A TRANSITION TO LOW CARBON

BlackRock

BlackRock Carbon Transition Readiness ETFs

LCTU — **BlackRock U.S. Carbon Transition Readiness ETF (Active)**
Expense ratio[1]: 0.15%

LCTD — **BlackRock World ex U.S. Carbon Transition Readiness ETF (Active)**
Expense ratio[1] : 0.20%

Performance

Seek long-term capital appreciation by accessing companies that BlackRock believes are best positioned to benefit from the transition to a low-carbon economy

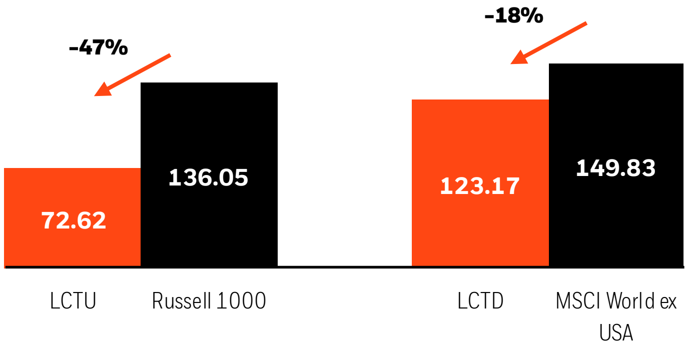
Innovation

Harness BlackRock's thinking in sustainable investing in a strategy utilizing research-driven insights through a transparent active ETF

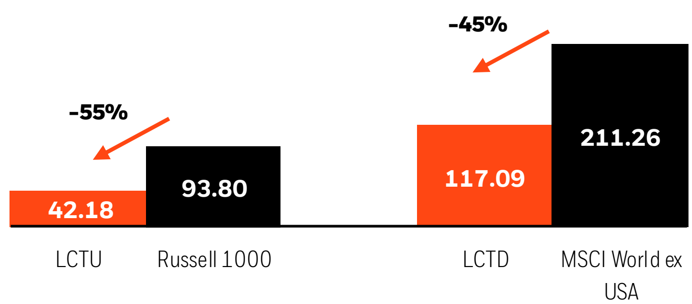
Access

Use in your equity portfolio as a broad sustainable building block

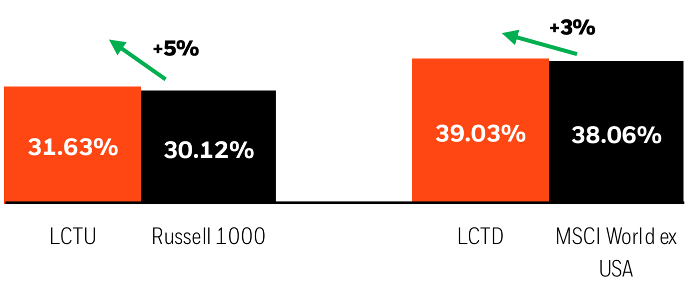
Carbon intensity[2]



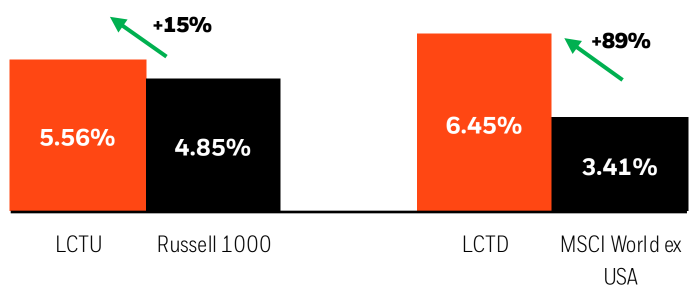
Potential carbon emissions from fossil fuel reserves[3]



% Companies committed to setting emission reduction targets (SBTi)[4]



% Clean tech revenue[5]



