

Gargi Pal Chaudhuri

Head of iShares Markets & Investments Strategy

Dorothy Lariviere

iShares Product Consultant

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2021 OUTLOOK: NEW PRESIDENT, COVID-19, AND POLICY



Together we'll cover...

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graph LR; A[Market Outlook] --> B1[The new nominal]; A --> B2[Globalization rewired]; A --> B3[Structural transformations]; B1 --> C[How to implement with ETFs]; B2 --> C; B3 --> C;
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**Market
Outlook**

**The new
nominal**

**Globalization
rewired**

**Structural
transformations**

**How to
implement
with ETFs**

2021 GLOBAL MARKET OUTLOOK

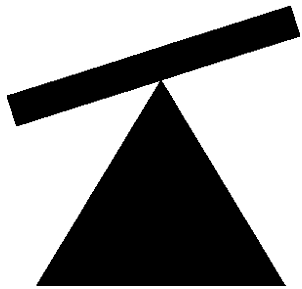
BlackRock Investment Institute

A new investment order



2021 Investment Themes

The new nominal



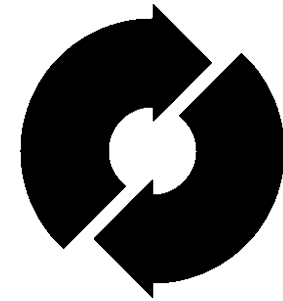
We see stronger growth and lower real yields ahead as the vaccine led restart accelerates and central banks limit the rise of nominal yields even as inflation expectations climb. Inflation will have different implications to the past.

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.

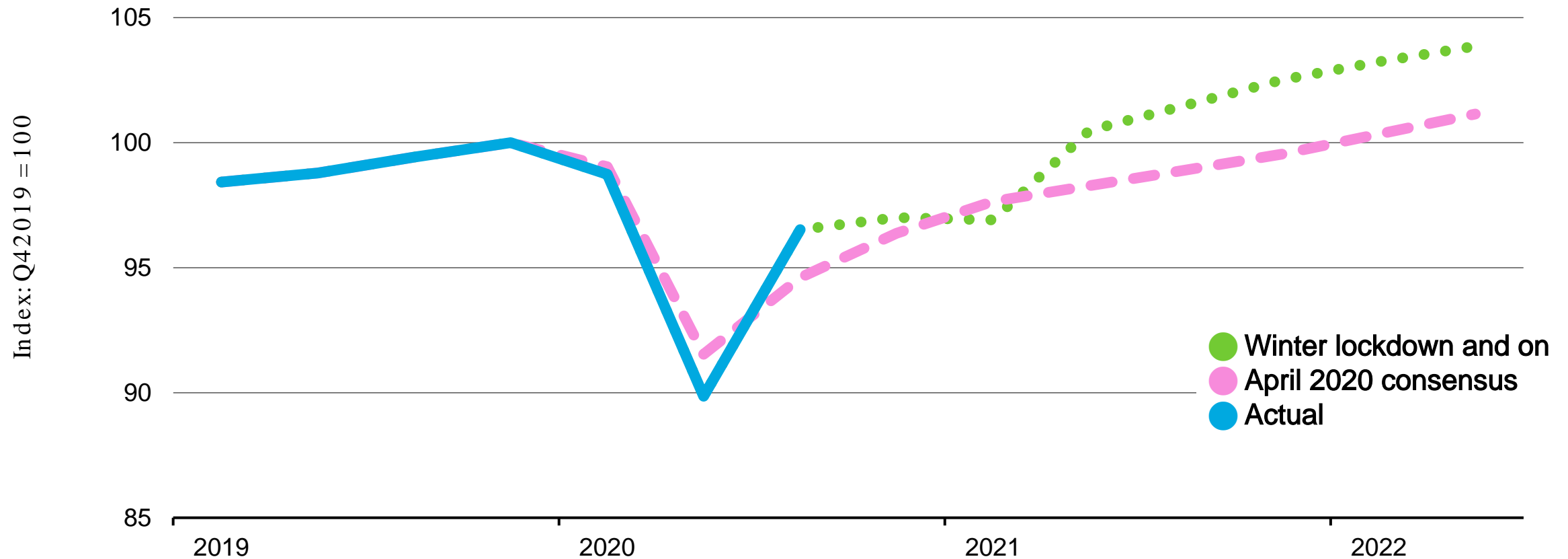
The new nominal

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.

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

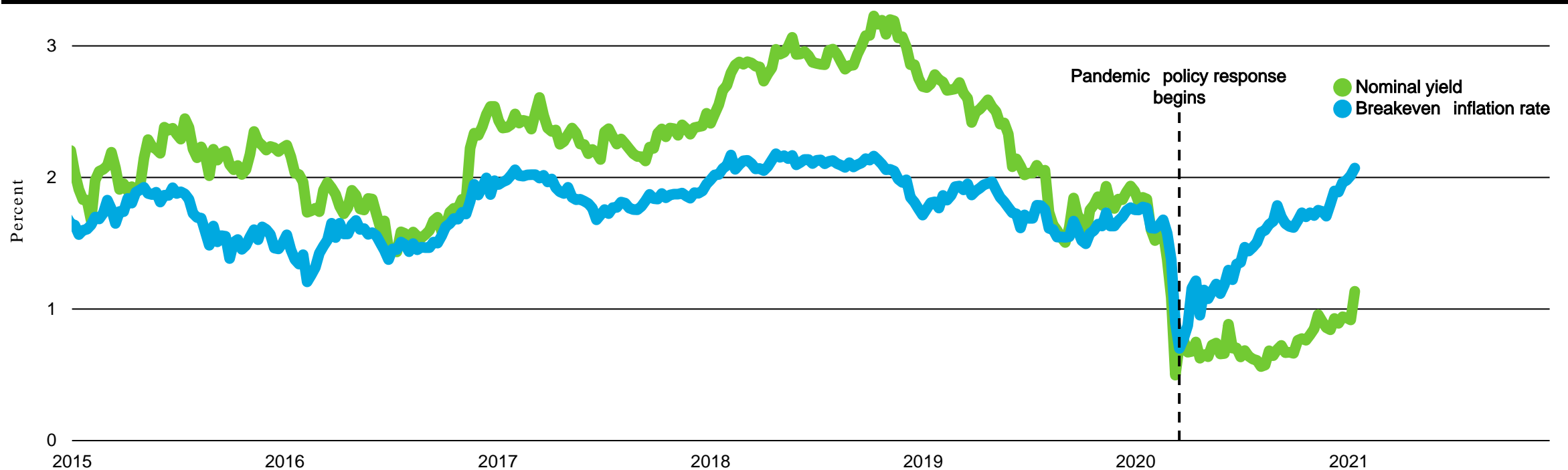


Forward looking estimates may not come to pass. Sources: BlackRock Investment Institute, Refinitiv, with data from Haver Analytics, December 2020. Notes: The blue line shows the path of real GDP, indexed to 100 in the fourth quarter of 2019. The dotted green line shows the implied level of GDP based 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



