

Media Release

iShares New ESG Screened Suite Expands Line-up, Simplifies Sustainable ETF Options for Investors

NEW YORK, September 24, 2020 – iShares announced today the launch of a new suite of environmental, social and governance (ESG) screened exchange traded funds (ETFs), that seek to track underlying indexes from S&P Dow Jones Indices. iShares is the exclusive licensor of the indices for use with ETFs in the United States.

These ETFs are differentiated from existing solutions by combining access to major benchmark exposures of the S&P 500, 400 and 600 with business involvement screens to help investors avoid companies with specific levels of involvement in certain industries such as fossil fuels, tobacco, small arms and controversial weapons¹. In fossil fuels, for example, the underlying indexes for these ETFs screen out companies with specific levels of involvement in thermal coal, oil sands, and shale energy.

By working with S&P to add sustainable business involvement screens to well-known large-, mid- and small-cap indexes, iShares is helping to [reshape sustainable investing](#) by providing investors with sustainable alternatives to help build better risk-adjusted, long-term portfolios.

Armando Senra, Head of iShares Americas, says: “Sustainable investing was historically a values-based exercise – it has evolved into an investment risk and performance-based decision. Expanding our suite of sustainable funds is critical to help clients integrate ESG into their portfolios. Our product framework delivers clarity and options for clients to help achieve their investment objective(s).”

iShares S&P ESG Screened ETFs

Fund Name	Ticker	Index	Expense Ratio
iShares ESG Screened S&P 500 ETF	XVV	S&P 500 Sustainability Screened Index	0.08%
iShares ESG Screened S&P Mid-Cap ETF	XJH	S&P MidCap 400 Sustainability Screened Index	0.12%
iShares ESG Screened S&P Small-Cap ETF	XJR	S&P SmallCap 600 Sustainability Screened Index	0.12%

The launch of iShares S&P ESG Screened ETFs provides a third pillar of sustainable funds to complement iShares’ existing Aware and Advanced suites. These three

ESG suites create a simplified framework for clients to make ESG investments in their portfolios.



Expanding Sustainable iShares and Providing Transparency of Sustainable Characteristics

To help investors access more sustainable options, iShares is working to expand its global ETF lineup to 150 globally and adding transparency of sustainable characteristics across all of its funds. In addition, for iShares ESG ETFs that seek to track indexes with business involvement screens, each product page now includes content to indicate what screens are part of the fund's underlying index methodology. From each page, investors can click through to read in greater detail about the business involvement screens for each index to ensure it aligns with their investment objectives and risk preferences.

Carolyn Weinberg, Head of Global iShares Product, says: "To enable our clients to build better sustainable portfolios, earlier this year, we committed to doubling our ESG ETFs within the next few years to 150 products globally. We have partnered with index providers to innovate in both products and in analytics to construct ESG outcome-oriented portfolios with transparency into ESG risks and performance attribution. We've added 38 sustainable ETFs this year globally, which sets the industry on a path to top \$1.2 trillion in sustainable ETF and index mutual fund assets under management this decade."²

Growth of Sustainable Indexing

Growing prevalence of ESG risks and investor preferences continue to drive a significant reallocation of capital toward sustainable solutions. iShares' work with S&P and other index providers is expanding the universe of sustainable indexes as the foundation for new product development.

Reid Steadman, Global Head of ESG Indices at S&P Dow Jones Indices, says "The S&P Sustainability Screened Indices based on our flagship broad market benchmarks reflect investors' growing appetite to incorporate ESG values into more mainstream equity investment strategies. We are very pleased that BlackRock has licensed our indices to develop sustainable versions of their iShares exchange-traded funds in the U.S."

As sustainable index development continues to advance in line with investor demand, we believe inflows into global sustainable ETFs are likely to continue

growing. Industry assets in global sustainable ETFs rose to \$14.8 billion in the first quarter of 2020. Across the U.S., Europe and Canada, BlackRock's total assets under management (AUM) across its dedicated sustainable investing platform totaled \$127.3 billion (as of June 30, 2020) with \$9.9 billion in inflows during Q2 2020, bringing 2020 YTD NNB to \$20.0 billion.

About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, our clients turn to us for the solutions they need when planning for their most important goals. As of June 30, 2020, the firm managed approximately \$7.32 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit www.blackrock.com/corporate | Twitter: [@blackrock](https://twitter.com/blackrock) | Blog: www.blackrockblog.com | LinkedIn: www.linkedin.com/company/blackrock.

About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 900+ exchange traded funds (ETFs) and \$2.16 trillion in assets under management as of June 30, 2020, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock, trusted to manage more money than any other investment firm³.

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¹ Screens are based on revenue or percentage of revenue thresholds for certain categories and categorical exclusions for others. Please refer to the index methodology document for more information.

² BlackRock projection. There is no guarantee the projection will come to pass.

³ Based on \$7.32 trillion in AUM as of 6/30/20

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.

A fund's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. In addition,

companies selected by the index provider may not exhibit positive or favorable ESG characteristics.

Small-capitalization companies may be less stable and more susceptible to adverse developments, and their securities may be more volatile and less liquid than larger capitalization companies.

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