

## FUND OVERVIEW

The iShares Ginnie Mae MBS JPY Hedged ETF seeks to track the performance of the Bloomberg U.S. GNMA Index TTM JPY Currency Hedged Index. The Bloomberg U.S. GNMA Index TTM JPY Currency Hedged Index tracks fixed-rate mortgage backed pass-through securities issued by the Government National Mortgage Association (GNMA). The fund is currency hedged and aims to mitigate the risk of exchange rate fluctuations of assets denominated in foreign currencies.

Click [here](#) for more details about the underlying index.

## WHY 2649 ?

- 1 Exposure to U.S. residential mortgage-backed bonds guaranteed by the Government National Mortgage Association (GNMA bonds) whilst aiming to mitigate exposure to fluctuations between the value of the U.S. dollar relative to the Yen and use to diversify internationally and seek long-term asset building.
- 2 Listed on the Tokyo Stock Exchange as a U.S. equity fund dominated in JPY and tradable during market hours similar to a listed stock.
- 3 Is as an eligible fund under the growth framework of the NISA program.

## GROWTH OF HYPOTHETICAL 10,000 JPY SINCE INCEPTION



The Hypothetical Growth of ¥ 10,000 chart reflects a hypothetical ¥ 10,000 investment and assumes reinvestment of dividends before taxes. Fund expenses, including management fees and other expenses are deducted. The performance quoted represents past performance and does not guarantee future results.

## CUMULATIVE AND ANNUALISED PERFORMANCE

	Cumulative			Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Fund	-2.56%	-3.87%	-5.20%	-7.02%	-	-	-8.42%
Benchmark	-2.89%	-4.07%	-5.51%	-7.64%	-	-	-8.87%

## CALENDAR YEAR PERFORMANCE (% JPY)

	2023	2022	2021	2020	2019
Fund	-1.63%	-	-	-	-
Benchmark	-2.21%	-	-	-	-

## KEY FACTS

Asset Class	Fixed Income
Ticker	2649
ISIN	JP3049450004
SEDOL	BLFD538
Product Type	Foreign Fixed Income ETF
Fund Launch Date	13-Jan-2022
Benchmark	Bloomberg U.S. GNMA Index TTM JPY Currency Hedged (JPY)
Number of Holdings	1
Total Net Assets	739,478,882 JPY
Trust Fee excl. tax	approx. 0.125%
Trust Fee incl. tax	0.1375
Units Outstanding	1,200,000
Stock Exchange	Tokyo Stock Exchange
Domicile	Japan
Fund Base Currency	Japanese Yen
Trading Lot Size	10
Trust Term	Unlimited
Record Date	Every year on Jan 11th , Apr 11th, Jul 11th and Oct 11th

\* Refer to page 3 for detailed fund expenses and fees

\* Number of holdings is exclusive of forwards and futures positions

## INDEX DESCRIPTION

Bloomberg U.S. GNMA Index TTM JPY Currency Hedged Index is a JPY hedged index that tracks fixed-rate mortgage backed pass-through securities issued by the Government National Mortgage Association (GNMA)

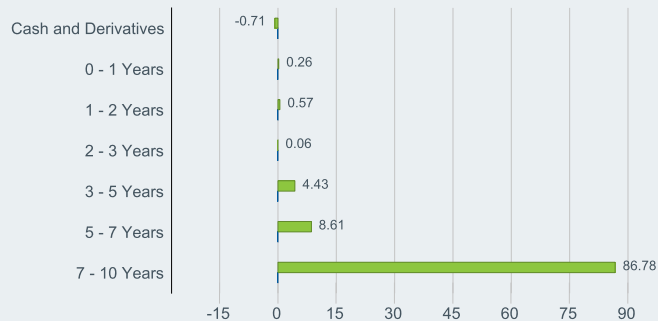
## TOP 10 HOLDINGS (%)

ISHARES GNMA BOND ETF	100.48
USD CASH	4.02
USD/JPY	0.03
USD/JPY	0.02
JPY CASH	0.02
USD/JPY	0.00
USD/JPY	0.00
USD/JPY	0.00
USD/JPY	-0.02
USD/JPY	-0.17

\* Holdings are subject to change.

\* The data source for Holdings data is sourced in-house.

## MATURITY BREAKDOWN (%)



\* Maturity breakdown weightings are subject to change.

