Media Release

BlackRock Launches iShares USD Bond Factor ETF (USBF)

NEW YORK, October 14, 2021 – BlackRock today announced that the **iShares USD Bond Factor ETF** (NASDAQ: USBF) began trading. The ETF offers investors a chance to outperform the broader U.S. fixed income market by selecting bonds based on macro and quality and value style factor insights. USBF, which seeks to track the BlackRock USD Bond Factor Index, has an expense ratio of 0.18%, or $1.80 for every $1,000 invested – lower than 86% of mutual funds and ETFs in the Morningstar Core Bond category.[1]

Many debt market participants are seeking to navigate credit risk – the ability to be repaid in full and on time – and interest rate risk, given how yields could rise after not only recent all-time lows, but also four consecutive decades of declines. By applying a rules-based, transparent factor, or "smart beta," investing lens to bonds, USBF pursues a strategy that seeks to provide a diversified selection of U.S. dollar-denominated bonds while enhancing total return relative to the broader U.S. fixed income market and retaining similar risk characteristics.

"Historically low yields heighten the importance of broadening potential sources of fixed income returns," said **Karen Schenone, Head of iShares US Fixed Income Strategy within BlackRock's Global Fixed Income Group**. "USBF follows an index that systematically looks at all types of bonds – investment grade corporate debt, Treasuries, high-yield bonds and mortgage-backed securities – to adjust its holdings based on various risk-on and risk-off macroeconomic environments, offering an opportunity to place a dynamic bond allocation at the core of your portfolio."

Factors, like value, momentum, quality, and low volatility, have historically driven both investment risk and returns for asset classes like stocks and bonds.

"Using macro and style factors for U.S. core fixed income assets can provide distinct and complementary sources of returns," said **Andrew Ang, Head of Factor Investing Strategies at BlackRock**. "Leveraging the powerful technology of BlackRock's Systematic Fixed Income platform, USBF's investment strategy harvests the value factor to identify underpriced securities, while using the quality factor to uncover the investment grade and high-yield corporate bonds that exhibit lower probabilities of default. We believe this can be a possible winning alternative to broad-based debt market exposures."

iShares ETFs like USBF enable access to factor-based strategies in a transparent and cost-effective way. To learn more, please visit here.

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

[1] Morningstar as of 9/30/2021

visit www.blackrock.com/corporate | Twitter: @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 $3.04 trillion in assets under management as of September 30, 2021, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock.

MEDIA CONTACT:

Luke Shane
Luke.Shane@BlackRock.com
646.592.1672

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.

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. 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. Mortgage-backed securities ("MBS") and commercial mortgage-backed securities ("CMBS") are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities.

There can be no assurance that performance will be enhanced or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

Diversification and asset allocation may not protect against market risk or loss of principal. Buying and selling shares of ETFs may result in brokerage commissions. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained. Buying and selling shares of ETFs may result in brokerage commissions.

Prepared by BlackRock Investments, LLC, member FINRA.

This information should not be relied upon as research, investment advice, or a recommendation regarding any products, strategies, or any security in particular. This material is strictly for illustrative, educational, or informational purposes and is subject to change.

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by BlackRock Index Services, LLC., nor does this company make any representation regarding the advisability of investing in the Funds. BlackRock Investments, LLC and BlackRock Index

Services are affiliates.