2021 OUTLOOK: NEW PRESIDENT, COVID-19, AND POLICY
Together we’ll cover...

Market Outlook

- The new nominal
- Globalization rewired
- Structural transformations

How to implement with ETFs
2021 GLOBAL MARKET OUTLOOK

BlackRock Investment Institute
A new investment order
2021 Investment Themes

The new nominal

We see stronger growth and lower real yields ahead as the vaccine led restart accelerates and central banks limit the rise of nominal yields even as inflation expectations climb. Inflation will have different implications to the past.

Globalization rewired

Covid-19 has accelerated geopolitical transformations such as a bipolar U.S.-China world order and a remaking of global supply chains, placing greater weight on resilience – even at the expense of efficiency.

Structural transformations

The pandemic has added fuel to pre-existing structural trends such as an increased focus on sustainability, rising inequality within and across nations, and the dominance of e-commerce at the expense of traditional retail.

Source: BlackRock Investment Institute and Refinitiv Datastream, data as of 3 December 2020. Views are subject to change.
We see stronger growth and lower real yields ahead as the vaccine led restart accelerates and central banks limit the rise of nominal yields even as inflation expectations climb. Inflation will have different implications to the past.
Virus and vaccines could help drive growth

Even with a muted economy through another winter, things are looking up.

U.S. GDP and GDP forecasts, 2019-2022

Forward looking estimates may not come to pass. Sources: BlackRock Investment Institute, Refinitiv, with data from Haver Analytics, December 2020. Notes: The blue line shows the path of real GDP, indexed to 100 in the fourth quarter of 2019. The dotted green line shows the implied level of GDP based on our estimate of restriction measures in coming quarters and a projection of the impact they might have on activity. The pink dotted line shows the consensus expectation of real GDP as of April 2020, immediately after lockdown measures were first introduced.
Higher inflation expectations doesn’t necessarily mean higher yields

We have raised our inflation expectation over the medium-term but not our nominal yield expectations, implying that we expect a deeper drop in real yields that has the potential to be a positive for risk assets.

U.S. 10-year Treasury yield and breakeven inflation, 2015-2021

Past performance is not a reliable indicator of current or future results.

Fiscal and monetary policy support set to continue into 2021

Ongoing support remains vital to prevent permanent economic scarring. The U.S. faces risks of policy fatigue. In the euro area, monetary policy remains accommodative with fiscal support expected in H2.

Source: BlackRock Investment Institute, with data from Haver Analytics, December 2020. Note: solid green bars show estimates of the discretionary fiscal measures in 2020 implemented in response to the Covid-19 pandemic. The light green bars show the equivalent support for 2021, based on a range of estimates of measures from internal and broker sources. The blue bars show the estimated impulse of monetary growth in China measured via total social financing (TSF), the broadest gauge of credit, stripping out local government debt purchases. The purple bars show the direct central bank support via programs such as the Term Funding Scheme for Small and Medium-sized Enterprises in the UK and the Targeted Longer-term Refinancing Operations in the euro area aimed at ensuring flow of credit to banks in return for greater bank lending to the private sector.
Globalization rewired

Covid-19 has accelerated geopolitical transformations such as a bipolar U.S.-China world order and a remaking of global supply chains, placing greater weight on resilience – even at the expense of efficiency.
China leads the post-Covid activity recovery

Better management of Covid outbreaks suggests activity could return to pre-Covid trends far ahead of peers, in our view. Longer term, China is on the verge of becoming the world’s largest economy.

**Sources:** BlackRock Investment Institute and the IMF, with data from Haver Analytics, December 2020. Note: The left chart shows the path of real GDP in China, indexed to 100 in Q1 2019 (solid blue line). The dotted blue line shows the implied level of GDP based on Bloomberg consensus forecasts of year-on-year growth rates at a quarterly frequency. The pink dotted line shows the path of real GDP under the IMF’s October 2019 World Economic Outlook forecast. The blue bars on the chart on the right show China’s past and expected share of global GDP according to the IMF. There is no guarantee any forecasts made will come to pass.
Growing appeal of China in strategic portfolios

Chinese government bonds’ higher yields offer attractive risk-reward in our view. In our view, it may be time to consider overweighting exposure to China assets for return potential and diversification.

