



Globalize your portfolio

Invest internationally with iShares ETFs

Help achieve your goals
with international ETFs

1

Diversify with low
cost core holdings

2

Seek to minimize volatility

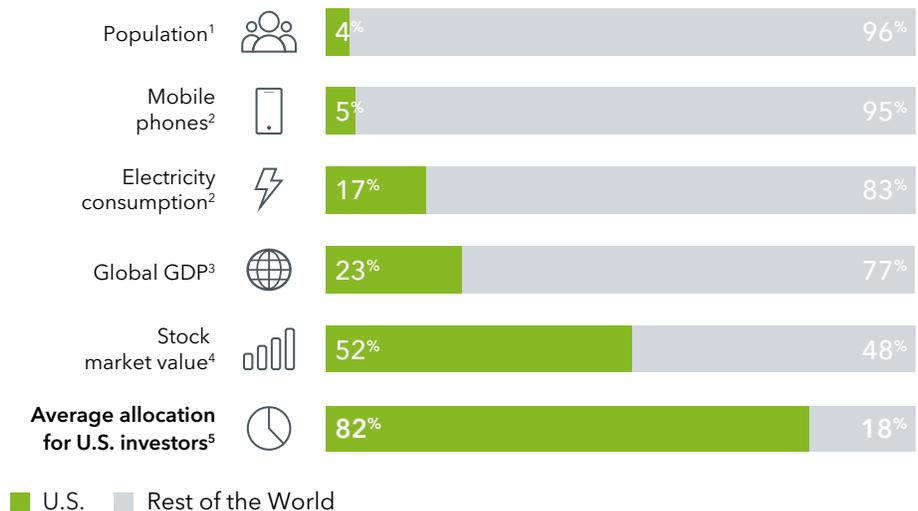
3

Manage currency risk

As the world economy grows and globalizes, there is a strong case for international investing. Allocating to international markets can help diversify portfolios while also delivering long-term growth potential.

But there is a disconnect. Many U.S. investors still stick too close to home. With 86% of global economic output now generated overseas, underallocating to international markets may result in missed opportunities. And now may be an especially opportune time to diversify internationally given the run up in the U.S. stock market.

U.S. investors are underallocated to international stocks



iShares ETFs make international investing easy and efficient. Moreover, they give you options to tailor your international investments based on your priorities, whether that's reducing expenses, managing volatility, or addressing currency risk.

1 United States Census Bureau as of 3/31/2015.

2 Central Intelligence Agency as of July 2014.

3 Bloomberg as of 12/31/16.

4 Bank of America Merrill Lynch as of 8/1/2015.

5 Morningstar Direct. Data includes U.S. mutual fund and ETF assets as of 9/30/16.



Diversify with low cost core holdings

iShares Core MSCI EAFE ETF

IEFA

Expense ratio: **0.08%**

iShares Core MSCI Emerging Markets ETF

IEMG

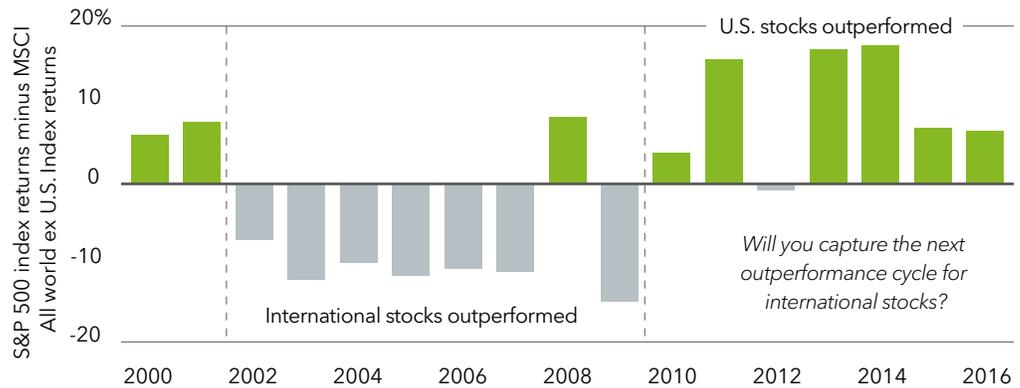
Expense ratio: **0.14%***

Learn more about the complete suite of iShares Core ETFs at iShares.com/core

Diversification is a key benefit of international investing. As illustrated below, U.S. stocks and international stocks typically have alternating periods of outperformance. Adding international stocks to a portfolio can help reduce volatility over time,⁶ in addition to capturing additional growth potential.