\* The data source for Maturity Breakdown data is sourced in-house

## Underlying Holdings (%)

BLK CSH FND TREASURY SL AGENCY	5.07%
GNMA2 30YR	4.83%
GNMA2 30YR	3.50%
GNMA2 30YR	3.26%
GNMA II 30YR SF - JUMBO-CONFORMING	3.07%
GNMA2 30YR	3.01%
GNMA2 30YR	2.80%
GNMA2 30YR	2.38%
GNMA2 30YR	2.13%
GNMA II 30YR SF - JUMBO-CONFORMING	2.01%
<b>Total of Portfolio</b>	<b>32.06%</b>

\* The data shows the underlying holdings of the foreign domiciled ETF into which the fund invests.

\* Holdings are subject to change. The data source for Holdings data is sourced in-house.

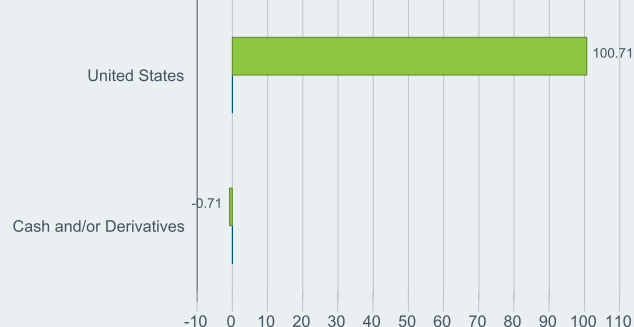
## PORTFOLIO CHARACTERISTICS

Weighted Average Maturity	7.88 yrs
Effective Duration	5.67 yrs

\* Weighted Average Maturity is the average length of time to the repayment of principal for the securities in the fund. This metric considers the likelihood that bonds will be called or prepaid before the scheduled maturity date.

\* Effective Duration measures the responsiveness of a portfolio's price to change in interest rates. This calculation adjusts for changes in a bond's projected cash flows as a result of interest rate changes, considering the likelihood that bonds will be called or prepaid before the scheduled maturity date, and is based on proprietary BlackRock models. Where appropriate, Effective Duration has been adjusted for impacts associated with leverage, hedging transactions, and non-bond holdings, including derivatives.

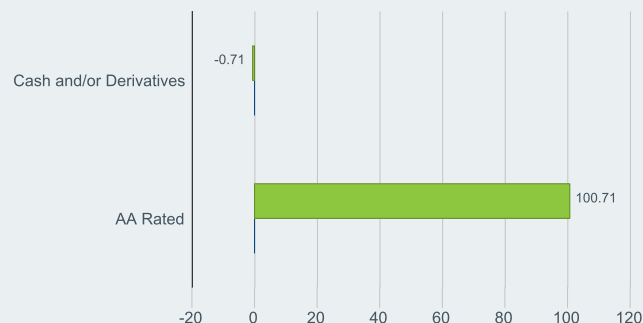
## GEOGRAPHIC BREAKDOWN (%)



\* Geography Breakdown data shows the breakdowns of the foreign domiciled ETF into which the fund invests and does not represent the breakdowns of the assets held directly by the fund.

\* Geography Breakdown weightings are subject to change. The data source for Geographic Breakdown is sourced in-house.

## CREDIT RATINGS (%)



\* Credit rating breakdown weightings are subject to change.

\* 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.

\* The data source for Credit Rating Breakdown data is sourced in-house.

## FUND DISTRIBUTIONS

Ex-Date	Distribution per share (JPY)
11-Apr-2024	5.6000
11-Jan-2024	5.3000
11-Oct-2023	5.8000
11-Jul-2023	5.4000
11-Apr-2023	5.3000

The distribution data shows the dividend amount before taxes on a per unit basis.

The distribution amount is determined on the record dates. As a general rule the entire amount of distributable income from the trust assets are distributed after deducting expenses however there may be cases where part or all of the distributable income is reserved for future distributions.

Past distributions are not indicative of future distributions. There is no guarantee that distributions will be paid

## **Fund Expenses and Fees**

### **Trading Costs (when trading on the exchange)**

Trading commissions will vary depending on the broker. Please contact your broker for further details.

### **Fees on Creations (when creating units through an Authorized Participant)**

Commissions (including consumption taxes, etc.) to be determined by each individual Authorized Participant may be charged for creating units of the ETF. Please contact the Authorized Participant for further details.

### **Fund Level Creation Fee (primary market)**

A fee as determined by the management company to be the amount equivalent to execution costs will be charged on the NAV calculated one business day following the day the creation order is accepted.

