



iShares ESG Equity Optimized ETFs

ESG focus with similar risk and return potential as the market

- Increase ESG:** Focus on companies that rate higher across ESG considerations
- Keep it broad:** Seek similar risk/return as the market through an optimization process
- Implement with ease:** Incorporate as a complement to a portfolio's existing core

iShares MSCI USA ESG Optimized ETF **ESGU**
Exp. Ratio: 0.15%

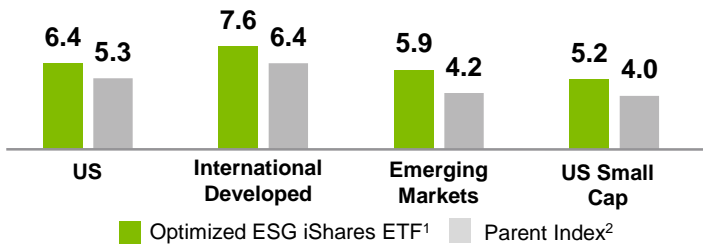
iShares MSCI EAFE ESG Optimized ETF **ESGD**
Exp. Ratio: 0.20%

iShares MSCI EM ESG Optimized ETF **ESGE**
Exp. Ratio: 0.25%

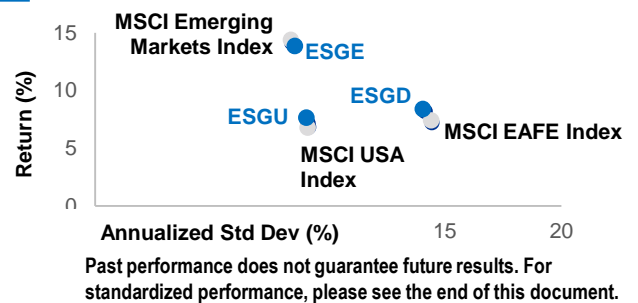
New iShares MSCI USA Small-Cap ESG Optimized ETF **ESML**
Exp. Ratio: 0.17%

1 ESG Quality Score Improvement

0-10, 10 represents highest score

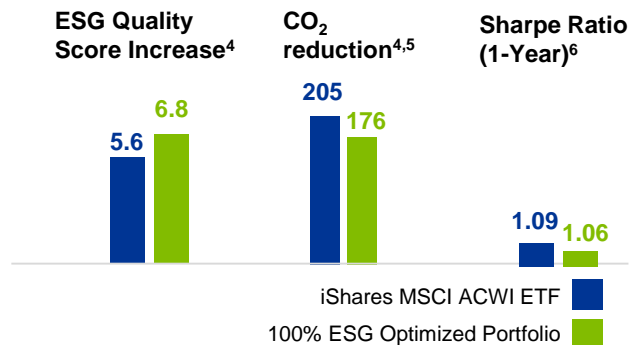
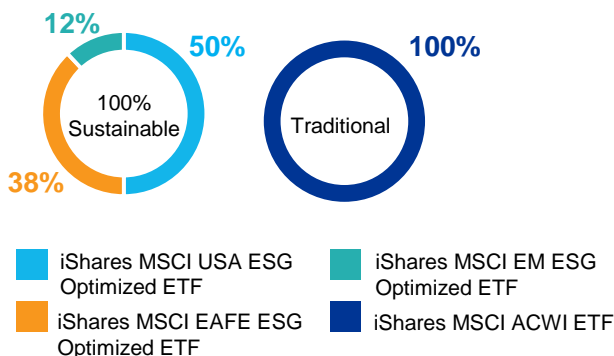


2 Risk/Return Comparison (1-Year)³



3 Consider iShares ESG Equity Optimized ETFs as a portfolio's core

The combined iShares ESG Optimized Equity ETFs maintain a similar risk-adjusted return profile (measured by the Sharpe ratio) and provide an improved ESG Quality scores and reduced carbon emissions.



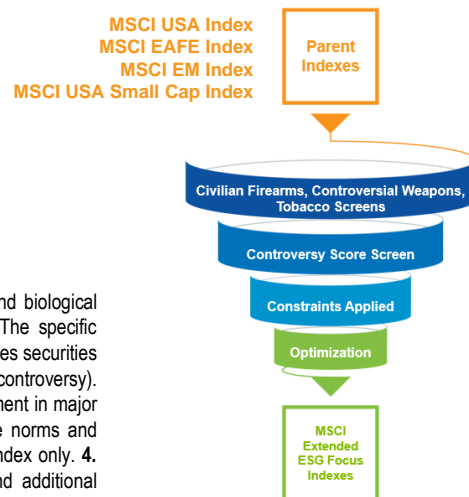
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1 Source: MSCI Fund Metrics, as of 06/30/2018. 2 Source: BlackRock, with data from MSCI ESG Research. The indexes shown are the parent indexes of the indexes that the funds seek to track. US parent index is the MSCI USA Index (99.9% of securities covered by MSCI Research); International Developed parent index is the MSCI EAFE Index (99.9% of securities covered by MSCI Research); Emerging Markets parent index is the MSCI Emerging Markets Index (99.9% of securities covered by MSCI Research); US Small Cap parent index is the MSCI USA Small Cap Index (98.0% of securities covered by MSCI Research). 3 Source: Morningstar Direct, as of 6/30/2018. Returns are NAV. Standard deviation is a measure of the dispersion of a set of data from its mean. It is calculated as the square root of variance by determining the variation between each data point relative to the mean. 4. Source: MSCI Fund Metrics, as of 6/30/2018. ESG Quality Score and CO₂ reduction for the Sustainable Portfolio is the weighted average of the individual funds' ESG Quality Score and carbon intensity. 99.9% of the Sustainable portfolio's AUM is covered by MSCI Research. The allocations of the Sustainable portfolio are for illustrative purposes and reflect the approximate regional exposures of the iShares MSCI ACWI ETF. 5 Measured by tons CO₂e/\$M sales. 6 Sharpe Ratio sourced from Morningstar Direct. 1-Yr figures as of 6/30/2018. It is calculated by using excess return and standard deviation to determine reward per unit of risk. For MSCI Fund Metrics and more information on ESG Metrics, please see the end of this document. ICR0718U-551812-1737915

