iShares by BlackRock

A NEW WAY TO COMBAT INTEREST RATE RISK

iShares Interest Rate Hedged Bond ETFs

HYGH — **iShares Interest Rate Hedged High Yield Bond ETF**

IGBH — **iShares Interest Rate Hedged Long-Term Corporate Bond ETF**

AGRH — **iShares Interest Rate Hedged U.S. Aggregate Bond ETF**

LQDH — **iShares Interest Rate Hedged Corporate Bond ETF**

Key takeaways

Interest rate hedged – Bond ETFs that provide exposure to high yield (HYGH) and investment grade (LQDH, IGBH) bonds with interest rate swap contracts

Efficient Access - Structured as fund-of-funds with an interest rate hedge.

Help control exposure - Use to help manage interest rate risk or express a view on credit spreads

Concerned about rising rates?

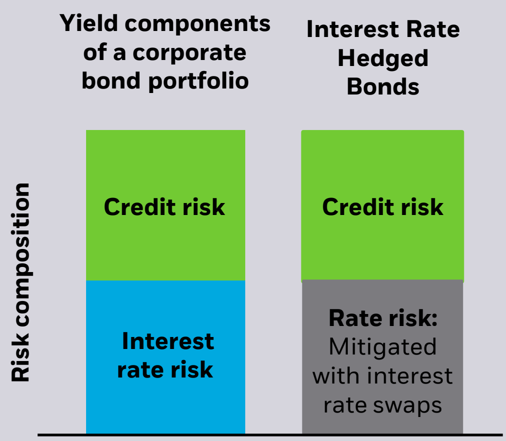
With potential rate hikes in the future, many bond investors are preparing for a changing landscape by reducing their interest rate risk. These investors might consider iShares interest rate hedged bond ETFs.

By holding iShares ETFs in combination with interest rate swaps, iShares interest rate hedged bond ETFs provide an easy and cost effective potential alternative for investors attempting to mitigate interest rate risk.

Seek to mitigate interest rate risk in a fixed income portfolio with iShares bond ETFs

More conservative ⟷ More aggressive

	AGRH	LQDH	IGBH	HYGH
Gross/Net Expense Ratio	0.16%/ 0.13%	0.44%/ 0.24%	0.39%/ 0.14%	1.12%/ 0.52%
Sub / Unsub. 30-Day SEC Yield	3.60/3.57	4.39/4.19	4.97/4.72	5.65/5.05
Duration (years)	0.06	-0.03	0.02	0.09

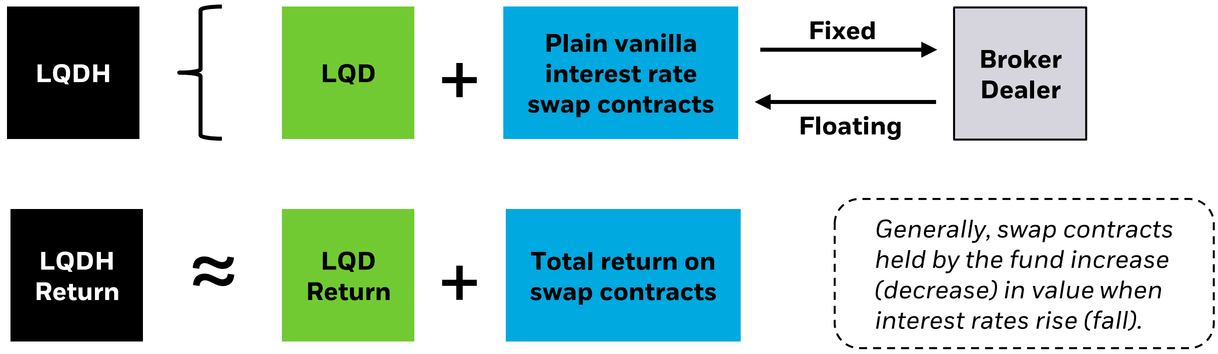


Source: BlackRock, data as of 9/30/2025. Chart for illustrative purposes only

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. For standardized performance and more information about the funds' expenses, please see page 2.

How do iShares rate hedged ETFs work?

Example: iShares Interest Rate Hedged Corporate Bond ETF (LQDH)



For illustrative purposes only.

