

Media Release

iShares Takes Steps to Lead Industry in Style Investing

Creates Lowest-Price Style Box Offering in the Industry with iShares Morningstar U.S. Equity Style Box ETFs

\$7.5bn suite overhauled with lower fees, new tickers, indices, fund names, investment objectives, and share splits

NEW YORK, March 22, 2021 – Two decades ago, iShares set out to spearhead the industry in style investing by providing investors with simple and efficient access to the distinct performance characteristics of size and valuation.

Reflecting iShares' commitment to this critical segment of the market, fee reductions will be made effective today to the **iShares Morningstar U.S. Equity Style Box ETFs**, positioning the suite as the lowest cost style box ETF family in the industry.¹ The revamped suite featuring a combination of new indices from Morningstar, new tickers, new fund names, updated investment objectives, share splits, and lower pricing could equate to a successful formula for iShares.

"iShares ETFs have democratized investing for millions of Americans and the actions taken today demonstrate our relentless pursuit of this principle," **said Armando Senra, Head of iShares Americas at BlackRock**. "We are on a mission to offer competitive and compelling choices so that every type of client, from do-it-yourself investors, portfolio model builders, to advisors and institutions, can benefit from the quality of our products and our willingness to use the scale of our platform to help provide better solutions and outcomes. The longstanding collaboration with Morningstar reinforces our value proposition and reflects our steadfast commitment to continue to be a leader in style box investing."

New Morningstar Indexes represent broader investment opportunities

In January, Morningstar [launched](#) the [Morningstar® Broad Style IndexesSM](#), which are designed to more accurately represent the size and style dimensions of the U.S. equity market with greater flexibility. The underlying data and methodology of the indexes are designed to be consistent with the Morningstar Style Box™, making the indexes a natural complement for informing style-related investment decisions. The Morningstar Broad Style Indexes complement Morningstar's existing lineup of style indexes.

"By launching the new index family licensed by BlackRock for iShares ETFs, we seek to empower investors to make better informed style investing decisions. We are pleased

¹ Morningstar, as of 3/22/2021

that BlackRock's iShares ETFs make the iconic Morningstar Style Box even more accessible to investors," **said Ron Bundy, president, Morningstar Indexes.** "The recently launched Morningstar Broad Style Indexes are powered by Morningstar's independent analysis and give investors more flexible access to the broad market while maintaining their desired style exposure and provide exceptional value by lowering the cost of benchmarking."

Lowering the hurdles to style investing

Over the past 20 years and through market cycles, growth and value ETFs have become ubiquitous foundational building blocks for investors to construct and adjust the essential components of their U.S. equity portfolios. In the current market environment, for example, value has outperformed growth, with value up 8.9% and growth down 3.7%-- a stark contrast to 2020, when growth significantly outperformed value.² This divergence in performance underpins the continued importance and relevance of style investing.

"The iShares Morningstar U.S. Equity Style Box ETFs make it easy for investors to build style-oriented portfolios at an incredible value," **said Chad Slawner, Head of iShares US Product at BlackRock.** "We are excited to make enhancements to this robust product suite. Through benchmark changes, share splits and fee reductions we can help lower the hurdles to investing, increase portfolio flexibility, and broaden market coverage so that clients have access to, with as few as two ETFs, 99.5% of the U.S. stock market."³

About the iShares U.S. Style Box ETF Category

The iShares U.S. Style Box ETF category, launched in 2000, comprises three distinct product suites, totaling 35 funds, and remains the most comprehensive exposure to access U.S. equities for investors.⁴

The style box investing market has grown to over \$1.7 trillion of assets under management (AUM) and has already gathered over \$24 billion in flows for the year, representing 56% of 2020 total flows.⁵

Select enhancements are outlined below and full details of the product update can be found [here](#).

² Index returns using Morningstar US Large Mid Broad Value Index and Morningstar US Large Mid Broad Growth Index as of 3/8/21

³ A combination ILCB and ISCB results in 99.5% market coverage without overlap as of March 22, 2021

⁴ iShares has the greatest breadth of U.S.-listed market cap weighted style box ETFs. Source: Morningstar as of 3/08/2021

⁵ BlackRock, as of March 8, 2021

New Fund Name	Ticker	Previous expense ratio	New expense ratio	Shares Split Ratio ⁶
iShares Morningstar Value ETF	ILCV	0.25%	0.04%	2:1
iShares Morningstar U.S. Equity ETF	ILCB	0.20%	0.03%	4:1
iShares Morningstar Growth ETF	ILCG	0.25%	0.04%	5:1
iShares Morningstar Mid-Cap Value ETF	IMCV	0.30%	0.06%	3:1
iShares Morningstar Mid-Cap ETF	IMCB	0.25%	0.04%	4:1
iShares Morningstar Mid-Cap Growth ETF	IMCG	0.30%	0.06%	6:1
iShares Morningstar Small-Cap Value ETF	ISCV	0.30%	0.06%	3:1
iShares Morningstar Small-Cap ETF	ISCB	0.25%	0.04%	4:1
iShares Morningstar Small-Cap Growth ETF	ISCG	0.30%	0.06%	6:1

About the iShares Morningstar U.S. Equity Style Box ETFs

Launched in 2004, the iShares Morningstar U.S. Equity Style Box ETFs include nine funds with \$7.55 billion of AUM.⁷ Effective today, the Funds will seek to track a new set of indexes from the Morningstar Broad Style Indexes, within the existing suite of nine Funds.

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, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit www.blackrock.com/corporate | Twitter: [@blackrock](https://twitter.com/blackrock) | 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 \$2.67 trillion in assets under management as of December 31, 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 firm.⁸

⁶ Effective for shareholders of record as of the close of business on April 14, 2021, payable after the close of trading on April 16, 2021. The stock split will lower the share price and increase the number of outstanding shares. The total value of shares outstanding and the total value of a shareholder's investment in the fund is not affected by the stock split. For more information, please contact 1-800-iShares (474-2737).

⁷ BlackRock, as of February 28, 2021

⁸ Based on \$8.68 trillion in AUM as of 12/31/20

MEDIA CONTACT:

Soogyung Jordan

Soogyung.Jordan@BlackRock.com
646.276.5403

Federico Serrano

Federico.Serrano@BlackRock.com
646.352.2218

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.

Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Index performance does not represent actual Fund performance. For actual fund performance, please visit www.iShares.com or www.blackrock.com.

Buying and selling shares of ETFs may result in brokerage commissions.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock"). The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Morningstar, Inc., nor does this company make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with Morningstar, Inc.

The Morningstar® Broad Style IndexesSM are created and maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the iShares Morningstar U.S. Equity Style Box ETFs and bears no liability with respect to the ETFs or any security. Morningstar® is a registered trademark of Morningstar, Inc. Morningstar® Broad Style IndexesSM are service marks of Morningstar, Inc. ©2020 BlackRock, Inc. All rights reserved.

iSHARES and BLACKROCK are registered trademarks of BlackRock, Inc., or its subsidiaries. All other marks are the property of their respective owners