iShares
by BlackRock

iShares Emerging Markets Bond Active ETF

BREM iShares Emerging Markets Bond Active ETF
Expense Ratio: 0.50%

Why Hard Currency[1] Emerging Markets (EM) Debt?

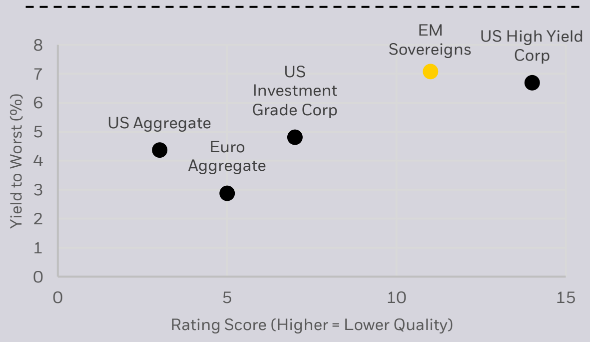
Attractive potential yield while mitigating currency risk
Emerging Markets (EM) USD-denominated debt can offer a meaningful yield pickup over U.S. Treasuries and other US fixed income asset classes without investors needing to take EM currency risk[2]. As of Sep 30, 2025, EM bonds yielded around 7.1%, exceeding broad U.S. bond yields by 2.7% and 7-year U.S. Treasuries by 3.2% [3]

Diversifier within the Fixed-Income Portfolio
Emerging Markets Debt (EMD) has demonstrated low to moderate correlation with developed market asset classes. Correlation with U.S. bonds has been approximately 0.75 and correlation with U.S. Equities has been 0.52[4]. Adding to an allocation with low-moderate correlations with existing portfolio exposures can improve risk/return of a portfolio.

Growth Exposure and Structural Upside
EM economies are growing faster than developed economies[5], driven by favorable demographics, industrialization, and rising consumption[6]. This growth can support both the underlying credit fundamentals and bond performance over time.

EM can offer higher income than Developed Markets (DM) credit at low to medium correlations

Yield vs rating[7]



Correlation[8]

	Global Agg	US Agg	US HY	US Equities	Euro Agg
EM Sovereigns	0.72	0.75	0.77	0.52	0.49
EM Corporates	0.67	0.73	0.68	0.38	0.48

[1] Hard currency refers to developed market currencies US Dollars, Euros and Sterling. This fund is expected to be predominantly held in USD-denominated bonds.
[2] EM currency risk arises when investing in local currency denominated EM bonds while being a US investor. This risk does not exist when investing in hard currency (predominantly USD) denominated EM bonds.
[3] Source: BlackRock, 30 Sep 2025. EM bonds yielding 7.1% represented by JPM EMBI Global Diversified Index, US bonds yielding 4.4% represented by Bloomberg US Aggregate Bond Index, 7-year US Treasuries yielding 3.9% represented by the US Generic Government 7 Year Index. **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.**
[4] Source: Bloomberg, 29 Aug 2025, correlations calculated using weekly data over 5 years. EM Debt represented by JPM EMBI Global Diversified Index, US Bonds represented by Bloomberg Barclays US Aggregate Index, US Equities represented by S&P 500 Index.
[5] Source: JP Morgan EM Outlook and Strategy Reference Presentation, 8 Sep 2025.
[6] Sources: Goldman Sachs, "The Path to 2075: Slower Global Growth, But Convergence Continues," June 2023; S&P Global, "Emerging Markets: A Decisive Decade," February 2024; TCW, "The Appeal of Emerging Markets," June 2025; abrdn, "The Demographic Dividend: Opportunities in Emerging Markets," March 2023.
[7 & 8] These sources and additional information can be found on page two. **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.**

BREM characteristics

Key Features	
Benchmark	JPM EMBI Global Diversified Index (EMBIGD)
EM Sovereign Bonds	Typical Range: 30-70%
EM Quasi-sovereign bonds[9]	Typical Range: 15-35%
EM Corporate Bonds	Typical Range: 15-35%
CCC Rated and below	Max 10%

Investment strategy

BREM seeks to deliver a total return in excess of the **JPM EMBI Global Diversified Index** with a fundamental approach that **combines top-down macro views and robust bottom-up credit research.**

01

Dynamic Allocation Across EM Hard Currency

BREM invests across sovereigns, quasi-sovereigns, and corporates, dynamically balancing exposures to capture opportunities across the full EM hard currency spectrum.

