

A SUSTAINABLE FOUNDATION

iShares[®]
by BlackRock

iShares Sustainable Bond ETFs

SUSB	iShares ESG Aware 1-5 Year USD Corporate Bond ETF Expense ratio: 0.12%	SUSC	iShares ESG Aware USD Corporate Bond ETF Expense ratio: 0.18%	EAGG	iShares ESG Aware U.S. Aggregate Bond ETF Expense ratio: 0.10% ¹
EUSB	iShares ESG Advanced Total USD Bond Market ETF Expense ratio: 0.12% ¹	HYXF	iShares ESG Advanced High Yield Corporate Bond ETF Expense ratio: 0.35%	BGRN	iShares Global Green Bond ETF Expense ratio: 0.20% ¹

¹ Net expense ratio shown for EUSB, EAGG and BGRN reflect contractual fee waivers in place through 6/30/25, 6/30/24 and 3/01/21 respectively. Gross expense ratios are 0.13%, 0.11% and 0.25% respectively.

Key takeaways




-  **Quality**
Issuers with positive environmental, social and governance (ESG) business practices may be better positioned to grow
-  **Access**
Sustainable fixed income building blocks for a portfolio
-  **Low cost**
A cost efficient way to build a fixed income portfolio

Figure 1 - Effective duration / 30-day SEC Yield

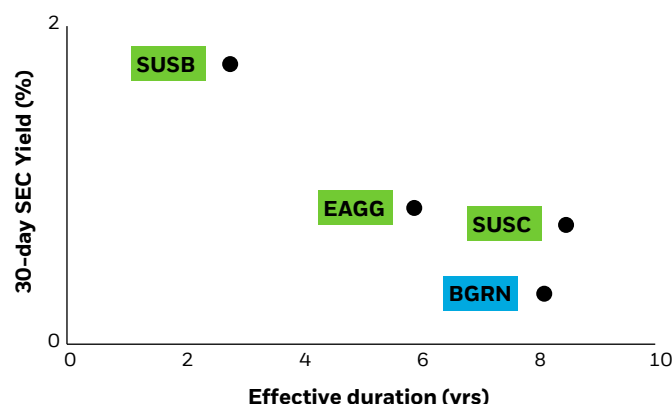


Figure 1 Source: BlackRock as at 9/30/2020. **Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the performance shown. See www.iShares.com for most recent month-end performance and the end of this document for standardized performance.**

Sustainable category and the holdings		
SUSC	ESG Aware²	A broad range of U.S. dollar-denominated, investment grade corporate bonds from issuers with favorable environmental, social and governance (ESG) ratings and similar risk and return potential to the Bloomberg Barclays U.S. Corporate Index.
SUSB	ESG Aware²	A broad range of U.S. dollar-denominated, investment grade corporate bonds having maturity between 1 and 5 years from issuers with favorable environmental, social and governance (ESG) ratings and similar risk and return potential to the Bloomberg Barclays U.S. Corporate 1-5 Years Index.
EAGG	ESG Aware²	A portfolio of bonds from issuers with favorable environmental, social and governance practices and similar risk return potential to the Bloomberg Barclays US Aggregate Bond Index.
EUSB	ESG Advanced³	A broad range of U.S. dollar denominated investment grade and high yield bonds from issuers with leading environmental, social and governance (ESG) ratings.
HYXF	ESG Advanced³	A broad range of U.S. dollar-denominated high yield corporate bonds from issuers with leading environmental, social and governance (ESG) ratings.
BGRN	Impact⁴	Investment grade global green bonds that are directly tied to promote climate or other environmental sustainability purposes.

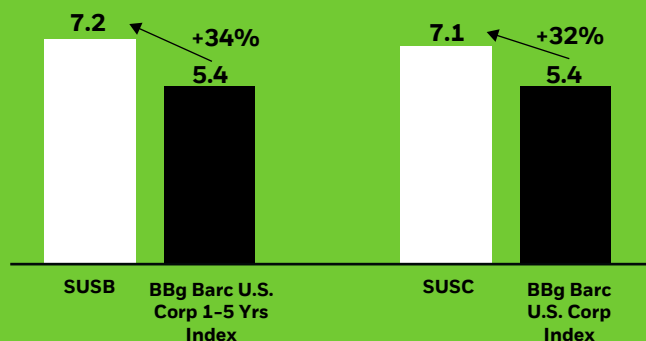
2. ESG Aware - Balance seeking a similar risk and return to the relevant broad market with seeking a more sustainable outcome. **3.** ESG Advanced - Prioritize higher-rated ESG companies while extensively screening out controversial activities. **4.** Impact - Seek to achieve a measurable sustainable outcome alongside a financial return.