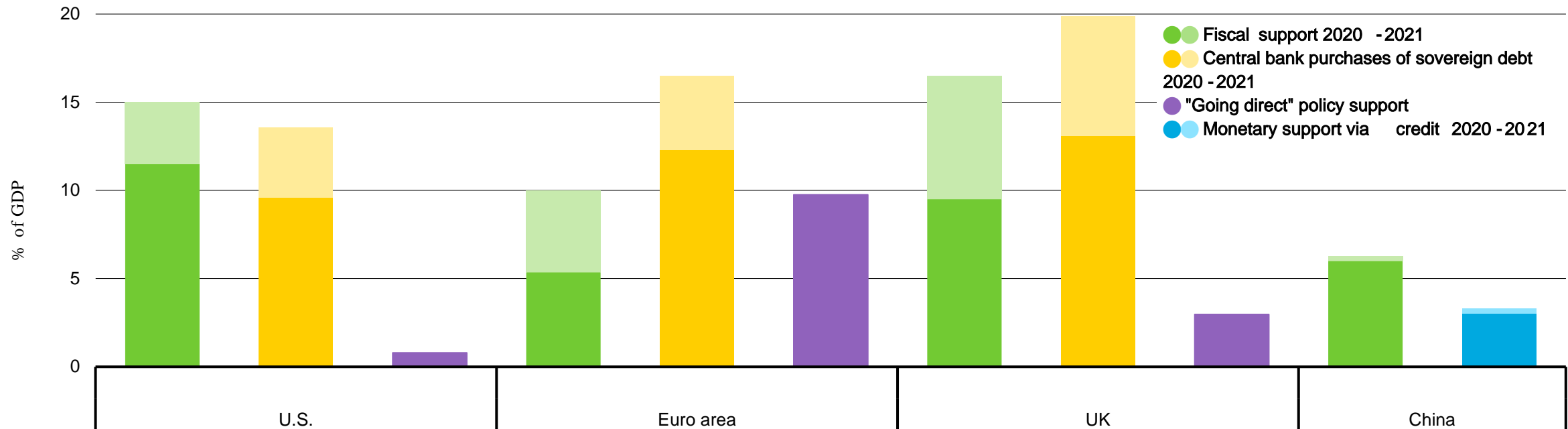
Past performance is not a reliable indicator of current or future results.

Source: BlackRock Investment Institute and Refinitiv Datastream, data as of 11 January 2021. Notes: The chart shows the U.S. 10-year Treasury yield and the 10-year breakeven inflation rate, or the future rate of inflation being priced by markets in TIPS between January 2015 and January 2021.

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.

Fiscal and monetary support, 2020-2021



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.