Government bond yields, January 2021

Past performance is not a reliable indicator of current or future results. It is not possible to invest directly in an index.

Sources: BlackRock Investment Institute, with data from Refinitiv

Datastream, January 2021. Notes: The chart shows the 10-year government bond benchmark yields.
**Brightening outlook for emerging markets**

Investment flows into EMs this year have bounced back after a steep decline in the Covid-19 aftermath. Broader capital flows into Asia, led by China, show a gradual, secular upward trend.

**Net foreign capital flows into emerging markets 2000 - 2020**

**Sources:** BlackRock Investment Institute, with data from the International Institute of Finance and Bloomberg, December 2020. The chart on the left shows the share of each region listed in the annual total net non-resident capital flows into emerging markets. The right chart shows the net capital flows – debt and equity – into emerging markets from offshore investors. The data comes from the International Institute of Finance’s Capital Flows Tracker.
Structural transformations

The pandemic has added fuel to pre-existing structural trends such as an increased focus on sustainability, rising inequality within and across nations, and the dominance of e-commerce at the expense of traditional retail.
The pandemic has accelerated structural trends

Changing consumption patterns in the aftermath of Covid 19 have hastened the dominance of e-commerce and demise of struggling brick-and-mortar retailers.

Share of U.S. core retail sales, 1995-2020

Sources: BlackRock Investment Institute and U.S. Census Bureau, with data from Refinitiv, January 2021. Notes: The lines show U.S. electronic shopping and mail order and department stores retail sales as a share of core retail sales (retail sales excluding building materials, autos, gas stations and food).
Granular views are key to taking sustainable exposures

Differentiation will be greater at the stock and sector level, in our view.

Estimated carbon efficiency for MSCI sectors, November 2020

Indexes are unmanaged and do not account for fees. It is not possible to invest directly in an index. Sources: BlackRock Investment Institute with data from Refinitiv Datastream and MSCI, December 2020. Notes: The chart shows the carbon efficiency measured as total carbon emissions relative to the aggregate firm value for the sectors of the MSCI USA index. The carbon efficiency measure is shown in Z score terms. Z scores show the relationship of a value with the mean of a group of values, and is measured in terms of standard deviations from the mean. Both Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from electricity purchased) are considered. These can help gauge the exposure of companies to carbon pricing initiatives as part of climate change mitigation policies.
Tech sector appears to be in position to maintain its strengths

Accelerated trends and scarce growth amid rock-bottom yields underpin tech. We see potential for leadership within the sector to broaden to a wider set of beneficiaries across themes, including 5G connectivity.

MSCI All-Country World equity sectors return on equity, December 2020

Past performance is no guarantee of future results. Indexes are unmanaged and do not account for fees. It is not possible to invest directly in an index. Sources: BlackRock Investment Institute with data from MSCI and Refinitiv, January 2021. Notes: The chart shows the return on equity by sector of the MSCI All Country World Index as of December month-end, compared with its 10 year average.
IMPLEMENT WITH ETFs
ETFs offer a low cost, tax efficient way to invest

**Stock**
Tradable during the day

**ETFs**
Diversified funds that trade like stocks

**Mutual fund**
Diversified

Like a stock, an ETF can be bought and sold whenever the market is open.

Like a mutual fund, an ETF is a professionally managed, diversified portfolio.

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. For more information on the differences between traditional mutual funds and ETFs, see the end of this document.

What are ETFs?
Why use ETFs?

**DIVERSIFICATION**
ETFs can hold hundreds of securities within a single fund to help diversify your portfolio.

**LOW COST**
ETFs can keep fees lower than other diversified strategies because they seek to track indexes, helping to reduce costs.

**TAX EFFICIENT**
Because of their strategy and structure, ETFs can generally help reduce tax consequences as compared to mutual funds.

Transactions in shares of ETFs may result in brokerage commissions and may generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders. For more information on the differences between traditional mutual funds and ETFs, see the end of this document.
ETFs set new records in 2020

- **TOTAL TURNOVER ^**: $32 trillion
  Marks a 45% increase from 2019.

