

# Seek higher income with lower interest rate risk

**BRLN**

## iShares Floating Rate Loan Active ETF

**Expense Ratio:** 0.55%<sup>1</sup>

**Benchmark:** Morningstar LSTA Leveraged Loan Index

## Why BRLN?



### Floating Rate Income

Unlike fixed-rate high yield bonds, floating rate loans provide income that may adjust with changes in short-term rates. This makes them particularly attractive in a rising rate or inflationary environment.



### Actively managed by BlackRock's Leveraged Finance team

The fund leverages the expertise of BlackRock's Leveraged Finance team who have been managing floating rate loans across various investment vehicles since 1998.



### Low cost

Seeks to provide low cost actively managed exposure to floating rate loans.

The fund's net expense ratio of 0.55% is less expensive than the average floating rate ETF and mutual fund.<sup>2</sup>

## The BlackRock advantage

**BlackRock is  
the world's  
largest  
ETF provider**

**BRLN**

**20+ year  
track-record  
actively  
managing loans**

BlackRock is the largest provider of ETFs globally. BlackRock Leveraged Finance team has 20+ years of experience actively managing floating rate loans. The team manages \$27B on behalf of institutional and retail clients globally across various investment vehicles (e.g. mutual funds, ETFs and more).<sup>3</sup>

<sup>1</sup> BlackRock Fund Advisors ("BFA"), the investment adviser to the Fund and an affiliate of BlackRock Investments, LLC, has contractually agreed to waive a portion of its management fees through [06/30/2026]. The gross expense ratio is 0.63%.

<sup>2</sup> Net expense ratio relative to the average net expense ratio of 1.04% of all ETFs and mutual funds in Morningstar's US Bank Loan Category as of 9/30/25.

<sup>3</sup> Source: BlackRock as of 9/30/25.

# Floating rate loans 101

Floating rate loans, also known as leveraged loans, senior loans, syndicated loans, or bank loans, are debt obligations issued by companies rated below investment grade. Although they are below investment grade (or below BBB-) quality, they are typically senior secured debt, meaning they sit at the top of a company's capital structure, ranking ahead of its unsecured obligations. Additionally, floating rate loans are floating rate assets, meaning their yield periodically adjusts with a referenced interest rate.

## Potential benefits of investing in floating rate loans

### Income

Floating rate loans are considered lower credit quality than investment grade bonds and, consequently, may pay higher yields to investors.

### Diversification

Given their below-investment grade profile and floating rate nature, floating rate loans may exhibit low correlation to the broader bond market.

### Risk-adjusted returns

Seniority in the capital structure and limited sensitivity to changes in interest rates may provide an attractive risk-return profile.

## The active advantage

While the floating rate loan market has grown and evolved in recent years, an actively managed strategy has the potential to address loan-specific risks that may be less prevalent in other fixed income asset classes.

We believe skill and flexibility are required to navigate these risks and there are advantages to an approach that allows for security selection. Ultimately, the ability to be nimble may provide for better risk-adjusted returns and our depth of experience in this market is key.

A low cost, actively managed strategy that leverages BlackRock's global credit research capabilities has the potential to provide investors with an attractive way to access the floating rate loan market.

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](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.

The iShares Floating Rate Loan Active ETF (the "Fund") will invest in senior secured floating rate loans and second lien or other subordinated or unsecured floating rate corporate loans (together "Corporate Loans"). The market for corporate loans may be subject to irregular trading activity and wide bid/ask spreads. In addition, transactions in Corporate Loans may settle on a delayed basis. As a result, the proceeds from the sale of corporate loans may not be readily available to make additional investments or to meet the Fund's redemption obligations. An economic downturn generally leads to a higher non-payment rate, and a Corporate Loan may lose significant value before a default occurs. Moreover, any specific collateral used to secure a Corporate Loan may decline in value or become illiquid, which would adversely affect the loan's value. The Fund may also invest in companies whose financial condition is uncertain, where the borrower has defaulted in the payment of interest or principal or in the performance borrower has defaulted in the payment of interest or principal or in the performance of its covenants or agreements, or that may be involved in bankruptcy proceedings, reorganizations or financial restructurings. The loans in which the Fund invests are usually rated below investment grade.

The Fund is subject to interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the value of debt securities. Credit risk refers to the possibility that the debt 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. Securities with floating or variable interest rates may decline in value if their coupon rates do not keep pace with comparable market interest rates. The Fund's income may decline when interest rates fall because most of the debt instruments held by the Fund will have floating or variable rates. The Fund is actively managed and does not seek to replicate the performance of a specified index. The Fund may have a higher portfolio turnover than funds that seek to replicate the performance of an index.

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. Diversification and asset allocation may not protect against market risk of loss of principal.

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