U.S. vs. international stocks

The case for geographic diversification



Source: Morningstar, as of 12/31/16. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Index returns do not represent actual iShares Fund performance. For actual fund performance, please visit www.iShares.com or www.blackrock.com

Why iShares Core International ETFs

iShares Core ETFs are a convenient way to invest internationally for the long-term and offer the following benefits:

- **Diversification:** With broad MSCI exposure across large, mid, and small-cap companies, you can tap into thousands of international stocks in a single fund.
- **Low cost:** At about 1/10 the cost of the typical mutual fund,⁷ iShares Core ETFs can help you keep more of what you earn.
- **Tax efficiency:** In a world of increasing tax rates, no iShares Core International ETF has ever paid a capital gain.⁸

* Net expense ratio shown for IEMG reflects a contractual fee waiver in place until 12/31/17. The gross expense ratio for IEMG is 0.15%

⁶ Comparing the standard deviations of 100% U.S. stocks, 100% international stocks, and a globally balanced portfolio of 70% U.S./30% International stocks from 7/1/85-6/30/15. "Globally balanced portfolio" is rebalanced annually in 70% U.S. stocks and 30% developed market stocks. "U.S. Stocks" = S&P 500 Total Return Index, "International stocks" = MSCI EAFE Index. Source: MPI Stylus as of 3/31/16.

⁷ Based on iShares Core ETF net expense ratios for EAFE, Emerging Markets, Europe, and Pacific, compared to the average net expense ratio of active mutual funds for their corresponding Morningstar category. 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.

⁸ Past distributions are not indicative of future distributions.

2

Seek to minimize volatility

iShares Edge MSCI
Min Vol EAFE ETF

EFAV

Expense ratio: **0.20%**¹⁰

iShares Edge MSCI
Min Vol Emerging
Markets ETF

EEMV

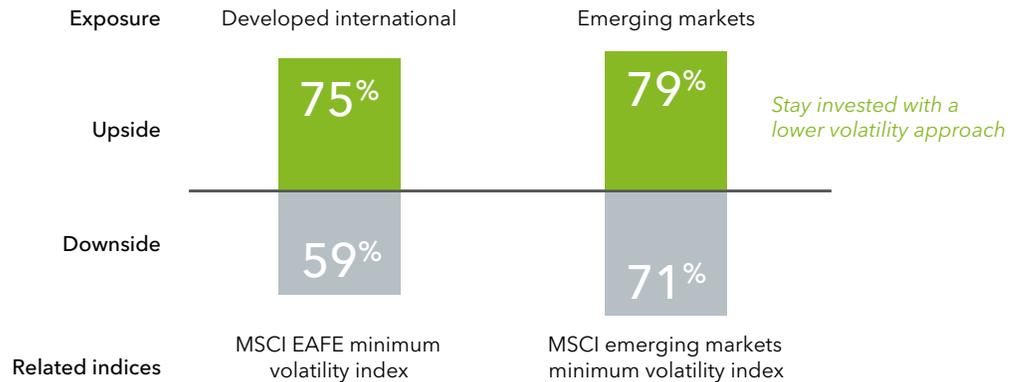
Expense ratio: **0.25%**¹⁰

Learn more about
the complete suite of
iShares edge minimum
volatility ETFs at
iShares.com/minvol

Establishing an appropriate asset allocation and staying invested in the markets are the most important determinants of successful investing. But the volatility of global markets can unnerve investors, causing them to abandon their plans and potentially put their long-term goals at risk.

iShares Edge Minimum Volatility ETFs provide stock market exposure but aim to have fewer bumps in the road, helping to give investors the confidence to stay invested and stick with their plans. As shown below, each fund's index has captured more upside than downside relative to its respective broad market since December 2009.⁹

Downside protection, upside participation



Source: Morningstar. Based on monthly index returns from 12/1/09–12/31/16. **Index returns are for illustrative purposes only and do not represent actual iShares Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.** For actual iShares Fund performance, please visit www.iShares.com or request a prospectus by calling 1-800-iShares (1-800-474-2737).