- **TOTAL US ETF NET INFLOWS**
  - **Equities**: $247bn
  - **Fixed Income**: $204bn
  - **Commodities & Other**: $43bn

- **GROWTH IN SUSTAINABLE AUM**: 218% *
  Sustainable US ETF AUM reached $69B by year-end.

Source: Goldman Sachs, Bloomberg, BlackRock as at 12/31/2020.

^Turnover refers to the total market value (Number of Shares x Unit Price) of all US Listed ETFs traded during 2020.

*218% reflects the growth in total Sustainable US ETF AUM from year-end 2019.
2021 Investment Themes

The new nominal
Navigate higher inflation and lower yield expectations

Globalization rewired
Navigate China and emerging market portfolio strategies

Structural transformations
Navigate sustainable and technological themes

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.
Navigating inflation

**Higher inflation expectations**

U.S. 10-year Treasury yield and breakeven inflation, 2015-2021

**TIP**

- Inflation-protected U.S. Treasury bonds
- 30-day SEC Yield: 5.15%
- Expense Ratio: 0.19%

- Exposure to U.S. TIPS, which are government bonds whose face value rises with inflation
- Access to the domestic TIPS market in a single fund
- Seek to protect against intermediate-term inflation


Right-hand data - Source: BlackRock as of 12/31/20. 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. For standardized performance, please see the end of this presentation.
Seeking yield through fallen angels & high yield

**iShares Fallen Angels USD Bond ETF**
- Offers exposure to a subset of high yield bonds that were previously rated investment grade.
- Use to pursue income while trying to capture the potential opportunity that can arise after bonds have been downgraded.

**iShares Broad USD High Yield Corporate Bond ETF**
- Offers broad high yield bond market exposure at a low cost
- Use to complement core fixed income holdings to enhance portfolio income and performance potential

<table>
<thead>
<tr>
<th>Credit Rating Breakdown (%)</th>
</tr>
</thead>
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<tr>
<td>BBB</td>
</tr>
<tr>
<td>BB</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>CCC</td>
</tr>
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<td>CC</td>
</tr>
<tr>
<td>C</td>
</tr>
<tr>
<td>D</td>
</tr>
<tr>
<td>Not Rated</td>
</tr>
<tr>
<td>Cash and/or derivatives</td>
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</table>

Source: BlackRock, data as of 12/31/20. Chart for illustrative purposes only. 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.
Tapping into China’s growth

**Growth of China within emerging markets vs. growth of emerging markets**

- **iShares MSCI China ETF**
  - Offers exposure to large and mid-sized companies in China
  - Use to express a single country view
  - Expense Ratio: 0.59%

- **IEMG**
  - iShares Core MSCI Emerging Markets ETF
  - Offers broad emerging market equity exposure at a low cost
  - 36.01% Chinese exposures
  - Expense Ratio: 0.11%

- **EMXC**
  - iShares MSCI Emerging Markets ex China ETF
  - Offers exposure to stocks from emerging markets counties, excluding those from China
  - Use to access emerging markets while maintaining flexibility for a tailored approach to investing in China.
  - Expense Ratio: 0.25%*

Past performance is not a reliable indicator of current or future results. It is not possible to invest directly in an index.

*The net expense ratio is shown for the fund, and reflects a contractual fee waiver in place until 12/31/22. The gross expense ratio is 0.34%.
Target sustainable growth

Uncover risks
- Data security
- Extreme weather
- Fraud
- Product quality
- Health & safety

Identify opportunities
- ESG evaluates a broad set of risks & opportunities facing a company beyond the scope of traditional financial analysis.
- Water efficiency
- Workforce diversity
- Energy use
- Supply chain management
- Clean trash

ESGU
iShares ESG Aware MSCI USA ETF
- Largest sustainable ETF*
- Offers exposure to large- and mid-cap U.S. stocks with favorable environmental, social and governance (ESG) practices
- Expense Ratio: 0.15%

