Turn factor insights into portfolio outcomes:

Seek High Yield With Less Risk

iShares Edge High Yield Defensive Bond ETF

HYDB 35 bps

Why HYDB?

Seeks high yield income with potentially less risk than the broad high yield bond market

High yield bonds are a popular way to generate above average yields. However, one drawback to investing in high yield bonds is the increased probability of defaults and the accompanying volatility the asset class introduces to a bond portfolio.

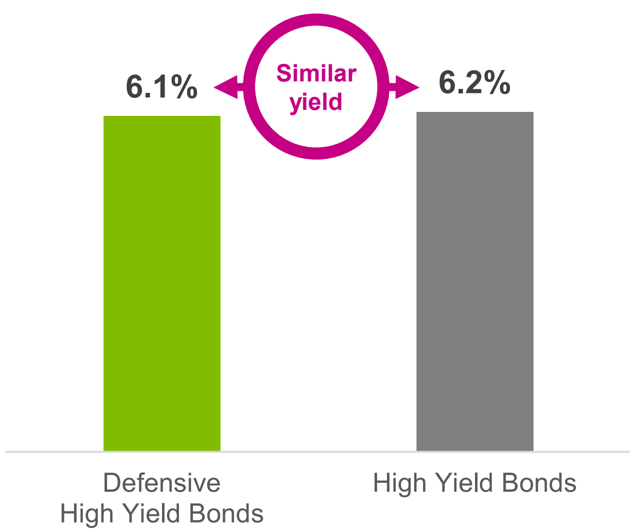
Putting factors to work

Using a factor approach, it is possible to invest in high yield with potentially less risk, while still pursuing a similar level of yield and returns. **The iShares Edge High Yield Defensive Bond ETF (HYDB)** seeks to track an index that combines quality and value factors to invest in high yield bonds with a more defensive tilt.

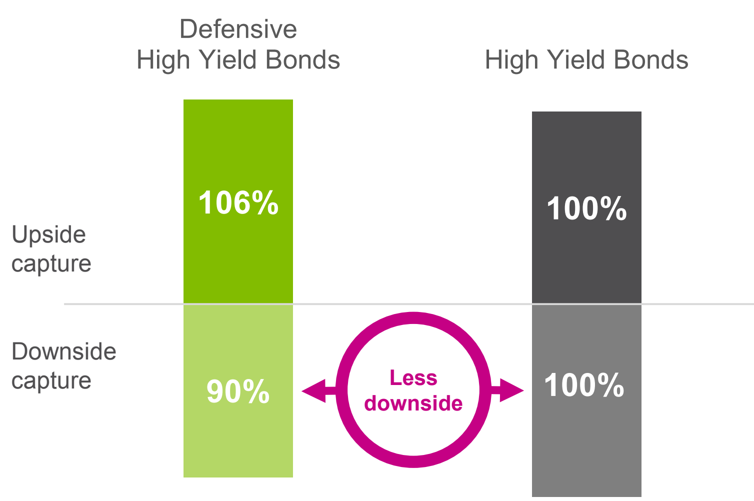
The index of HYDB aims to screen out bonds that appear to be lower quality based on well-researched credit metrics and then overweighs the remaining bonds that appear undervalued. The targeted result is a portfolio with similar income and return potential but with potentially less risk than a market-cap weighted allocation.

Similar levels of yield with potentially less risk

Yield



Upside-Downside Capture



Source: BlackRock, Bloomberg Barclays Indices, from 5/31/17 to 9/30/18.
Defensive High Yield Bonds represented by the BlackRock High Yield Defensive Bond Index. High Yield Bonds represented by the Bloomberg Barclays U.S. Corporate High Yield Index. Yields are measured as weighted average yield to maturity. Upside and Downside Capture Ratio measures if a given strategy has outperformed--gained more or lost less than--a market benchmark during periods of market strength and weakness, and if so, by how much. **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. Index performance does not represent actual iShares Fund performance. For actual fund performance, please visit www.iShares.com or www.blackrock.com.**

iShares.com/HYDB

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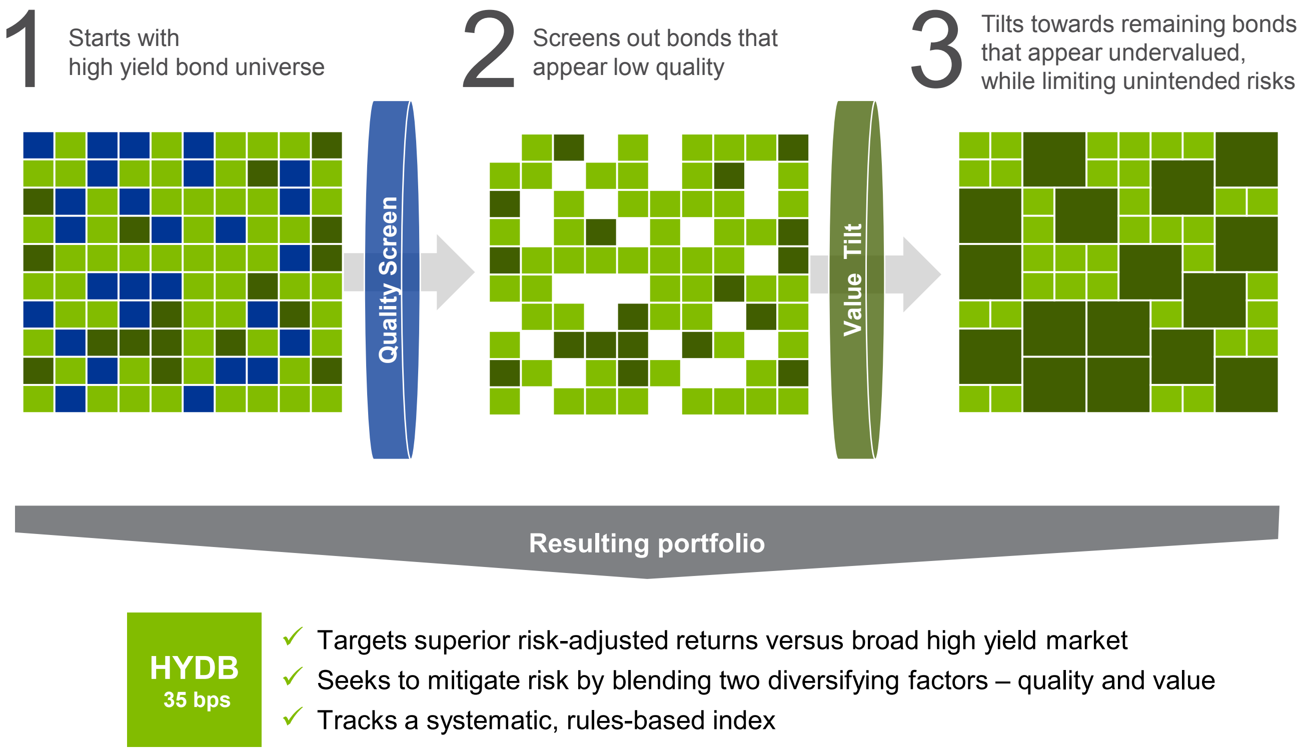
iShares Edge High Yield Defensive Bond ETF Index Methodology

Focuses on higher quality, undervalued high yield bonds



- ✓ Targets superior risk-adjusted returns versus broad high yield market
- ✓ Seeks to mitigate risk by blending two diversifying factors – quality and value
- ✓ Tracks a systematic, rules-based index

For illustrative purposes only.
Based on the methodology of the BlackRock High Yield Defensive Bond Index.

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. 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.

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.

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.

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.

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