBTL	IBTM	IBTO	IBTP	IBGA	IBGK
U.S. TIPS	IBIB	IBIC	IBID	IBIE	IBIF	IBIG	IBIH	IBII	IBIJ	IBIK	-	-
Municipal	IBMN	IBMO	IBMP	IBMQ	IBMR	IBMS	-	-	-	-	-	-
Investment Grade Corporate	IBDQ	IBDR	IBDS	IBDT	IBDU	IBDV	IBDW	IBDX	IBDY	IBDZ	-	-
High Yield & Income Corporate	IBHE	IBHF	IBHG	IBHH	IBHI	IBHJ	IBHK	-	-	-	-	-

iShares.com/iBonds

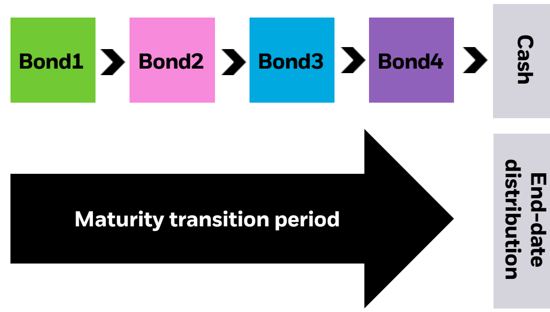
How it works at maturity

Each ETF holds a diversified portfolio of bonds maturing between January 1 and October or December 15 of the year in the fund's name.

Each ETF will terminate in October or December of the year in the fund's name. During the maturity transition period, bonds will mature and the portfolio will transition to cash and cash equivalents.

After all of the bonds in the portfolio mature, the ETF will delist from the exchange and make a final distribution to shareholders, similar to a principal repayment of an individual bond at maturity.

As bonds mature, the ETF will transition to cash equivalents



Structure comparison

	iBonds®	Individual bonds	Traditional fixed income ETFs	Mutual funds	Closed end funds (term trusts)
Diversified portfolio	Yes	No	Yes	Yes	Yes
Distributions	Monthly	Semi-annual	Monthly	Monthly	Monthly
Set maturity date	Yes	Yes	No	No	Yes
Trading	Exchange	OTC	Exchange	N/A – Transact with Fund Sponsor at NAV	Exchange
Duration declines over time	Yes	Yes	No	No	Yes
Transparent intraday prices	Yes	No	Yes	No	Yes
Liquidity	Trade on exchanges intraday at market price, which may be greater or less than its NAV	Varies based on the type of bond	Trade on exchanges intraday at market price, which may be greater or less than its NAV	Accessed directly through the fund company or through a select broker. Bought/sold once per day	Trade on exchanges intraday at market price independent of NAV
Costs and expenses	Expense ratio + transaction/ brokerage costs	Transaction/markup costs + brokerage costs (if applicable)	Expense ratio + transaction/ brokerage costs	Expense ratio + any sales loads/ redemption fees + other expenses (12b-1 fees)	Expense ratio + transaction/ brokerage costs

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, 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.

Diversification may not protect against market risk or loss of principal. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained. 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. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets, asset classes or the general securities market. Shares of the Fund trade at market price, which may be greater or less than net asset value.

The iShares iBonds ETFs will terminate in October or December of the year in the fund's name. An investment in the Fund(s) is not guaranteed, and an investor may experience losses, including near or at the termination date. In the final months of the Fund's operation, as the bonds it holds mature, its portfolio will transition to cash and cash-like instruments. Following the Fund's termination date, the Fund will distribute substantially all of its net assets, after deduction of any liabilities, to then-current investors without further notice and will no longer be listed or traded. The Funds do not seek to return any predetermined amount.

During the months prior to the Fund's planned termination date, its yield will generally tend to move toward prevailing money market rates (or, the case of the Muni iBonds ETFs, tax-exempt money market rates), and may be lower than the yields of the bonds previously held by the Fund and lower than prevailing yields for bonds in the market.

The rate of Fund distribution payments may adversely affect the tax characterization of an investor's returns from an investment in the Fund relative to a direct investment in bonds. If the amount an investor receives as liquidation proceeds upon the Fund's termination is higher or lower than the investor's cost basis, the investor may experience a gain or loss for tax purposes. No proprietary technology or asset allocation model is a guarantee against loss of principal. There can be no assurance that an investment strategy based on the tool will be successful. 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. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and its return and yield will fluctuate with market conditions. When comparing stocks or bonds and iShares Funds, it should be remembered that management fees associated with fund investments, like iShares Funds, are not borne by investors in individual stocks or bonds. Buying and selling shares of iShares Funds will result in brokerage commissions.

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