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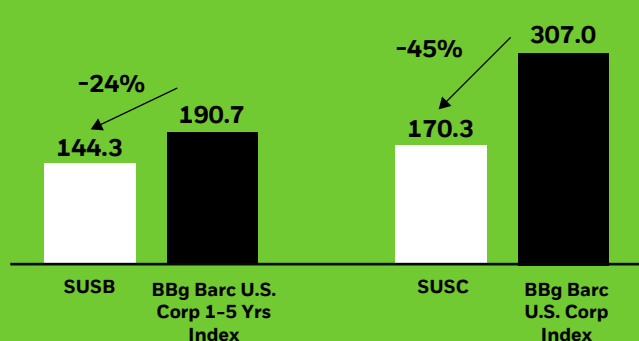
Consider iShares ESG Aware Bond ETFs for a portfolio's core

SUSB and SUSC achieve higher MSCI ESG Scores and reduced carbon intensity, compared to broad market indices.

MSCI ESG Quality Scores⁵



Weighted Average Carbon Intensity⁶

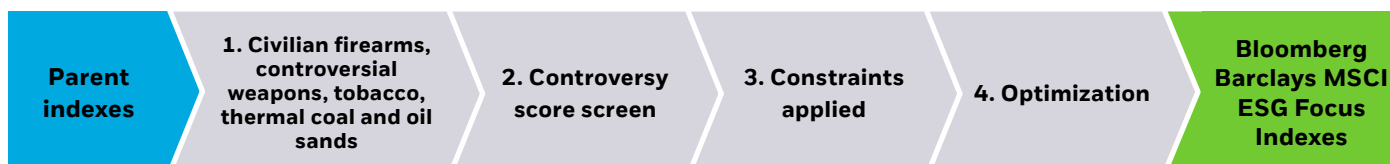


5. Source for the funds: MSCI ESG Fund Ratings as of 10/7/2020, based on holdings as of 8/31/2020. Source for the indexes: MSCI ESG Research as of 10/1/2020, based on holdings as of 9/1/2020. The indexes shown are the parent indexes of the indexes that the funds seek to track. There may be material differences between the fund's index and the index shown including without limitation holdings, methodology and performance. SUSC's parent index is the Bloomberg Barclays US Corporate Index (98% of securities covered by MSCI ESG Research). SUSB's parent index is the Bloomberg Barclays US Corporate 1-5 Year Index (99% of securities covered by MSCI ESG Research). The MSCI ESG Quality Score (0 - 10) corresponds to the weighted average of the ESG scores of portfolio holdings. The Score also considers ESG Rating trend of holdings and the portfolio exposure to holdings in the laggard category. 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. **6.** Source for the funds: MSCI ESG Fund Ratings as of 10/7/2020, based on holdings as of 8/31/2020. Source for the indexes: Blackrock, using carbon intensity data from MSCI ESG Research and holdings data from MSCI as of 9/1/2020. The indexes shown are the parent indexes of the indexes that the funds seek to track. There may be material differences between the fund's index and the index shown including without limitation holdings, methodology and performance. The Weighted Average Carbon Intensity measures a portfolio's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the portfolio's holdings. The figure is a sum of the normalized security weight multiplied by the security Carbon Intensity. This allows for comparisons between portfolios of different sizes. It is measured in tons CO2/\$M sales.

