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 overweights the remaining bonds that appear undervalued.

The targeted result is a portfolio with similar income potential but with higher risk-adjusted returns compared to a market-cap weighted allocation.

How the index is built

Focuses on higher quality, undervalued high yield bonds

1. Starts with high yield corporate bond universe
2. Screens out bonds that appear low quality
3. Tilts towards remaining undervalued bonds, while seeking to limit unintended risks

Results in a portfolio that:

- Targets superior risk-adjusted returns versus broad high yield market
- Seeks to mitigate risk by blending two diversifying factors – quality and value
- A systematic, rules-based approach to bond investing

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

iShares.com/HYDB
### Fees as of current prospectus

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Inception date</th>
<th>Net / Gross Expense Ratio</th>
<th>30-Day SEC Yield (With / Without Waiver)</th>
<th>Contractual Fee Waiver expiration</th>
<th>1-year returns</th>
<th>5-year returns</th>
<th>10-year returns</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>iShares Edge High Yield Defensive Bond ETF</td>
<td>7/11/17</td>
<td>0.35%</td>
<td>6.07%</td>
<td>-</td>
<td>0.24% -0.25%</td>
<td>-</td>
<td>-</td>
<td>3.79 % 3.75%</td>
</tr>
</tbody>
</table>

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor’s shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.iShares.com or www.BlackRock.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. Performance shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without waivers.

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.

Diversification may not protect against market risk or 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 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.

Prepared by BlackRock Investments, LLC.

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by BlackRock Index Services, LLC., nor does this company make any representation regarding the advisability of investing in the Funds. BlackRock Investments, LLC and BlackRock Index Services are affiliates.

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.

©2020 BlackRock, Inc. iSHARES and BLACKROCK are trademarks of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other marks are the property of their respective owners.

GELM-345631-JUL20-US