### **Fund Level Redemption Fee (primary market)**

A fee as determined by the management company to be the amount equivalent to execution costs will be charged on the NAV calculated one business day following the day the redemption order is accepted.

### **Fees on Redemptions (when redeeming units through an Authorized Participant)**

Commissions (including consumption taxes, etc.) to be determined by each individual Authorized Participant may be charged for redeeming or repurchasing units of the ETF. Please contact the Authorized Participant for further details.

### **Fund Management Fee (Trust Fee)**

A fund management fee will be charged on the fund's total net assets at an annual rate of 0.1375% (0.125% excluding taxes). The management fee (trust fee) is paid out of fund assets at the fund's book close dates and or at the termination of the trust.

### **Other Fees and Expenses**

Listing fees and costs associated with index licensing are capped at an annual rate of 0.044% (0.004% excluding taxes) of the fund's total net assets. This cost is paid out of fund assets at the fund's book close dates and or at the termination of the trust. Trading costs and other miscellaneous expenses are paid out of the fund at the end of the fund's book close dates, at the termination of the trust and or as costs arise. If the fund participates in securities lending, at minimum 50% of the proceeds will be attributed to the fund at the end of the fund's book close dates and or when the proceeds are realized. The maximum fee levels for total other fees and expenses cannot be disclosed as the total fee may fluctuate based on fund performance and other factors.

\*Refer to the "Fund Expenses and Fees" section of the fund prospectus for further details.

## **Investment Risks**

### **Fluctuations of the NAV**

The NAV of the fund is affected by fluctuations in the prices of the investment securities held by the fund. All profits and losses arising from investment management of the fund are attributable to the investor. Accordingly, the principal invested and profits arising from these investments are not guaranteed. Investors may incur a loss and the principal invested may fall below par as the result of a decline in the NAV. Investment trusts are different from bank deposits.

### **Prepayment Risk**

The underlying mortgages in the Ginnie Mae pass-through securities may repay principal prior to the security's maturity which may impact the performance of the fund.

### **Interest Rate Risk**

The fund invests in US Ginnie Mae pass-through securities. The price of Ginnie Mae pass-through securities decreases in the when interest rates increase which may be led on by political, economical, social or other factors. Accordingly, the performance of the fund is affected by fluctuations in interest rates.

### **Credit Risk**

The fund invests in Ginnie Mae pass-through securities. Although Ginnie Mae pass-through securities are guaranteed by the Government National Mortgage Association, in the case of default, the price of bonds will decrease, and the performance of the fund will be negatively affected.

### **Exchange Rate Risk**

The fund invests in assets denominated in foreign currencies. Although the fund aims to ensure returns in JPY terms and conducts currency hedging, the fund may not be able to fully hedge the entire portion of the fund holdings. In addition, if the interest rate of the hedged currency is higher than that of Japanese yen, hedging costs may rise.

### **Country Risk**

The fund invests in Ginnie Mae pass-through securities. The price of Ginnie Mae pass-through securities may fluctuate due to changes to the political and economic situation, as well as changes to currency or capital regulations and other factors in the country in which the fund invests.

### **Derivative Transaction Risk**

The fund may use derivative transactions such as futures and options for the purpose of efficient management of the fund and to protect the fund from fluctuations in securities prices, interest and FX rates. There are costs associated with derivative transactions which will affect the performance of the fund. In addition, derivative transactions will not necessarily be used, and there is no guarantee that a specific outcome can be achieved even if derivative transactions are used.

### **Securities Lending Risk**

Lending of securities involves counterparty risks such as counterparty defaults due to bankruptcy, etc. The fund may suffer losses as a result of such defaults.

### **Underlying Fund Risk**

This fund may implement some or all of its investment strategy through an investment in ETFs. In such cases the fund will be exposed to the same risks as the ETFs it invests. Buying or selling ETFs may be hindered or may not be possible due to sudden changes in market conditions that may lead to a decrease in liquidity. In addition, the trading price may deviate from the ETFs NAV. ETF selection and their allocations will be determined based on this fund's index however there is no guarantee that the investment objective or the underlying securities in the ETFs will match the benchmark of this fund. No guarantee can be given that the underlying ETFs will meet its investment objective. Investing in ETFs may contribute to tracking error.

\*Refer to the "Investment Risks" section of the fund prospectus for further details.

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