Annualized performance of ESGU since inception
12/1/2016 – 12/31/2020

<table>
<thead>
<tr>
<th>ESGU</th>
<th>iShares ESG Aware MSCI USA ETF</th>
<th>17.41%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI USA Index</td>
<td>16.94%</td>
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<tr>
<td>S&amp;P 500 Index</td>
<td>16.24%</td>
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</tbody>
</table>

*Source: Morningstar as of 12/31/2020. Annualized NAV comparison against the iShares ESG Aware MSCI USA ETF and the S&P 500 from the time of ESGU’s inception. The MSCI USA Index is the parent index of ESGU's index. S&P 500 Index shown for illustrative purposes only. There may be material differences between the fund's index and the index shown including without limitation index provider, holdings, methodology and performance.

Data security

Extreme weather

Fraud

Product quality

Health & safety

ESG evaluates a broad set of risks & opportunities facing a company beyond the scope of traditional financial analysis.

Water efficiency

Workforce diversity

Energy use

Supply chain management

Clean trash

Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction cost unmanaged and one cannot invest directly in an index. Past performance and does not guarantee future results. Investment return fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the recent month. For end performance see www.ishares.com. For standardized performance information, please see the end of this document.

Source: Morningstar as of 12/31/2020. Annualized NAV comparison against the iShares ESG Aware MSCI USA ETF and the S&P 500 from the time of ESGU’s inception. The MSCI USA Index is the parent index of ESGU's index. S&P 500 Index shown for illustrative purposes only. There may be material differences between the fund's index and the index shown including without limitation index provider, holdings, methodology and performance.

*Source: Morningstar as of 12/31/2020. ESGU is the largest sustainable ETF based on AUM.
Megatrends fueling transformational growth

**iShares Exponential Technologies ETF**
- Offers exposure to global exponential technologies, which disrupt older technologies and have the potential to create significant positive economic benefits
- Access companies spanning global sectors
- Expense Ratio: 0.47%

**iShares Genomics Immunology and Healthcare ETF**
- Access companies at the forefront of genomics and immunology innovation
- Offers exposure to global stocks along the full value chain of genomics, immunotherapy and healthcare industries
- Expense Ratio: 0.47%

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**XT: Producers and Users of Exponential Technology**

<table>
<thead>
<tr>
<th>Theme</th>
<th>User</th>
<th>Producer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Data &amp; Analytics</td>
<td></td>
<td>✔️</td>
<td>Alphabet: Data feeds into Google’s online ads, apps, cloud platform, as well as autonomous vehicles and other investments.</td>
</tr>
<tr>
<td>Nanotechnology</td>
<td>✔️</td>
<td></td>
<td>Vodafone: Its communication networks and handsets benefit from smaller chipsets.</td>
</tr>
<tr>
<td>Networks &amp; Computer Systems</td>
<td></td>
<td>✔️</td>
<td>Microsoft: Azure is the number two public cloud vendor.</td>
</tr>
<tr>
<td>Energy &amp; Environmental Systems</td>
<td>✔️</td>
<td></td>
<td>IBM: Uses renewables and environmental design innovation in its data centers.</td>
</tr>
<tr>
<td>Medicine &amp; Neuroscience</td>
<td>✔️</td>
<td></td>
<td>AbbVie: Creates new medicines and drugs for unmet medical needs, such as rheumatoid arthritis, psoriasis, and Crohn’s disease.</td>
</tr>
<tr>
<td>Robotics</td>
<td>✔️</td>
<td></td>
<td>Rockwell Automation: Uses robots in its discrete manufacturing, partnering with Fanuc.</td>
</tr>
<tr>
<td>3D Printing</td>
<td>✔️</td>
<td></td>
<td>Stryker: A 3D printing innovator for artificial hips, with other applications likely coming.</td>
</tr>
<tr>
<td>Bioinformatics</td>
<td>✔️</td>
<td></td>
<td>Nektar Therapeutics: Uses data to drive drug discovery.</td>
</tr>
<tr>
<td>Financial Services Innovation</td>
<td>✔️</td>
<td></td>
<td>Alibaba: Ant Financial is China’s leading online payment platform.</td>
</tr>
</tbody>
</table>