⁹Up/down capture ratios will vary. The chart above presents the average since 12/09 for the respective indices.

Why iShares Edge Minimum Volatility ETFs

Simply assembling a basket of low volatility stocks may result in hidden risks like high sector concentrations. The underlying indexes of the iShares Edge Minimum Volatility ETFs evaluate stocks across multiple dimensions like volatility and correlation, while maintaining similar characteristics to the broad market index like sector and country weights. Minimum Volatility Funds can serve as an alternative to traditional international funds for long-term holdings.

⁹ Up/down capture ratios will vary. The chart presents the average since 12/09 for the respective indices.

¹⁰ BlackRock Fund Advisors ("BFA"), the investment adviser to the iShares Minimum Volatility Funds and an affiliate of BlackRock Investments, LLC, has contractually agreed to waive a portion of its management fees through the following dates: EFAV: 11/30/16; EEMV: 12/31/18. Gross expense ratios are 0.33% and 0.69% respectively.

3

Manage currency risk

Blending ETFs can help dial currency exposure up or down



Currency can have a meaningful impact on international equity returns. In recent years, many international markets had positive returns in their local currencies, but registered losses when converted back to a stronger U.S. dollar.

Investors who believe the dollar will strengthen or who simply seek to dampen currency volatility may want to consider hedging the currency risk in their international allocations.

iShares Currency Hedged ETF pairs

	Unhedged		Hedged	
iShares MSCI EAFE ETF Expense Ratio: 0.33%	EFA	International developed	HEFA	iShares currency hedged MSCI EAFE ETF Expense Ratio: 0.36% ¹¹
iShares MSCI emerging markets ETF Expense Ratio: 0.69%	EEM	Emerging markets	HEEM	iShares currency hedged MSCI EM ETF Expense Ratio: 0.69% ¹¹
iShares MSCI Eurozone ETF Expense Ratio: 0.48%	EZU	Europe	HEZU	iShares currency hedged MSCI Eurozone ETF Expense Ratio: 0.51% ¹¹
iShares MSCI Japan ETF Expense Ratio: 0.48%	EWJ	Japan	HEWJ	iShares currency hedged MSCI Japan ETF Expense Ratio: 0.48% ¹¹
iShares MSCI Germany ETF Expense Ratio: 0.48%	EWG	Germany	HEWG	iShares currency hedged MSCI Germany ETF Expense Ratio: 0.53% ¹¹