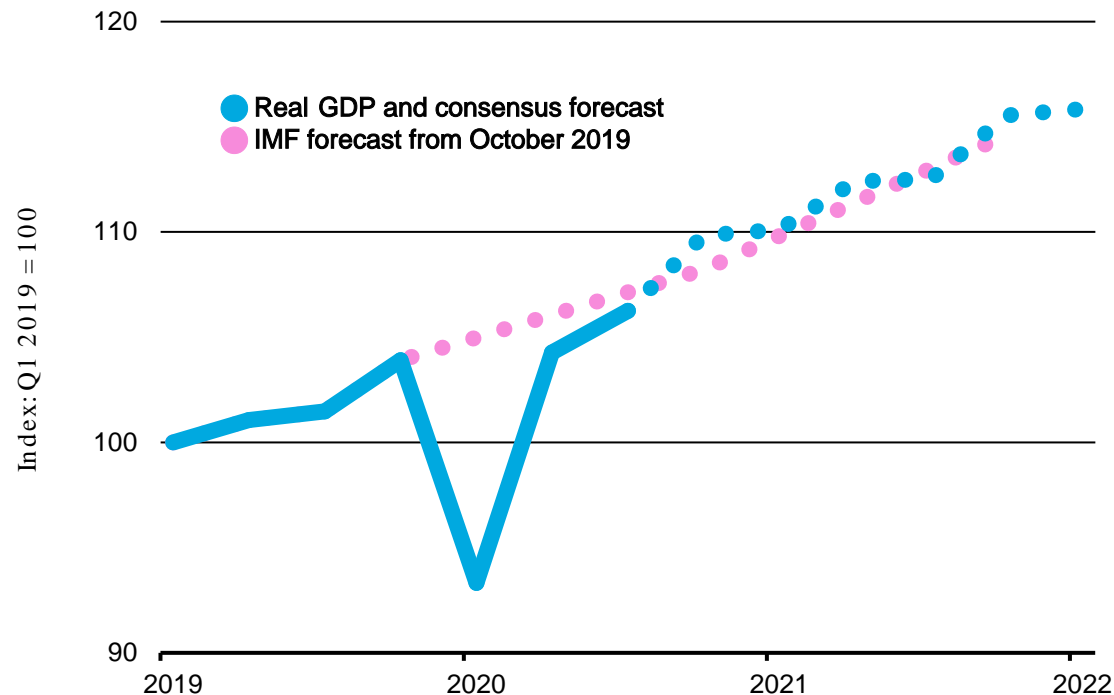
Globalization rewired

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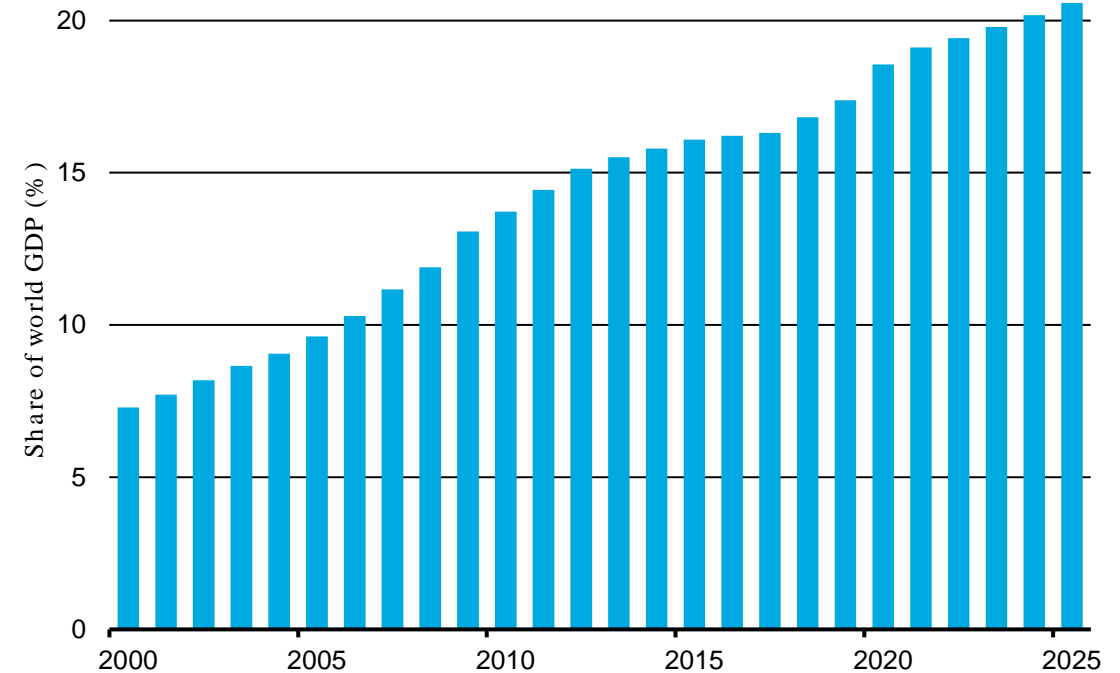
China leads the post-Covid activity recovery

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.

Chinese GDP and forecasts, 2019 - 2022



China share of world GDP, 2000 - 2025

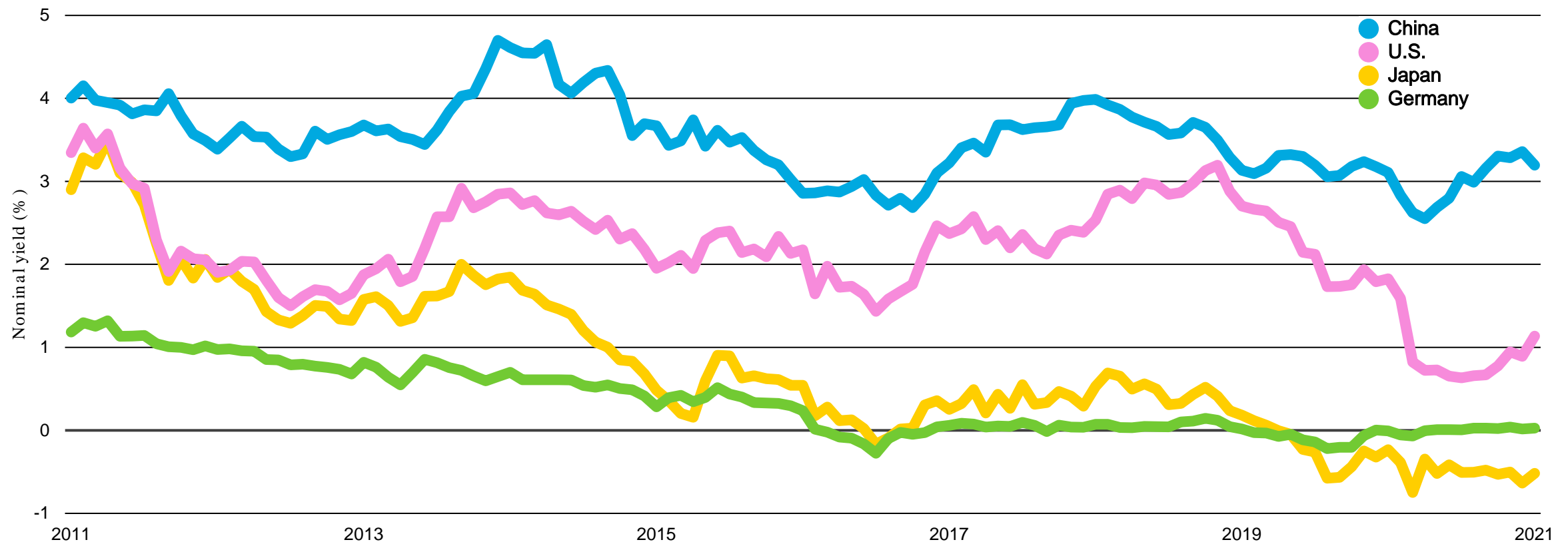


Sources: BlackRock Investment Institute and the IMF, with data from Haver Analytics, December 2020. Note: The left chart shows the path the of real GDP in China, indexed to 100 in Q1 2019 (solid blue line). The dotted blue line shows the implied level of GDP based on Bloomberg consensus forecasts of 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. Datastream, January 2021. Notes: The chart shows the 10-year government bond benchmark yields.

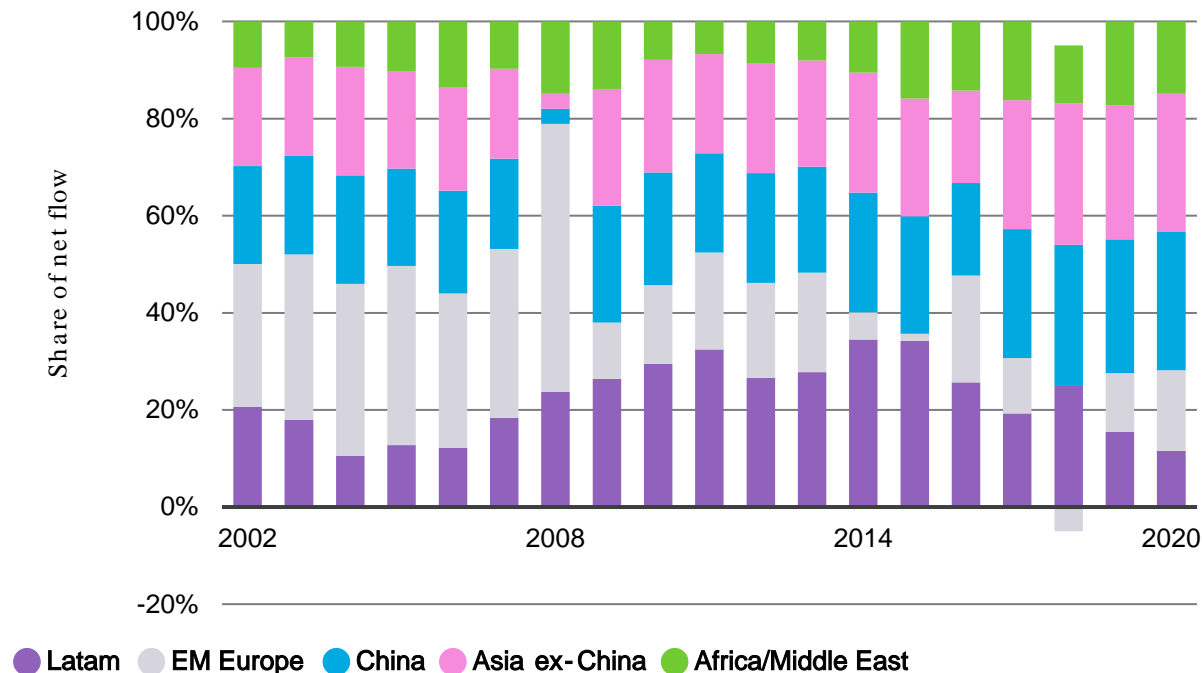
Sources: BlackRock Investment Institute, with data from Refinitiv