Source: Morningstar, October 2020. References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies. For funds’ top ten constituents, please see the appendix. For a full list of XT holdings, please see www.ishares.com.
IN SUMMARY

A new investment order

- The new nominal
  Navigate higher inflation and lower yield expectations

- Globalization rewired
  Navigate China and emerging market portfolio strategies

- Structural transformations
  Navigate sustainable and technological themes

Why ETFs

- Diversification
- Low cost
- Tax efficient

iShares by BlackRock
APPENDIX
BlackRock Investment Institute

The BlackRock Investment Institute (BII) leverages the firm’s expertise and generates proprietary research to provide insights on the global economy, markets, geopolitics and long-term asset allocation – all to help our clients and portfolio managers navigate financial markets. BII offers strategic and tactical market views, publications and digital tools that are underpinned by proprietary research.

**Index Disclosures** : Index returns are for illustrative purposes only and do not represent any actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index.

**General Disclosure** : This material is intended for information purposes only, and does not constitute investment advice, a recommendation or an offer or solicitation to purchase or sell any securities to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. The opinions expressed are as of January 2021 and are subject to change without notice. Reliance upon information in this material is at the sole discretion of the reader. Investment involves risks.
**ETFs and traditional mutual funds: know the differences**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Mutual funds</th>
<th>ETFs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management</strong></td>
<td>Active</td>
<td>Passive</td>
</tr>
<tr>
<td><strong>Performance goal</strong></td>
<td>Outperform a benchmark and/or deliver an outcome</td>
<td>Track a benchmark</td>
</tr>
<tr>
<td><strong>Buying / selling shares</strong></td>
<td>Once per day via fund company</td>
<td>Intraday on exchanges</td>
</tr>
<tr>
<td><strong>Price to buy / sell</strong></td>
<td>End-of-day NAV, less fees</td>
<td>Current market price, which may differ from NAV</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>Expense ratio + any sales loads / redemption fees</td>
<td>Expense ratio + transaction / brokerage costs</td>
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<tr>
<td><strong>Tax impact of buyers / sellers</strong></td>
<td>Shareholders may be impacted by all other shareholders’ actions</td>
<td>Shareholders only impacted by their own action</td>
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<tr>
<td><strong>HOLDINGS DISCLOSURE</strong></td>
<td>Typically quarterly</td>
<td>Daily</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>• Opportunity to outperform the index</td>
<td>• Exposure to market index</td>
</tr>
<tr>
<td></td>
<td>• Potential to limiting the downside</td>
<td>• Generally lower fees</td>
</tr>
<tr>
<td></td>
<td>• Buy/sell decisions based on research</td>
<td>• Typically more tax-efficient</td>
</tr>
<tr>
<td><strong>Trade-offs</strong></td>
<td>• Potential to underperform index</td>
<td>• Does not seek to outperform index</td>
</tr>
<tr>
<td></td>
<td>• Generally higher fees</td>
<td>• Participate in all of index downside</td>
</tr>
<tr>
<td></td>
<td>• Typically less tax-efficient</td>
<td>• Buy/sell decisions based on index, not research</td>
</tr>
</tbody>
</table>
## Top 10 Constituents

