

# SEEK INCOME WITH HIGH YIELD BOND ETFs

With U.S. Treasury yields near all-time lows, high yield bonds may provide investors with a way to increase portfolio yield.

**HYG**

## iShares iBoxx \$ High Yield Corporate Bond ETF<sup>1</sup>

Expense Ratio: 0.49%  
30-Day SEC Yield: 4.72%  
Duration: 3.59 years

**SHYG**

## iShares 0-5 Year High Yield Corporate Bond ETF<sup>1</sup>

Expense Ratio: 0.30%  
30-Day SEC Yield: 5.11%  
Duration: 2.28 years

## Key takeaways



**Seek Income** – High yield bond ETFs, such as HYG and SHYG, can potentially boost income in portfolios



**Diversification** – Exposure to hundreds of individual bonds in a single ETF



**Access**– Use these bond ETFs to access pure play high yield corporate bonds, even customize by maturity

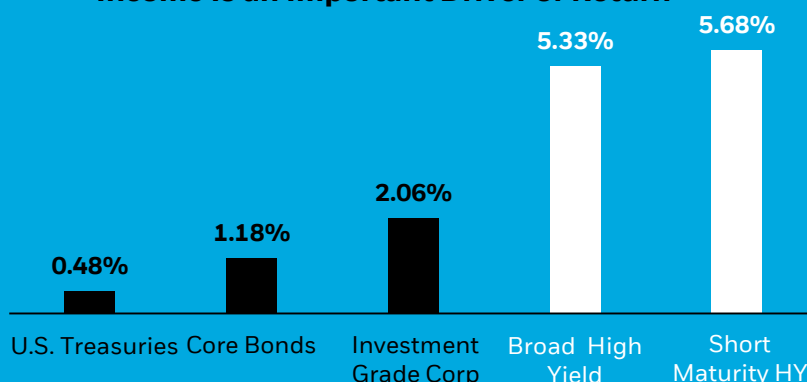
## Rates are near record lows

Interest rates are near record lows in developed markets like the U.S.. Treasuries and investment grade credit may not provide investors with the necessary yield they need from their fixed income portfolios.

High yield bond ETFs can offer more income than investment grade bonds and U.S. Treasuries, while staying diversified with hundreds of individual bonds.

**High yield corporate bonds are currently yielding more than investment grade bonds.**

## Income Is an Important Driver of Return<sup>2</sup>



**1.** Source: BlackRock, as of 9/30/20. **Past performance does not guarantee future results. See the next page for standardized performance.**

**2.** Source: Bloomberg as of 9/30/20. Chart displays nominal yield. U.S. Treasuries represented by the ICE U.S. Treasury Core Bond Index, Core Bonds represented by the Bloomberg Barclays U.S. Aggregate Bond Index, Investment Grade Corp represented by the ICE BofAML US Corporate Master Index, Short Maturity HY represented by the Markit iBoxx USD Liquid High Yield 0-5 Index and Broad High Yield represented by Markit iBoxx USD Liquid High Yield 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.**

[iShares.com/HYG](https://www.ishares.com/HYG)

# Comparing iShares high yield bond ETFs

Key Index Rules	HYG	SHYG
Index Name	Markit iBoxx USD Liquid High Yield Index	Markit iBoxx USD Liquid High Yield 0-5 Index
Min Bond Size	<ul style="list-style-type: none"> <li>\$400 mm per bond</li> <li>\$1 bn total debt per issuer</li> </ul>	<ul style="list-style-type: none"> <li>\$350 mm per bond</li> </ul>
Max per issuer	3%	3%
Maturity Range	1-15 years	0-5 years
Price Floor	Not applicable	Must be higher than \$60

## Credit quality breakdown - HYG

BBB	0.01%
BB	55.48%
B	32.51%
CCC	10.89%
CC or Lower	0.76%
Cash/Other	0.35%

## Credit quality breakdown - SHYG

BBB	0.04%
BB	52.37%
B	32.03%
CCC	13.81%
CC or Lower	1.15%
Cash/Other	0.61%

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	
Fund Name				NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares iBoxx \$ High Yield Corporate Bond ETF (HYG)	4/4/2007	0.49%	4.72%	1.26%	1.21%	5.61%	5.55%	5.39%	5.29%	5.22%	5.18%
iShares 0-5 Year High Yield Corporate Bond ETF (SHYG)	10/15/2013	0.30%	5.11%	-0.32%	-0.27%	4.72%	4.76%	--	--	3.33%	3.38%

**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).** Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Any applicable brokerage commissions will reduce returns. Beginning August 10, 2020, market price returns for BlackRock and iShares ETFs are calculated using the closing price and account for distributions from the fund. Prior to August 10, 2020, market price returns for BlackRock and iShares ETFs were calculated using the midpoint price and accounted for distributions from the fund. The midpoint is the average of the bid/ask prices at 4:00 PM ET (when NAV is normally determined for most ETFs). The returns shown 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](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. 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.

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