Brightening outlook for emerging markets

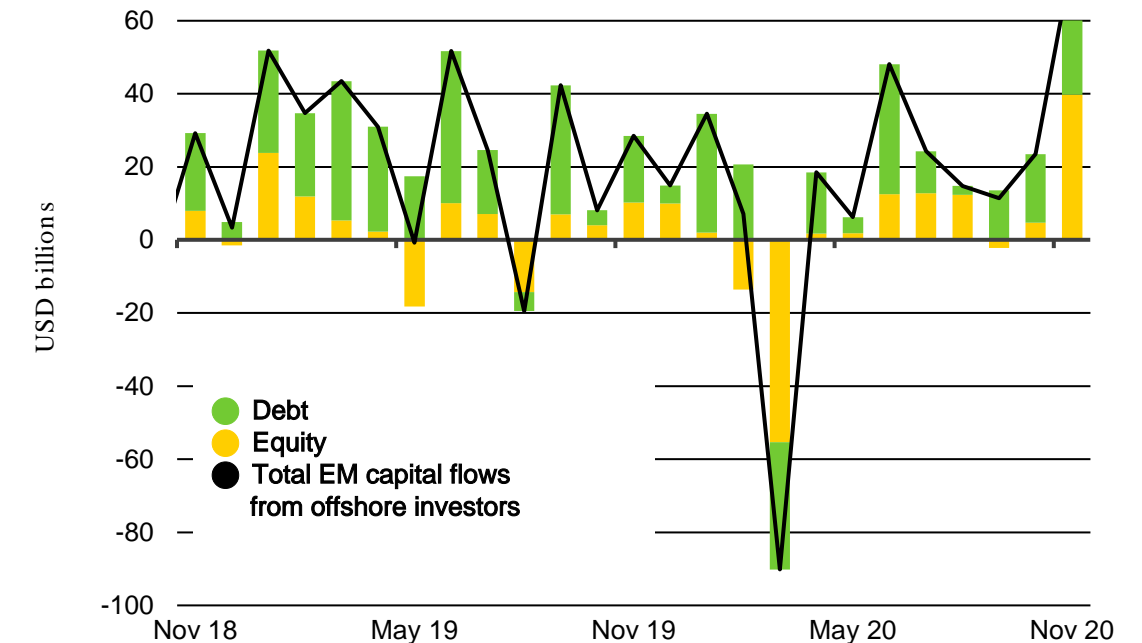
Investment flows into EMs this year have bounced back after a steep decline in the Covid-19 aftermath. Broader capital flows into Asia, led by China, show a gradual, secular upward trend.

Net foreign capital flows into emerging markets 2000 - 2020

Annual total non-resident capital flows into emerging markets by region



Net capital flows from offshore investors into emerging markets and equity —debt



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.