02

Deep, Research-Driven Process

Every decision is grounded in rigorous bottom-up credit research and top-down macro insights, leveraging BlackRock's global fixed income platform and EM specialists to uncover high-conviction ideas.

03

Quality Tilt and Risk Management

With a 10% cap on CCC-rated issuers[10] and strong internal credit oversight, BREM emphasizes quality and proactive risk management seeking to help reduce drawdowns.

Blackrock's EM Debt investing expertise

Blackrock manages $36bn of global EM Debt AUM

The team is led by Michel Aubenas, who is supported by a team of 32 portfolio managers, analysts, portfolio specialists and risk managers. The team's advantage and expertise is differentiated by the platform's powerful research engine, 27 global traders and robust risk management.

[7] Source: Data as of 30 Sep 2025. EM Sovereigns represented by JPM EMBI Global Diversified Index, US Corp represented by Bloomberg US Corporate Index, US Aggregate represented by Bloomberg US Aggregate Bond Index, US High Yield Corp represented by Bloomberg U.S. Corporate High Yield Index, Euro Agg represented by Bloomberg Euro Aggregate Index. Yield to worst (YTW) is the lowest potential return an investor can expect from a bond or index. A credit rating ("rating") is an assessment of a bond issuer's ability to repay its debt, ranging from high-quality "investment grade" (like AAA) to "speculative" (like BB and lower). Agencies like Moody's, S&P, and Fitch provide these ratings. EM Sovereigns, which are expected to take up most of this ETF, are displayed with a yellow dot, and other asset classes are displayed with black dots. Yield to worst here is being compared against rating to let investors compare how much additional yield they get from taking more credit risk i.e. by investing in lower rated asset classes.

[8] Source: Data as of 31 Aug 2025. Correlation measures the degree to which two assets move in relation to one another, with a coefficient ranging from –1 (perfectly opposite) to +1 (perfectly aligned). Lower correlation indicates greater potential diversification benefits when the assets are combined in a portfolio. Correlations shown are based on historical index data to illustrate how emerging market hard-currency debt has behaved relative to major developed market fixed income segments.. EM Sovereigns represented by JPM EMBI Global Diversified Index, US Aggregate represented by Bloomberg US Aggregate Bond Index, US High Yield Corp represented by Bloomberg U.S. Corporate High Yield Index, US Equities represented by S&P 500 Index, Euro Agg represented by Bloomberg Euro Aggregate Index

[9] Note that 100% government owned quasi sovereigns are found in the JPM EMBI Global Diversified Index and partially government owned quasi sovereigns are found in the JPM CEMBI Broad Diversified Index

[10] The credit quality of a particular security or group of securities may be based upon a rating from a nationally recognized statistical rating organization or, if unrated by a ratings organization, assigned an internal rating by BlackRock, neither of which ensures the stability or safety of an overall portfolio. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security the lower of the two ratings if only two agencies rate a security and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time.

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. There is no guarantee that interest rate risk will be reduced or eliminated within the Funds.

The Funds' use of derivatives may reduce the Funds' returns and/or increase volatility and subject the Funds to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. The Funds could suffer losses related to their derivative positions because of a possible lack of liquidity in the secondary market and as a result of unanticipated market movements, which losses are potentially unlimited. There can be no assurance that the Funds' hedging transactions will be effective. The Funds are subject to the risks of the underlying funds.

Transactions in shares of ETFs will result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders.

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. Investing in long/short strategies presents the opportunity for significant losses, including the loss of your total investment. Such strategies have the potential for heightened volatility and in general, are not suitable for all investors.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market.

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

Actively managed funds do not seek to replicate the performance of a specified index, may have higher portfolio turnover, and may charge higher fees than index funds due to increased trading and research expenses. There is no guarantee that an active fund will meet its investment objective.

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.