Past performance does not guarantee future results. Index and fund coverage will vary according to the scope of the metric and the availability of relevant reports at the issuer-level. Indexes are unmanaged and one cannot invest directly in an index. **1.** Net expense ratio shown for LCTU and LCTD reflect contractual fee waivers in place through 6/30/24. Gross expense ratios are 0.30% and 0.35% respectively. **2.** Represents the estimated greenhouse gas emissions per $1 million in sales. Figures in t/$M sales. For further details regarding MSCI's methodology, see https://www.msci.com/index-carbon-footprint-metrics. Source: Data from MSCI ESG Research and aggregated by BlackRock, using holdings as of 4/6/2021, with 98.55% of LCTU holdings, 99.52% of Russell 1000 constituents, 98.23% of LCTD holdings, 100.00% of MSCI World ex USA constituents covered by MSCI ESG Research. **3.** Represents the potential carbon emissions of the coal, oil and gas reserves owned by a company. Figures in MtCO2. Source: Data from MSCI ESG Research and aggregated by BlackRock, using holdings as of 4/6/2021, with 98.55% of LCTU holdings, 99.52% of Russell 1000 constituents, 98.23% of LCTD holdings, 100.00% of MSCI World ex USA constituents covered by MSCI ESG Research. **4.** Indicates whether the company is committed to setting emissions reduction targets through the Science Based Targets initiative (SBTi). Source: Data from SBTi and aggregated by BlackRock, using holdings as of 4/6/2021. **5.** Represents the revenues derived from alternative energy, energy efficiency or green building. Source: Data from MSCI ESG Research and aggregated by BlackRock, using holdings as of 4/6/2021, with 98.55% of LCTU holdings, 99.53% of Russell 1000 constituents, 98.23% of LCTD holdings, 100.00% of MSCI World ex USA constituents covered by MSCI ESG Research.

Four drivers of the low-carbon transition

Physical Climate Risks	Shifting energy mix	Tighter environmental regulation	Technological innovation
Natural disasters caused a record USD $210 billion in global damage in 2020[1]	Renewables will capture 64% of the global energy mix in 2050[2]	Carbon taxes and emissions trading schemes cover a growing cumulative share of global CO_2 emissions[3]	Battery storage costs are forecasted to decline an additional 73% by 2030[4]

Sources: **1.** Munich RE, 'Record hurricane season and major wildfires: The natural disaster figures for 2020' as of January 2021. **2.** Bloomberg New Energy Outlook 2018. **3.** World Bank Carbon Pricing Dashboard 2018. **4.** BlackRock Investment Institute and Exane BNP Paribas, April 2017. There is no guarantee that any forecasts made will come to pass.

Our investment strategy

Transition Readiness is a investment approach that measures a company's exposure and management to transition risks and opportunities, seeking to provide investors with a higher conviction approach to invest in the transition to the low-carbon economy.

We utilize our **Low-Carbon Economy Transition Readiness strategy** to overweight companies that we believe are best positioned to benefit from the transition to a low-carbon economy, and to underweight companies that we believe are poorly positioned to so benefit. We assign a transition readiness score to each company by aggregating research-driven insights across five "pillars" and weighting the five pillar scores for each industry according to what we believe are their relative importance for that industry.

The Five Pillars				
Core Business Involvement		Natural Resource Management		
Fossil Fuels	**Clean Technology**	**Energy Management**	**Water Management**	**Waste Management**
Analyzes whether a company is in the business of fossil fuel extraction, refinery and generation or owns fossil fuel reserves.	Analyzes whether a company is in the business of renewable energy, energy efficiency, green building and low carbon transport.	Analyzes a company's energy use, mix, efficiency and indirect emissions through electricity consumption.	Analyzes a company's water consumption, withdrawal, efficiency, physical stress and recycling practices.	Analyzes a company's waste generation, recycling, and toxic emissions management.

The Carbon Transition ETFs seek to:

1. **Manage risk exposure while overweighting companies that may be better positioned for the low carbon transition**
2. **Maintain broad market exposure**
3. **Utilize multiple sources of climate-related data**

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 and, if available, 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.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries.

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.

Actively managed funds do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds.

A fund's strategy of investing in securities of companies with low carbon exposure limits the type and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not seek to minimize carbon exposure. A fund's low carbon exposure investment strategy may result in the fund investing in securities or industry sectors that underperform the market.

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