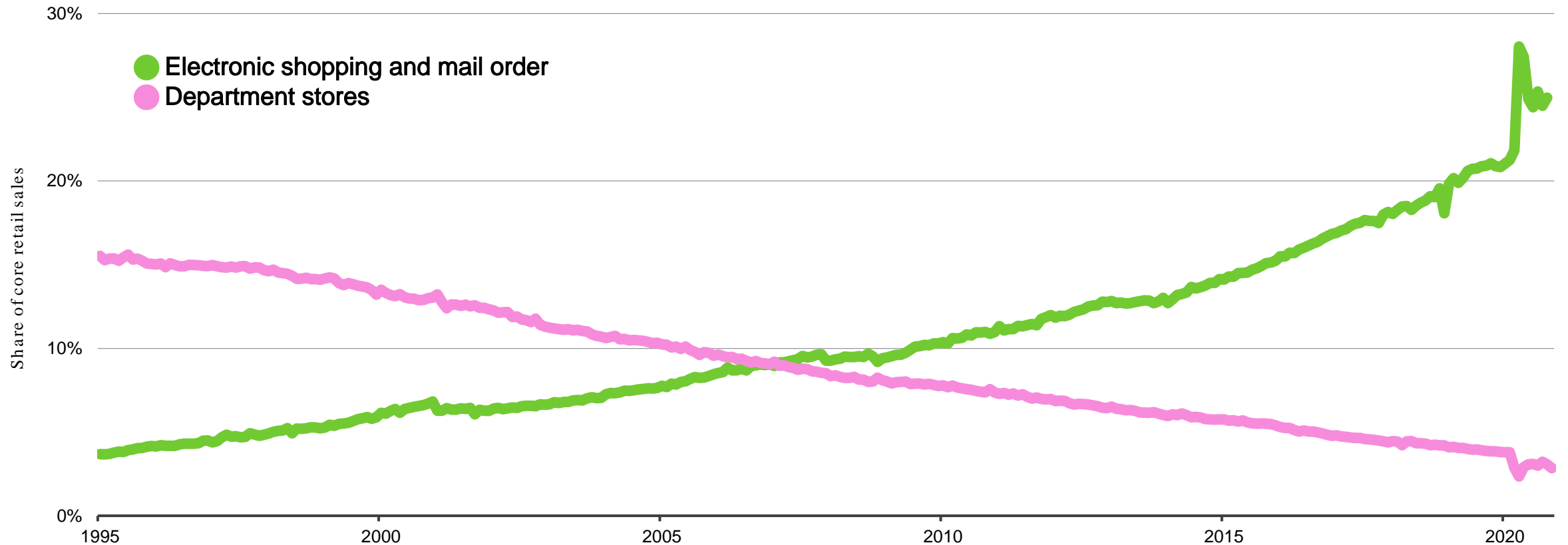
Structural transformations

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

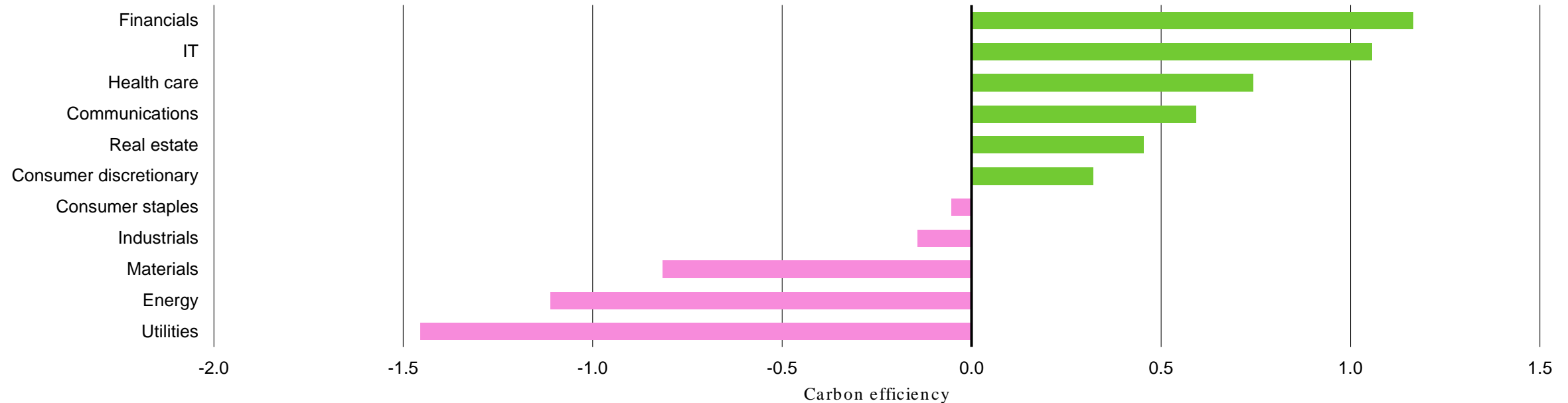


Sources: BlackRock Investment Institute and U.S. Census Bureau, with data from Refinitiv, January 2021. Notes: The lines show U.S. electronic shopping and mail order and department stores retail sales as a share of core retail sales (retail sales excluding building materials, autos, gas stations and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

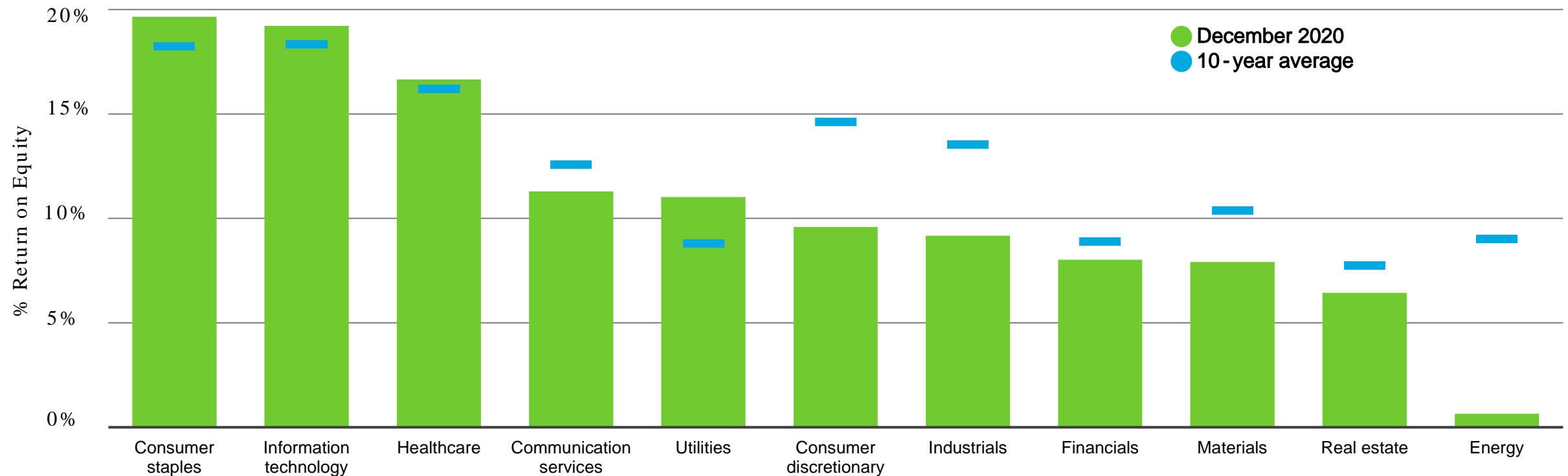


Indexes are unmanaged and do not account for fees. It is not possible to invest directly in an index. Sources: BlackRock Investment Institute with data from Refinitiv Datastream and MSCI, December 2020. Notes: The chart shows the carbon efficiency measured as total carbon emissions relative to the aggregate firm value for the sectors of the MSCI USA index. The carbon efficiency measure is shown in Zscore terms. Zscores 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