How the indexes are built

Bloomberg Barclays MSCI ESG Focus Indexes

- 1 Screen out civilian firearms, controversial weapons, tobacco, thermal coal and oil sands.⁷
- 2 Screen out issuers with severe controversies. 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.⁸
- 3 Apply the following constraints:
 - Tracking error: Maximum 10 bps annualized of Parent Index⁹
 - Option-adjusted duration: +/-0.1 year of Parent Index
 - Yield to worst: Greater than or equal to Parent Index
 - Sector weight: +/- 200 bps of Parent Index
 - Issuer weight: Maximum +150 bps of Parent Index
 - Issue weight: +/- 100 bps of Parent Index
- 4 Optimize constituents subject to above constraints using modified market cap weightings. Rebalanced monthly.¹⁰



Source: Bloomberg Barclays and MSCI. For illustrative purposes only. **7.** Screens are based on revenue or percentage of revenue thresholds for certain categories and categorical exclusions for others. Please refer to the respective index methodology document for more information. **8.** Only issuers with MSCI ESG Ratings are eligible. Excludes all issuers involved in one or more very severe ESG Controversies (MSCI ESG Controversies Score <1). MSCI ESG Controversies Scores are on a scale of 0-10 (0 represents most severe controversy). **9.** Bps = basis points. A basis point is one hundredth of a percent. **10.** 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.

Pursue advanced sustainable goals with EUSB and HYXF

Sustainable fixed income exposure for investors seeking to prioritize access to higher-rated ESG companies while extensively screening out controversial industries. Refer to the index methodology for additional details on each index screen.

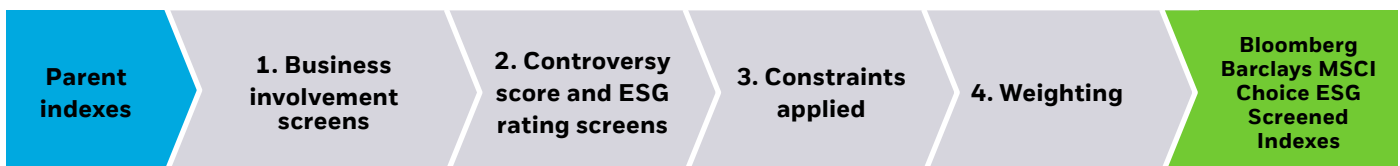
Adult entertainment	Civilian firearms	Fossil fuels	For profit prisons
Alcohol	Conventional weapons	Nuclear power	Predatory lending
Gambling	Controversial weapons	Palm oil	
Tobacco	Nuclear weapons	Genetically modified organisms (GMOs)	

Screens are based on revenue or percentage of revenue thresholds for certain categories (e.g. \$500 million or 50%) and categorical exclusions for others (e.g. nuclear weapons).

How the indexes are built

Bloomberg Barclays MSCI Choice ESG Screened Indexes

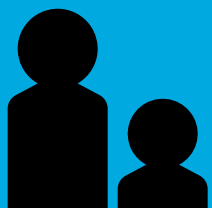
- Screen out adult entertainment, alcohol, gambling, tobacco, civilian firearms, conventional weapons, controversial weapons, nuclear weapons, fossil fuels, nuclear power, genetically modified organisms (GMOs), palm oil, for profit prisons and predatory lending.¹¹
- Screen out issuers with severe controversies and select issuers with an MSCI ESG Rating of 'BBB' or above for EUSB's index and 'BB' or above for HYXF's index.^{12,13}
 - Controversies 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
 - See the MSCI ESG Rating scale below:
- Apply the following constraints:
 - Currency exposure: Principal and coupon must be denominated in USD
 - Maturity: At least one year until final maturity, regardless of optionality
 - Credit quality: Investment grade, high yield and unrated securities are permitted
 - Sectors: EUSB's index - Treasury, Government-related, Corporate and Securitized issuers. Issuers classified as Class 3 Energy are excluded; HYXF's index - Corporate (industrial, financial institutions, utility) issuers only. Issuers classified as Class 3 Energy are excluded
 - Security Types: EUSB's index - bullet, putable, sinkable/amortizing and callable bonds are included; HYXF's index - bullet, putable, sinkable/amortizing, callable, original issue zero coupon, and PIK bonds, fixed-rate and fixed-to-float capital securities, and toggle notes are included
 - Minimum amount outstanding: EUSB's index: Treasury, government-related and corporate securities \$300mn | MBS \$1bn | HY \$150mn | EM \$500mn; HYXF's index - \$400M minimum amount outstanding at the CUSIP level
- Eligible constituents are market-cap weighted and rebalanced monthly



Source: Bloomberg Barclays and MSCI. For illustrative purposes only. ¹¹ Screens are based on revenue or percentage of revenue thresholds for certain categories and categorical exclusions for others. Please refer to the respective index methodology document for more information. ¹² Excludes securities with an ESG Controversies Score lower than 3. MSCI ESG Controversies Scores are on a scale of 0-10 (0 represents most severe controversy). ¹³ The MSCI ESG Rating indicates how well an issuer manages its most material ESG risks relative to sector peers. Issuers with low risk exposure and strong management of ESG risk factors score highest (AAA); issuers with high risk exposure and weak management of ESG risk factors score lowest (CCC). Ratings are based on a seven-letter scale: best (AAA) to worst (CCC).

