

# DISCOVER OPPORTUNITY IN EMERGING MARKET BONDS

**EMB**

## iShares J.P. Morgan USD Emerging Markets Bond ETF

Expense Ratio: 0.39%

Duration: 8.55 years

### Key takeaways



**Seek income** – Emerging market (EM) bonds have historically generated higher yield than other fixed income segments



**Diversification** – EM bonds have historically exhibited low correlation to bonds from developed markets<sup>1</sup>



**Access** – EMB provides exposure to over 50 sovereign entities and over 500 bonds, giving investors efficient access to an otherwise challenging asset class.

### One ETF, many markets

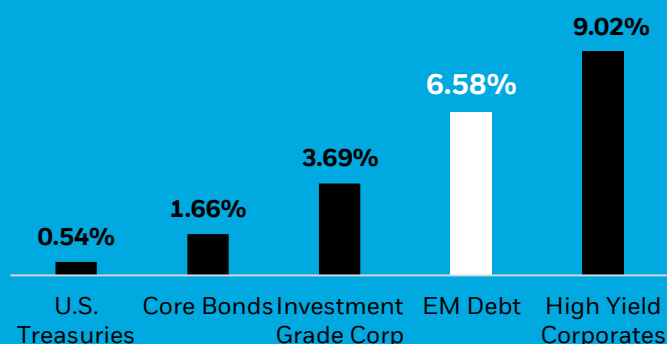
EM bonds offer yield-seeking investors the potential to draw income from historically faster-growing global economies.

The asset class continues to grow and evolve as more investors experience the potential income opportunities it can provide. In fact, the size of the emerging market USD-denominated sovereign asset class now stands at \$1.2 trillion.<sup>2</sup>

The iShares J.P. Morgan USD Emerging Markets Bond ETF (EMB) gives investors access to these bonds in a cost-effective way.

**Over half of the bonds in the emerging market universe are investment grade – meaning you don't have to take as much risk as you might have thought to seek income<sup>3</sup>**

### Emerging market bonds potentially offer attractive yield<sup>4</sup>



<sup>1</sup> Source: Bloomberg and JPMorgan as of 9/30/20. Diversification and asset allocation may not protect against market risk or loss of principal. EMB correlation with developed market bonds measured by iShares Core U.S. Aggregate Bond ETF (AGG). EMB 3-year correlation with AGG is 0.39

<sup>2</sup> Source: JPMorgan as of 12/31/19.

<sup>3</sup> Source: Bloomberg as of 9/30/20.

<sup>4</sup> Source: Bloomberg as of 9/30/20. Yield shown is nominal yield. Treasuries represented by the ICE U.S. Treasury Core Bond Index, Core Bonds represented by the Bloomberg Barclays US Aggregate Bond Index, Investment Grade Corporate represented by the ICE BofAML U.S. Corporate Master Index, High Yield Corporates represented by the ICE BofAML U.S. High Yield Constrained Index and Emerging Market Debt represented by the JPM EMBI Global Core 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. Index performance does not represent actual iShares Fund performance. For actual fund performance, please visit [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com).**

# How does emerging market debt fit into a portfolio?

Emerging market bonds can be used to potentially boost income and diversify a multi-asset portfolio.

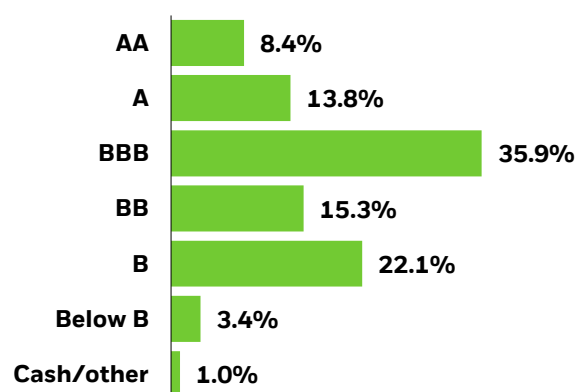
- **Seek income:** The emerging market bond market is over 50% investment grade<sup>3</sup> and offers the potential to generate higher income than other fixed income asset classes.
- **Diversification:** Emerging market bonds have historically exhibited low correlation to developed market bonds.<sup>1</sup>

## Top 10 country exposures in EMB

Country	% of Fund
Mexico	5.2%
Indonesia	5.0%
Saudi Arabia	4.7%
Qatar	4.4%
United Arab Emirates	4.3%
Russian Federation	4.0%
Philippines	3.7%
China	3.6%
Turkey	3.6%
Brazil	3.4%
<b>Total Top 10</b>	<b>41.9%</b>

Source: BlackRock, as of 9/30/20. Allocations are subject to change.

## Credit quality breakdown



Source: BlackRock as of 9/30/20. 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 9/30/20	Fund Inception Date	Expense Ratio	30-Day SEC Yield	1-Year Returns		5-Year Returns		10-Year Returns		Since Inception	
				NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares J.P. Morgan USD Emerging Markets Bond ETF	12/17/2007	0.39%	3.94%	1.52%	1.99%	5.77%	5.77%	4.77%	4.76%	5.79%	5.82%

**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](http://www.iShares.com).**

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**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](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.**

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. 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. 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 or in concentrations of single countries.

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GELM-357235-Q-OCT20-US

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