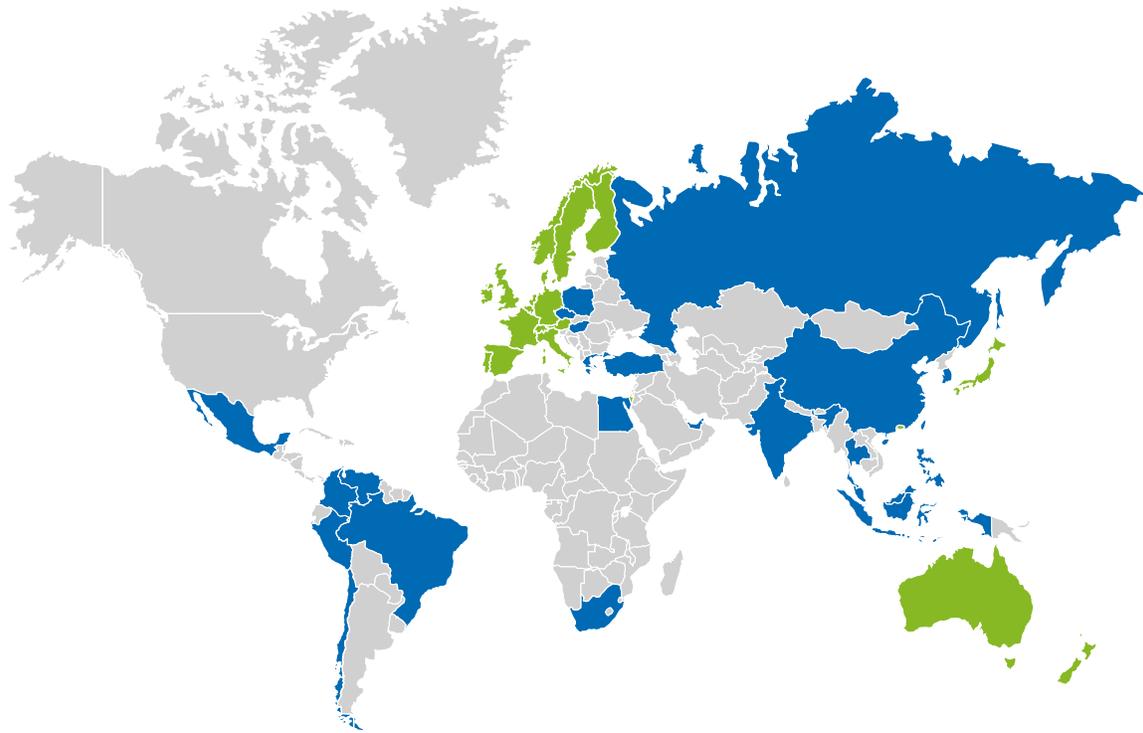
Why iShares Currency Hedged ETFs

iShares offers hedged and unhedged pairs of many flagship international ETFs, which provide the same equity exposure. This allows investors to maintain consistent international allocations while targeting specific levels of currency exposure, be it fully hedged, unhedged, or any blend in between.

Learn more about the complete suite of Hedged and Unhedged International ETFs at [iShares.com/strategies/hedge-currency-impact](https://www.ishares.com/strategies/hedge-currency-impact)

¹¹ BlackRock Fund Advisors ("BFA"), the investment adviser to the iShares Currency Hedged ETFs and an affiliate of BlackRock Investments, LLC, has contractually agreed to waive a portion of its management fees through November 30, 2020 for HEFA and December 31, 2020 for HEEM, HEZU, HEWJ and HEWG. Gross expense ratios for these funds are 0.71%, 1.47%, 1.10%, 1.01% and 1.01% respectively.

International markets at a glance



■ MSCI developed markets
(ex. U.S. and Canada)

- 10% of global population¹²
- 32% of global GDP¹³
- Three largest economies by GDP¹³:
Japan, Germany, United Kingdom
- Growth of \$10,000 investment in MSCI EAFE* Index since 2001: \$17,009¹⁴

■ MSCI emerging markets

- 80% of global population¹²
- 32% of global GDP¹³
- Three largest economies by GDP¹³:
China, Brazil, India
- Growth of \$10,000 investment in MSCI Emerging Market Index since 2001†: \$37,984¹⁴

* EAFE is an abbreviation for Europe, Australasia and Far East.

† MSCI Emerging Markets Index was launched on January 1, 2001.

¹² Population Research Bureau, as of 3/31/16.

¹³ Bloomberg and World Bank, as of 3/31/16.

¹⁴ Morningstar, from 1/1/01 – 12/31/16. (MSCI EM Index inception on 1/1/01)

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Index returns do not represent actual iShares Fund performance. For actual fund performance, please visit www.iShares.com or www.blackrock.com

Want to know more?



iShares.com



1-800-474-2737

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 and in concentrations of single countries.

The iShares Minimum Volatility ETFs may experience more than minimum volatility as there is no guarantee that the underlying index's strategy of seeking to lower volatility will be successful.

The iShares Currency Hedged Funds' use of derivatives may reduce a funds return and/or increase volatility and subject the funds to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. A fund could suffer losses related to its derivative positions because of a possible lack of liquidity in the secondary market and as a result of unanticipated market movements, which losses are potentially unlimited. There can be no assurance that any fund's hedging transactions will be effective.

The strategies discussed are strictly for illustrative and educational purposes and should not be construed as a recommendation to purchase or sell, or an offer to sell or a solicitation of an offer to buy any security. There is no guarantee that any strategies discussed will be effective. Diversification and asset allocation may not protect against market risk or loss of principal.

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