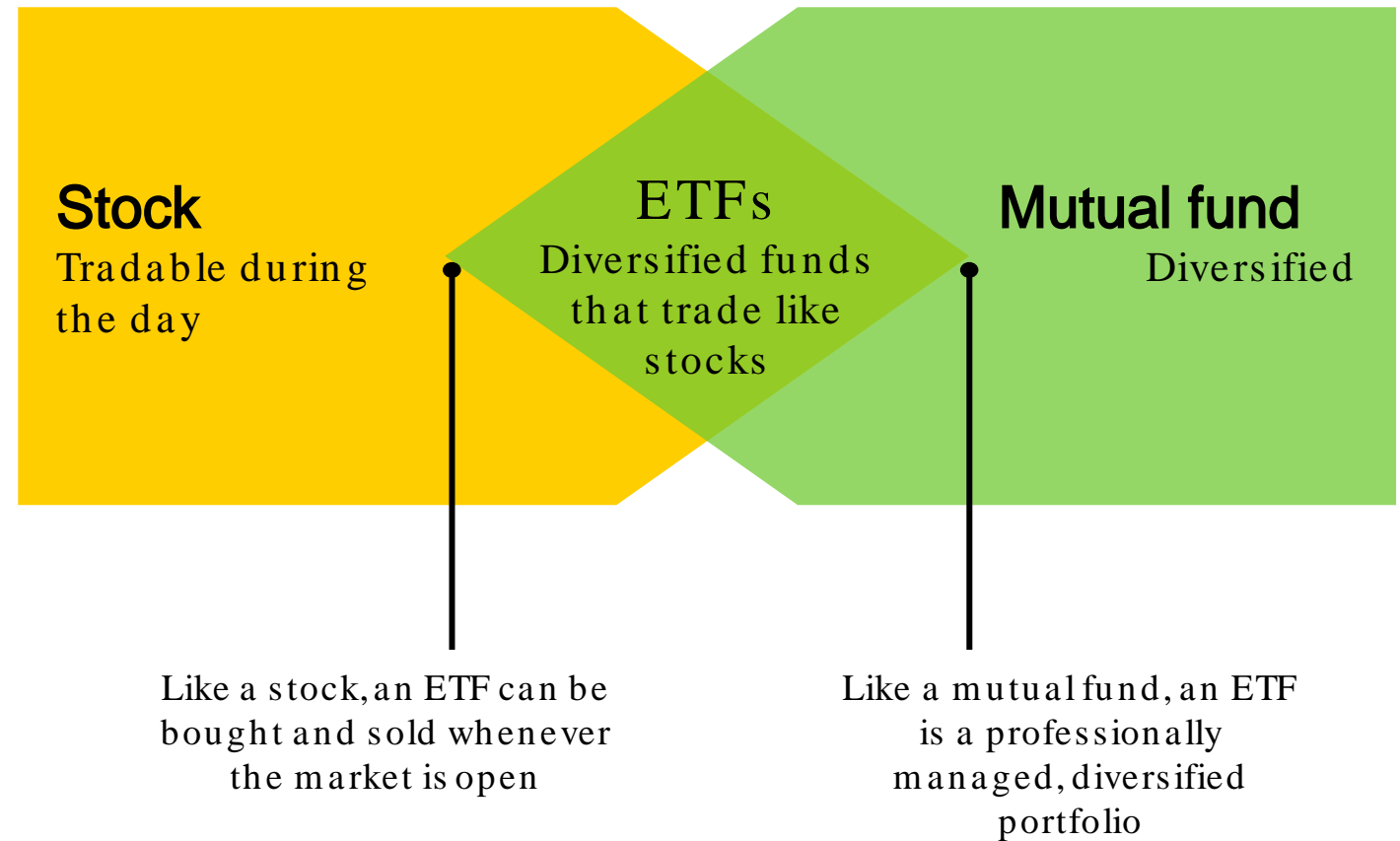


Past performance is no guarantee of future results. Indexes are unmanaged and do not account for fees. It is not possible to invest directly in an index. Sources: BlackRock Investment Institute with data from MSCI and Refinitiv, January 2021. Notes: The chart shows the return on equity by sector of the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

IMPLEMENT WITH ETFs

What are ETFs?

ETFs offer a low cost, tax efficient way to invest



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.

Why use ETFs?

DIVERSIFICATION



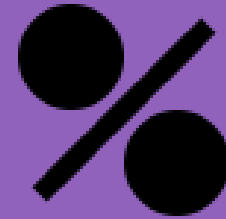
ETFs can hold hundreds of securities within a single fund to help diversify your portfolio

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



\$32
trillion

TOTAL TURNOVER ^

Marks a 45% increase
from 2019.



\$494
billion

TOTAL US ETF NET INFLOWS

Equities: \$247bn
Fixed Income: \$204bn
Commodities & Other: \$43bn



218% *

GROWTH IN SUSTAINABLE AUM

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

TIP

iShares TIPS Bond ETF

FALN

iShares Fallen Angels USD Bond ETF

USHY

iShares Broad USD High Yield Corporate Bond ETF

Globalization rewired

Navigate China and emerging market portfolio strategies

MCHI

iShares MSCI China ETF

IEMG

iShares Core MSCI Emerging Markets ETF

EMXC

iShares MSCI Emerging Markets ex China ETF

Structural transformations

Navigate sustainable and technological themes

ESGU

iShares ESG Aware MSCI USA ETF

XT

iShares Exponential Technologies ETF

IDNA

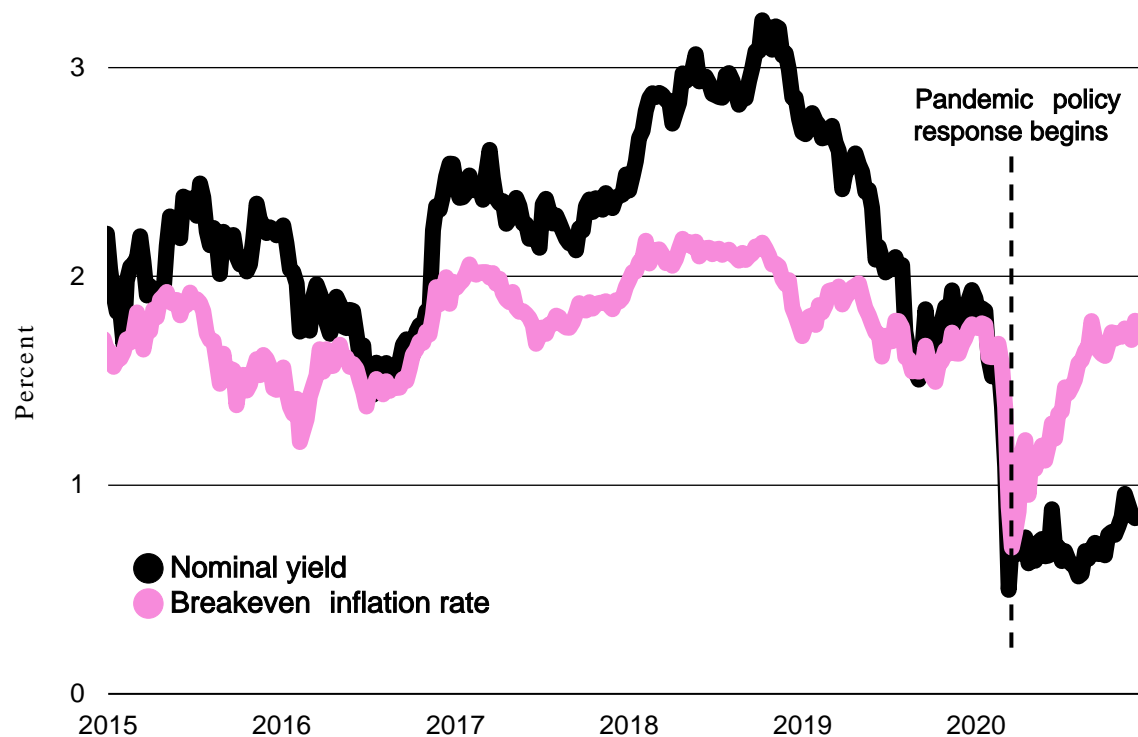
iShares Genomics Immunology and Healthcare ETF

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



Left-hand chart - Source: BlackRock Investment Institute and Refinitiv Datastream, data as of 11 January 2021. Notes: The chart shows the U.S. 10-year Treasury yield and the 10-year breakeven inflation rate, or the future rate of inflation being priced by markets in TIPS between January 2015 and January 2021.