Seek to make an impact with BGRN

Green bonds are fixed income instruments in which the proceeds will be exclusively applied towards environmental projects. A one million US dollar investment in BGRN's holdings would have created the following environmental impacts equivalent to:



9,279

new passengers / year on public transit



1,059

MWh / year of renewable energy generated



105

people benefiting from forest, agriculture, water / waste projects

Source: BlackRock analysis of publicly available environmental impact reports as communicated by issuers as of 05/18/2020, holdings as of 05/18/2020. 82.9% of iShares Global Green Bond ETF's constituents are covered by BlackRock's analysis. The above results are shown for informational purposes only, to illustrate the positive environmental impact of a green bond portfolio. They are not meant to be a prediction or projection. Not every issuer reports on every metric, hence no linear extrapolation should be performed. BlackRock cannot be held responsible for inaccuracies in issuers' reporting.

Bloomberg Barclays MSCI Global Green Bond Select Index (USD Hedged)

- 1 The index includes bonds that meet the Green Bond Principles, as determined by MSCI ESG Research. The Green Bond Principles (GBP) are voluntary process guidelines for issuing green bonds, published by the International Capital Market Association (ICMA). GBP promote integrity in the green bond market through guidelines that recommend transparency, disclosure and reporting.
- 2 Apply the following constraints:
 - Currency exposure: Multi-currency benchmark includes local currency denominated debt (USD, CAD, CLP, MXN, CHF, CZK, DKK, EUR, GBP, HUF, ILS, NOK, PLN, RUB, SEK, AUD, CNY, HKD, IDR, JPY, KRW, MYR, NZD, SGD, THB)
 - Maturity: Holds bonds until final maturity (0 to 30+ years)
 - Credit quality: Investment grade only (Baa3/BBB-/BBB- or higher)
 - Optionality: Fixed-rate bullet, puttable, sinkable/amortizing and callable bonds are included
 - Sectors: Treasury, corporate, government-related, securitized bonds and taxable municipals are included; general purpose bonds are excluded
 - Minimum issue size: 300mn: USD | 25mn: USD (ABS and CMBS)
- 3 Eligible constituents are market-cap weighted and rebalanced monthly.
- 4 Returns are calculated by hedging the currency back to U.S. Dollar.



Source: Bloomberg Barclays and MSCI. For illustrative purposes only. Please refer to the index methodology document for more information. ¹⁴ Securities for inclusion are independently evaluated by MSCI ESG Research to determine whether a fixed-income security should be classified as a green bond. These eligibility criteria reflect themes articulated in the Green Bond Principles.

Standardized performance as of 9/30/2020

Ticker	Gross Expense Ratio	Inception Date	30-Day SEC Yield (With / Without Waiver)	Contractual Fee Waiver Expiration (If Applicable)	1 Year returns		5 Year returns		10 Year returns		Since inception	
					NAV	Price	NAV	Price	NAV	Price	NAV	Price
SUSB	0.12%	7/11/2017	0.75%	-	4.92%	4.99%	-	-	-	-	3.74%	3.84%
SUSC	0.18%	7/11/2017	1.76%	-	7.90%	7.97%	-	-	-	-	6.30%	6.36%
EAGG	0.11%	10/18/2018	0.86% / 0.84%	June 30, 2024	6.93%	6.80%	-	-	-	-	9.24%	9.27%
BGRN	0.25%	11/13/2018	0.32% / 0.27%	March 1, 2020	3.77%	3.84%	-	-	-	-	8.60%	8.86%

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. 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. 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.

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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.

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. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics. The iShares Global Green Bond ETF may underperform other funds that do not have a green bond focus. Projects funded by green bonds may not result in direct environmental benefits.

Buying and selling shares of ETFs may result in brokerage commissions.

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