Interest Rate Swaps Explained

- **Interest rate swaps** are forward contracts[1] in which one stream of future interest payments is exchanged for another. Swaps trade over-the-counter (OTC) and are centrally cleared to reduce counterparty risk[2].
- **Plain vanilla** swaps indicate that the investor will pay out a fixed rate and receive floating payments. As such, the funds are designed to benefit when the reference rate[3] rises above the fixed rate.
- iShares rate hedged ETFs are designed to **mitigate the interest rate risk** of the respective underlying ETF by holding swaps at the 1, 2, 3, 5, 7, 10, 15, 20, and 30-year points. Swap weights are based on the composition of bonds in the respective underlying ETF and are rebalanced daily.
- Swaps are marked to market[4] each day, with net cash flows exchanged at maturity. Monthly **ETF Earned Income** will include the ETF income, expense ratio, and "cost of carry" of the interest rate hedges. Cost of carry is the yield given up in exchange for removing rate risk from the underlying exposure.

Using iShares to navigate rising rates

Interest Rate Scenario	Potential Strategy	iShares Bond ETFs
Gradual Rate Hike 	• Move to short maturities or floating rate bonds • Allocate to credit risk over interest rate risk	**TFLO** iShares Treasury Floating Rate Bond ETF **FLOT** iShares Floating Rate Bond ETF **NEAR** BlackRock Short Maturity Bond ETF (Active)
Longer-Term Rates Rise Quickly 	• Hedge against interest rate risk when long-term rates rise • Maintain exposure to credit risk	**iShares Interest Rate Hedged ETFs** **HYGH** **AGRH** **LQDH** **IGBH**

For illustrative purposes only

1. Forward contracts: A forward contract is a customized contract between two parties to buy or sell an asset at a specified price on a future date.
2. Counterparty risk: Counterparty risk is the probability that the other party in an investment, credit, or trading transaction may not fulfill its part of the deal and may default on the contractual obligations.
3. Reference rate: A reference rate is an interest rate benchmark used to set other interest rates.
4. Marked to market: Mark to market (MTM) is a method of measuring the fair value of accounts that can fluctuate over time, such as assets and liabilities.

Standardized Performance

Fees as of Current Prospectus All Other Data as of 9/30/2025 Fund Name	Fund Inception Date	Expense Ratio (Net/Gross)	30-Day SEC Yield (With / Without Waiver)	Contractual Fee Waiver Expiration	1-Year Returns (%) NAV	1-Year Returns (%) Mkt Price	5-Year Returns (%) NAV	5-Year Returns (%) Mkt Price	Since Inception (%) NAV	Since Inception (%) Mkt Price
iShares Interest Rate Hedged High Yield Bond ETF **(HYGH)**	05/27/2014	0.52/1.12	5.65/5.05	02/28/2027	8.34%	8.17%	7.81%	7.82%	4.59%	4.59%
iShares Interest Rate Hedged Emerging Markets Bond ETF **(AGRH)**	06/22/2022	0.13/0.16	3.60/3.57	02/29/2028	5.53%	5.41%	-	-	5.60%	5.59%
iShares Interest Rate Hedged Long-Term Corporate Bond ETF **(IGBH)**	07/22/2015	0.14/0.39	4.97/4.72	02/28/2027	8.27%	8.16%	6.52%	6.56%	4.24%	4.24%
iShares Interest Rate Hedged Corporate Bond ETF **(LQDH)**	05/27/2014	0.24/0.44	4.39/4.19	02/28/2027	7.34%	7.31%	5.74%	5.73%	3.40%	3.40%

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. 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 such waivers.

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 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. There is no guarantee that interest rate risk will be reduced or eliminated within the Funds. The Funds' use of derivatives may reduce the Funds' returns and/or increase volatility and subject the Funds to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. The Funds could suffer losses related to their derivative positions because of a possible lack of liquidity in the secondary market and as a result of unanticipated market movements, which losses are potentially unlimited. There can be no assurance that the Funds' hedging transactions will be effective. The Funds are subject to the risks of the underlying funds. 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. Investing in long/short strategies presents the opportunity for significant losses, including the loss of your total investment. Such strategies have the potential for heightened volatility and in general, are not suitable for all investors.

The Funds are actively managed and does not seek to replicate the performance of a specified index. The Funds may have a higher portfolio turnover than funds that seek to replicate the performance of an index. There is no guarantee that interest rate risk will be reduced or eliminated within the Funds. Diversification may not protect against market risk or capital loss. The strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective.

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