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.**

TIP

iShares TIPS Bond ETF

- 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

Seeking yield through fallen angels & high yield

FALN

iShares Fallen Angels USD Bond ETF

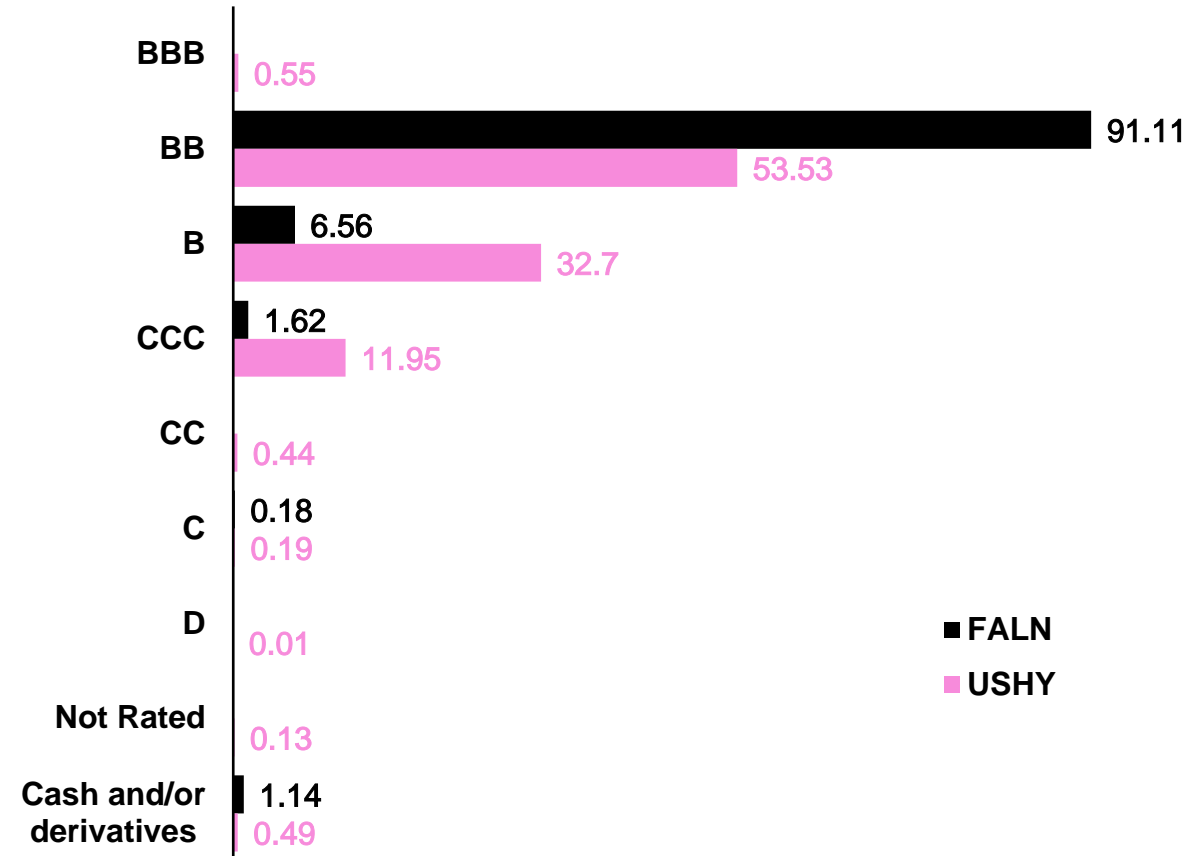
- Offers exposure to a subset of high yield bonds that were previously rated investment grade.
- Use to pursue income while trying to capture the potential opportunity that can arise after bonds have been downgraded.

USHY

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

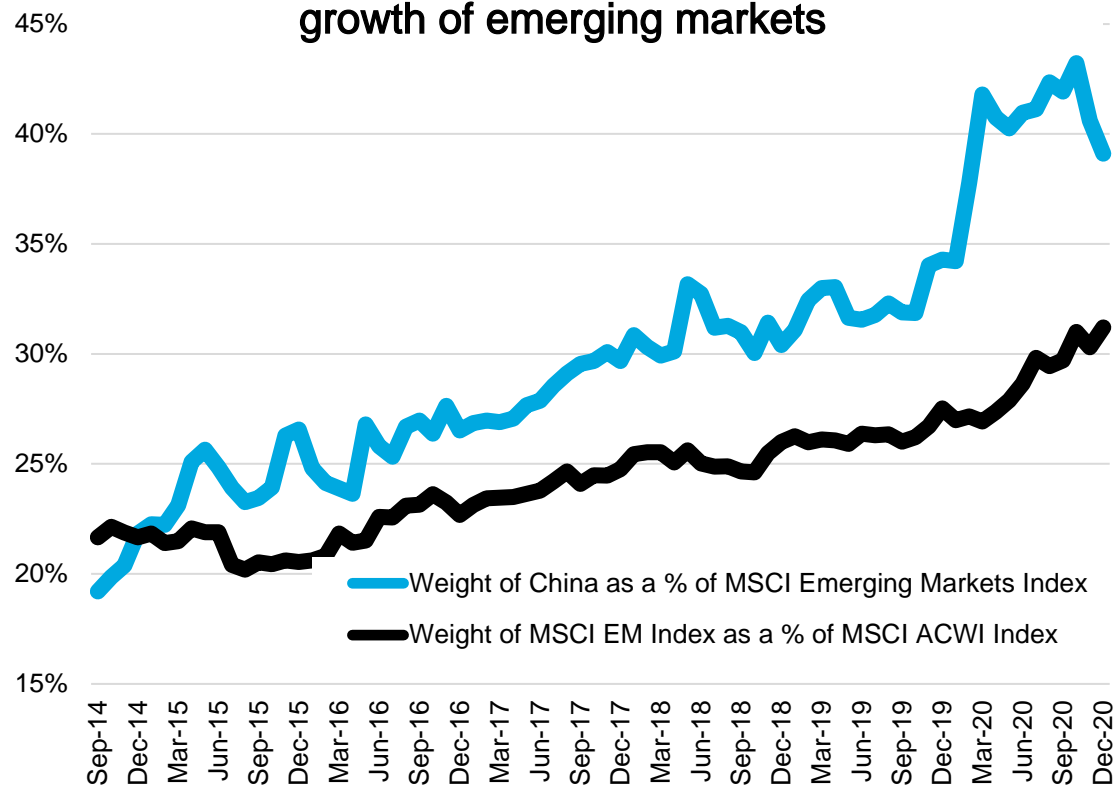
Credit Rating Breakdown (%)



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



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

Source: MSCI and BlackRock as of 12/31/2020.