<table>
<thead>
<tr>
<th>MCHI</th>
<th>Weight (%)</th>
<th>IEMG</th>
<th>Weight (%)</th>
<th>EMXC</th>
<th>Weight (%)</th>
<th>IVV</th>
<th>Weight (%)</th>
<th>ESGU</th>
<th>Weight (%)</th>
<th>XT</th>
<th>Weight (%)</th>
<th>IDNA</th>
<th>Weight (%)</th>
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</thead>
<tbody>
<tr>
<td>Alibaba Group Holding ADR Represen</td>
<td>14.29</td>
<td>Taiwan Semiconductor Manufacturing</td>
<td>5.26</td>
<td>iShares MSCI India ETF</td>
<td>15.12</td>
<td>Apple Inc</td>
<td>6.68</td>
<td>Apple Inc</td>
<td>6.69</td>
<td>Innoven Biologics Inc</td>
<td>0.7</td>
<td>Fate Therapeutics Inc.</td>
<td>5.67</td>
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<td>Tencent Holdings Ltd</td>
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<td>Alibaba Group Holding ADR Represen</td>
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<td>Taiwan Semiconductor Manufacturing</td>
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<td>Microsoft Corp</td>
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<td>Beigene Ltd</td>
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<td>Meituan</td>
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<td>Samsung Electronics Ltd</td>
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<td>Amazon Com Inc</td>
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<td>Amazon Com Inc</td>
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<td>Alexion Pharmaceuticals Inc</td>
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<td>Blueprint Medicines Corp</td>
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<td>USD Cash</td>
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<td>Sarepta Therapeutics Inc</td>
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<td>Ping An Insurance (Group) Co OfCh</td>
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<td>Tesla Inc</td>
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<td>Crowdstrike Holdings Inc Class A</td>
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<td>Cia Vale Do Rio Doce Sh</td>
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<td>Tesla Inc</td>
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<td>London Stock Exchange Group Plc</td>
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<td>Exelixis Inc</td>
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<td>Sk Hynix Inc</td>
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<td>Johnson &amp; Johnson</td>
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<td>Crispr Therapeutics Ag</td>
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<td>Johnson &amp; Johnson</td>
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<td>Procter &amp; Gamble</td>
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<td>Xiaomi Corp</td>
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<td>Regeneron Pharmaceuticals Inc</td>
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<td>China Construction Bank Corp H</td>
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<td>Hon Hai Precision Industry Ltd</td>
<td>0.81</td>
<td>JPMorgan Chase &amp; Co</td>
<td>1.22</td>
<td>Visa Inc Class A</td>
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<td>Deutsche Boerse Ag</td>
<td>0.57</td>
<td>Seagen Inc</td>
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</tr>
</tbody>
</table>

Source: BlackRock as of 12/31/20. Constituents subject to change.
# Standardized performance

Fees as of current prospectus. All other data as of 12/31/20.

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Fund Name</th>
<th>Fund Inception Date</th>
<th>Gross Expense Ratio</th>
<th>30-Day SEC Yield (With / Without Waiver)</th>
<th>Contractual Fee Waiver Expiration (If Applicable)</th>
<th>1-Year Returns NAV</th>
<th>1-Year Returns Mkt Price</th>
<th>5-Year Returns NAV</th>
<th>5-Year Returns Mkt Price</th>
<th>10-Year Returns NAV</th>
<th>10-Year Returns Mkt Price</th>
<th>Since Inception NAV</th>
<th>Since Inception Mkt Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIP</td>
<td>iShares TIPS Bond ETF</td>
<td>12/4/2003</td>
<td>0.19%</td>
<td>0.23%</td>
<td>--</td>
<td>10.91%</td>
<td>10.89%</td>
<td>4.96%</td>
<td>4.98%</td>
<td>3.68%</td>
<td>3.66%</td>
<td>4.35%</td>
<td>4.35%</td>
</tr>
<tr>
<td>ESGU</td>
<td>iShares ESG Aware MSCI USA ETF</td>
<td>12/1/2016</td>
<td>0.15%</td>
<td>1.30%</td>
<td>--</td>
<td>22.49%</td>
<td>22.43%</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>17.39%</td>
<td>17.38%</td>
</tr>
<tr>
<td>IVV</td>
<td>iShares Core S&amp;P 500 ETF</td>
<td>5/15/2000</td>
<td>0.03%</td>
<td>1.51%</td>
<td>--</td>
<td>18.37%</td>
<td>18.38%</td>
<td>15.18%</td>
<td>15.18%</td>
<td>13.83%</td>
<td>13.81%</td>
<td>6.71%</td>
<td>6.71%</td>
</tr>
</tbody>
</table>

The performance quoted represents past performance of specific funds and does not guarantee future results for such funds. Invesment 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 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.
Important notes continued

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 may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. TIPS can provide investors a hedge against inflation, as the inflation adjustment feature helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds and will likely decline in price during periods of deflation, which could result in losses. Government backing applies only to government issued securities, and does not apply to the funds.

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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.

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