How the indexes are built

- 1 Screen out civilian firearms, controversial weapons and tobacco¹
- 2 Screen out securities with severe controversies²
- 3 Constrain sectors and country weights to +/- 5% and constituent weights to +/- 2% of the broad market index³
- 4 Optimize portfolio subject to above constraints. Rebalanced quarterly.⁴

Source: MSCI. For illustrative purposes only. 1. Controversial weapons defined by MSCI as cluster bombs, chemical weapons and biological weapons, landmines, depleted uranium weapons, blinding laser weapons, non-detectable fragments, and incendiary weapons. The specific exclusion criteria, such as revenue thresholds, vary by industry. Please refer to the index methodology for more information. 2. Excludes securities with an ESG controversy score of very severe (0). MSCI ESG Controversy scores are on a scale of 0-10 (0 represents most severe controversy). Controversy scores consider a company's significant social, environmental, and governance impacts by identifying company involvement in major ESG controversies, adherence to international norms and principles, and assessing company performance with respect to these norms and principles. 3. Country weight constraint applies to MSCI EAFE Extended ESG Focus Index and MSCI EM Extended ESG Focus Index only. 4. Optimization is a quantitative process that considers the market capitalization weights from the Parent Index, ESG scores and additional optimization constraints to select and weight the constituents in the Index.



MSCI Fund Metrics

/Source: MSCI Fund Metrics, as of 07/16/2018

Ticker	Fund	ESG Quality Score % Rank	Lipper Peer Group (Number of Funds in Group)	ESG Quality Score	Weighted Avg. Carbon Intensity	ESG Coverage	Holdings Date
ESGU	iShares MSCI USA ESG Optimized ETF	98 th	Equity US (2,704)	6.50	164.2	98.7%	6/30/2018
ESGD	iShares MSCI EAFE ESG Optimized ETF	99 th	Equity Global ex-US (753)	7.65	175.3	99.6%	6/30/2018
ESGE	iShares MSCI EM ESG Optimized ETF	97 th	Equity Emerging Markets Global (823)	5.99	230.4	99.9%	6/30/2018
ACWI	iShares MSCI ACWI ETF	37 th	Equity Global (2,274)	5.64	206.0	99.1%	6/30/2018
ESML	iShares MSCI USA Small-Cap ESG Optimized ETF	98 th	Equity US Small & Mid Cap (1,294)	5.29	143.1	97.8%	6/30/2018

The **ESG Quality Score % Rank** measures how a fund's overall ESG Quality Score ranks relative to other funds in the same Lipper peer group. 100% represents the best score. The **Fund ESG Quality Score** measures the ability of underlying holdings to manage key medium to long-term risks and opportunities arising from environmental, social, and governance factors. The Fund ESG Quality Score is calculated as the weighted average of the underlying holding's ESG Scores. The Fund ESG Quality Score is provided on a 0-10 score, with 0 and 10 being the respective lowest and highest possible fund scores. MSCI rates underlying holdings according to their exposure to 37 industry specific ESG risks and their ability to manage those risks relative to peers. These issuer-level ESG ratings correspond to an issuer-level ESG Score. The **Weighted Average Carbon Intensity** is measured in tons CO₂/\$M sales. To be included in Fund Metrics, 65% of the fund's gross weight must come from covered securities, fund holdings date must be less than one year old, and the fund must have at least ten securities. **Past performance does not guarantee future results.**

Standardized performance as of 6/30/2018	1-YR		5-YR		Since Inception			
	Exp. Ratio%	Inception Date	NAV%	Price %	NAV%	Price %	NAV%	Price %
ESGU	0.15	Dec-01-16	14.16	14.13	N/A	N/A	16.82	16.86
ESGD	0.20	Jun-28-16	7.19	6.70	N/A	N/A	15.56	15.58
ESGE	0.25	Jun-28-16	7.24	6.98	N/A	N/A	17.20	17.22
ESML	0.17	Apr-10-18	N/A	N/A	N/A	N/A	N/A	N/A

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.

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.

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. Small-capitalization companies may be less stable and more susceptible to adverse developments, and their securities may be more volatile and less liquid than larger capitalization companies.

A fund's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards.

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