MCHI

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 countries, excluding those from China
- Use to access emerging markets while maintaining flexibility for a tailored approach to investing in China.
- Expense Ratio: 0.25% *

Source: BlackRock as of 12/31/2020

*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



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

ESGU	iShares ESG Aware MSCI USA ETF	17.41%
MSCI USA Index		16.94%
S&P 500 Index		16.24%

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 -end performance see www.iShares.com. For standardized performance information, please see the end of this document.

s or expenses. Indexes are un and principal value will e performance shown. For most

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

XT

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%










IDNA

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%

Source: BlackRock as of 12/31/2020.

XT: Producers and Users of Exponential Technology

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

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

Criteria	Mutual funds	ETFs
Management	Active	Passive
Performance goal	Outperform a benchmark and/ or deliver an outcome	Track a benchmark
Buying / selling shares	Once per day via fund company	Intraday on exchanges
Price to buy / sell	End-of-day NAV, less fees	Current market price, which may differ from NAV
Fees	Expense ratio + any sales loads / redemption fees	Expense ratio + transaction / brokerage costs
Tax impact of buyers / sellers	Shareholders may be impacted by all other shareholders' actions	Shareholders only impacted by their own action
Holdings disclosure	Typically quarterly	Daily
Benefits	<ul style="list-style-type: none"> • Opportunity to outperform the index • Potential to limiting the downside • Buy/ sell decisions based on research 	<ul style="list-style-type: none"> • Exposure to market index • Generally lower fees • Typically more tax-efficient
Trade-offs	<ul style="list-style-type: none"> • Potential to underperform index • Generally higher fees • Typically less tax-efficient 	<ul style="list-style-type: none"> • Does not seek to outperform index • Participate in all of index downside • Buy/ sell decisions based on index, not research

Top 10 Constituents

MCHI	Weight (%)	IEMG	Weight (%)	EMXC	Weight (%)	IVV	Weight (%)	ESGU	Weight (%)	XT	Weight (%)	IDNA	Weight (%)
Alibaba Group Holding ADR Represen	14.29	Taiwan Semiconductor Manufacturing	5.26	iShares MSCI India ETF	15.12	Apple Inc	6.68	Apple Inc	6.69	Innovent Biologics Inc	0.7	Fate Therapeutics Inc.	5.67
Tencent Holdings Ltd	13.54	Alibaba Group Holding ADR Represen	5	Taiwan Semiconductor Manufacturing	9.68	Microsoft Corp	5.3	Microsoft Corp	4.98	Baidu ADR Reptg Inc Class A	0.69	Beigene Ltd	4.57
Meituan	4.43	Tencent Holdings Ltd	4.74	Samsung Electronics Ltd	7.36	Amazon Com Inc	4.38	Amazon Com Inc	4.09	Alexion Pharmaceuticals Inc	0.64	Blueprint Medicines Corp	4.24
Jd.Com ADR Representing Inc	2.47	Samsung Electronics Ltd	4.03	USD Cash	4.07	Facebook Class A Inc	2.07	Alphabet Inc Class A	2.05	Wuxi Biologics Cayman Inc	0.63	Sarepta Therapeutics Inc	4.22
Ping An Insurance (Group) Co Of Ch	2.37	Meituan	1.55	Naspers Limited N Ltd	1.88	Tesla Inc	1.69	Facebook Class A Inc	1.9	Crowdstrike Holdings Inc Class A	0.61	Genmab	4.14
China Construction Bank Corp H	2.37	Naspers Limited N Ltd	1.01	Cia Vale Do Rio Doce Sh	1.28	Alphabet Inc Class A	1.66	Tesla Inc	1.59	London Stock Exchange Group Plc	0.6	Exelixis Inc	4.14
Pinduoduo ADR Representing Inc	2.19	Reliance Industries Ltd	0.88	Sk Hynix Inc	1.23	Alphabet Inc Class C	1.6	Johnson & Johnson	1.2	Redfin Corp	0.59	Crispr Therapeutics Ag	4.06
Nio American Depositary Shares Rep	2.03	Jd.Com ADR Representing Inc	0.86	Samsung Electronics Non Voting Pre	1.21	Berkshire Hathaway Inc Class B	1.42	Alphabet Inc Class C	1.17	Ionis Pharmaceuticals Inc	0.58	Merck	4.05
Xiaomi Corp	1.99	Ping An Insurance (Group) Co Of Ch	0.82	Mediatek Inc	0.84	Johnson & Johnson	1.31	Procter & Gamble	1.09	Xiaomi Corp	0.58	Regeneron Pharmaceuticals Inc	3.84
Baidu ADR Reptg Inc Class A	1.91	China Construction Bank Corp H	0.82	Hon Hai Precision Industry Ltd	0.81	JPMorgan Chase & Co	1.22	Visa Inc Class A	1.08	Deutsche Boerse Ag	0.57	Seagen Inc	3.82

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.

Ticker	Fund Name	Fund Inception Date	Gross Expense Ratio	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	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
TIP	iShares TIPS Bond ETF	12/4/2003	0.19%	0.23%	--	10.91%	10.89%	4.96%	4.98%	3.68%	3.66%	4.35%	4.35%
ESGU	iShares ESG Aware MSCI USAETF	12/1/2016	0.15%	1.30%	--	22.49%	22.43%	--	--	--	--	17.39%	17.38%
IVV	iShares Core S&P 500 ETF	5/15/2000	0.03%	1.51%	--	18.37%	18.38%	15.18%	15.18%	13.83%	13.81%	6.71%	6.71%

The performance quoted represents past performance of specific funds and does not guarantee future results for such funds. In 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.

vestment return and s than the original cost. may be

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.

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. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market. Technology companies may be subject to severe competition and product obsolescence.

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.

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.

Diversification and asset allocation may not protect against market risk or loss of principal. 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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