




DIVERSIFY EQUITY RISK WITH AGG

With the stock market near record highs, portfolio diversification with core fixed income may be more important than ever

AGG **iShares Core U.S. Aggregate Bond ETF¹**
 Exp. Ratio: 0.05%
 30-Day SEC Yield: 2.50%
 Effective Duration: 5.29 (yrs)

Key Takeaways

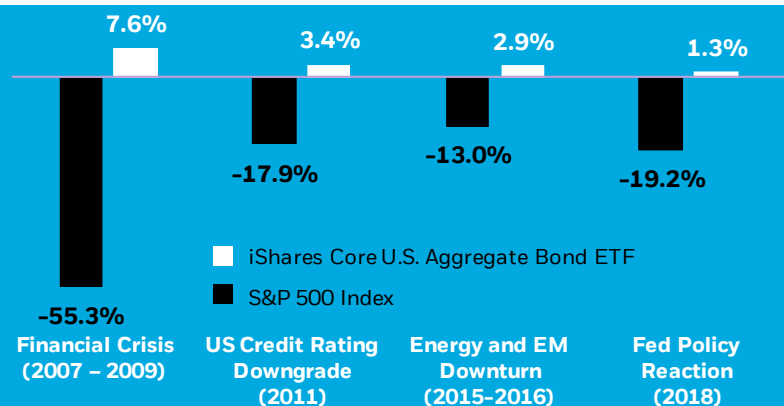
-  **Competitive performance** – AGG has outperformed 75% of the funds in the Intermediate Core Bond Morningstar category, which includes 302 funds, over the last 5 years.²
-  **Low cost** – AGG is 90% less expensive than the average funds in its Morningstar category (0.05% vs. 0.67%).³
-  **Tax efficient** – AGG did not distribute capital gains in 2018. Only 3% of all iShares bond ETFs distributed capital gains last year.⁴

Use as ballast in a portfolio



Investment grade bonds have outperformed when there is a flight to quality, during periods of equity market volatility. The four largest declines in the S&P 500 Index since the global financial crisis all saw AGG post **positive net-of-fee returns**.⁵

AGG historically had positive returns during stock market selloffs.



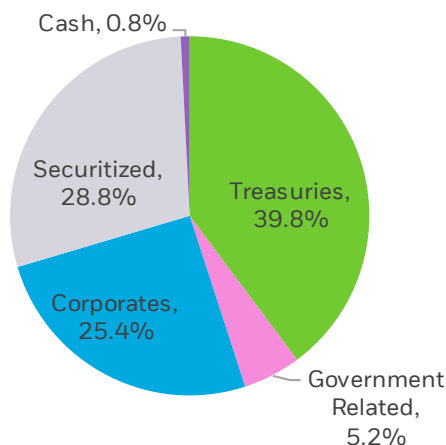
Past performance does not guarantee futures results. For standardized performance, see the next page. Index returns are for illustrative purposes only. Indexes are unmanaged and one cannot invest directly in an index. Financial Crisis measured 10/10/07 – 3/9/09, US Credit Rating Downgrade measured 7/25/11 – 10/3/11, Energy and EM Downturn measured 7/21/15 – 2/11/16, Fed Policy Reaction measured 1/29/18 – 2/8/18.

1. BlackRock as of 6/30/19. Net expense ratio shown reflects contractual fee waivers in effect. For more information on the fund's expenses and for standardized performance, see the next page. **Past performance does not guarantee future results.**
2. Morningstar, as of 6/30/19. Comparison universe includes ETFs and mutual funds and uses total return. AGG outperformed 73% and 44% of peers on a 1 and 10 year basis which included 394 and 227 funds, respectively. Performance may be different for other time periods. **Past performance does not guarantee future results.**
3. Morningstar, as of 6/30/19. Measured against the Morningstar Intermediate Core Bond category, inclusive of mutual funds and ETFs.
4. BlackRock, Morningstar, as of 12/31/18. See www.ishares.com/tax for a complete list of funds that distributed capital gains in 2018. Past distributions not indicative of future distributions.
5. Morningstar, as of 12/31/18. ETF performance uses NAV returns.

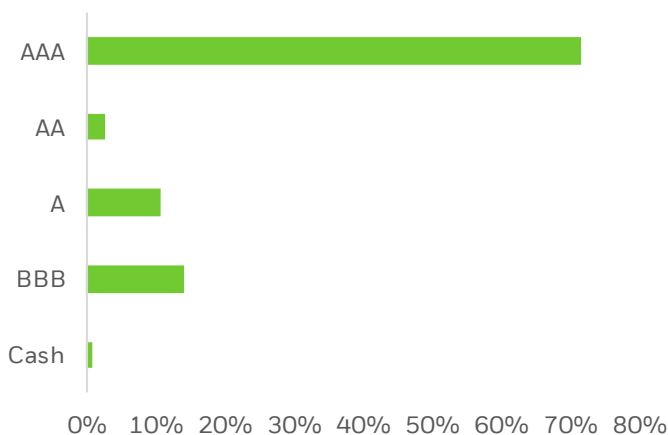
How do investment grade aggregate bonds diversify against equity risk?

With over 7,000 bonds covering five broad fixed income sectors, AGG allows investors comprehensive access to the U.S. investment grade bond market. Nearly 70% of the fund is allocated to high-quality, government-backed securities including U.S. Treasuries and agency mortgage-backed securities (MBS). The remaining 30% is spread among corporate bonds, non-corporate credit, and municipal securities, offering access to potentially high yielding bonds.

Sector Breakdown



Credit Quality Breakdown



Rating and sector breakdown sourced from BlackRock Solutions, as of 6/30/19. Subject to change. 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.

Fees as of Current Prospectus. All Other Data as of 6/30/19												
Fund Name	Fund Inception Date	Gross Expense Ratio	30-Day SEC Yield (With/Without Waiver)	Contractual Fee Waiver Expiration (If Applicable)	1-Year Returns		5-Year Returns		10-Year Returns		Since Inception	
					NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares Core U.S. Aggregate Bond ETF	9/22/2003	0.06%	2.50% / 2.49%	June 30, 2026	7.84%	7.79%	2.91%	2.91%	3.78%	3.73%	4.02%	4.01%

Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the performance shown. For most recent month-end performance see www.iShares.com.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times.

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.

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

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. 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.

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