

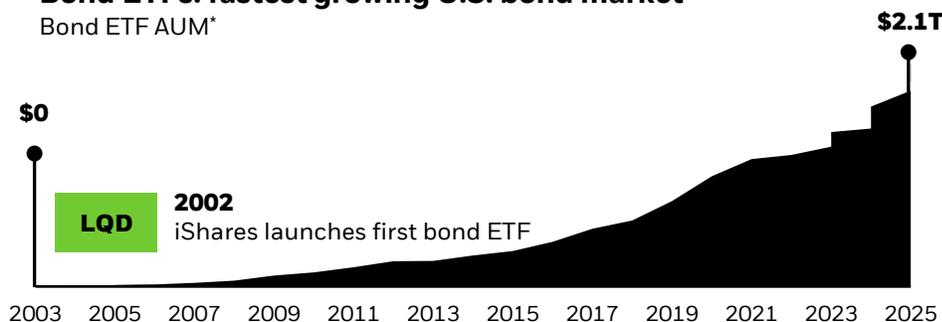
# INVESTING WITH BOND ETFs

## SAME POTENTIAL BENEFITS, DIFFERENT ASSET CLASS

Exchange traded funds (“ETFs”) first appealed to equity investors, as they provided transparency and liquidity through exchange trading. Investors increasingly recognize that the potential three benefits of ETFs—**competitive performance, low cost and liquidity**—apply to bonds just as they do to equities.

### Bond ETFs: fastest growing U.S. bond market

Bond ETF AUM\*



### 1. COMPETITIVE PERFORMANCE

iShares Bond ETFs have outperformed a majority of their peers on 1 year, 3 year and 10 year basis.<sup>†</sup>

### 2. LOW COST

On average, iShares bond ETFs cost 78% less than active mutual funds.<sup>‡</sup>

### 3. LIQUIDITY

Bond ETFs trade thousands of times throughout the day on the exchange, while individuals bonds may not trade daily.<sup>§</sup>

## What role do bonds play in your portfolio?

### Diversify equities

**AGG** iShares Core U.S. Aggregate Bond ETF  
Expense ratio: 0.03%

**IUSB** iShares Core Universal USD Bond ETF  
Expense ratio: 0.07%/0.06%<sup>1</sup>

**LQD** iShares iBoxx \$ Investment Grade Corporate Bond ETF  
Expense ratio: 0.14%

**MUB** iShares National Muni Bond ETF  
Expense ratio: 0.05%

### Preserve capital

**ICSH** iShares Ultra Short Duration Bond Active ETF  
Expense ratio: 0.08%

**ISTB** iShares Core 1-5 Year USD Bond ETF  
Expense ratio: 0.06%

**IGSB** iShares 1-5 Year Investment Grade Corporate Bond ETF  
Expense ratio: 0.04%

**TFLO** iShares Treasury Floating Rate Bond ETF  
Expense ratio: 0.15%

### Generate income

**HYG** iShares iBoxx \$ High Yield Corporate Bond ETF  
Expense ratio: 0.49%

**BINC** iShares Flexible Income Active ETF  
Expense ratio: 0.52%/0.40%<sup>1</sup>

**USHY** iShares Broad High Yield Corporate Bond ETF  
Expense ratio: 0.08%

\*Source: Bloomberg 9/30/2025. Universe represented by U.S. fixed income ETF AUM. <sup>†</sup>Net expense ratios for BINC and IUSB reflect contractual fee waivers in place until 6/30/26 and 02/28/2029 respectively. <sup>‡</sup>Source: BlackRock calculation using fund performance rankings from Morningstar, as of 9/30/2025. Comparison universe is ETFs and mutual funds in the Morningstar category and uses total return. Overall figure is a weighted average of the percentage of funds that the iShares bond ETFs have outperformed in each Morningstar category, weighted based on the number of funds in the Morningstar category. The funds outperformed 55%, 44% and 51% of peers on a 1, 5 and 10 year basis, respectively. Performance may be different for other time periods. <sup>§</sup>Source: Morningstar as of 9/30/2025. Comparison is between the Prospectus Net Expense Ratio for the average Fixed Income iShares ETF (0.18%) and the average Fixed Income Open-End Mutual Fund (0.82%) available in the U.S. ex money market funds. <sup>§</sup>Source: TRACE and Markit iBoxx from 12/1/22 to 9/30/2025.

# 1. COMPETITIVE PERFORMANCE

## Fund percentile ranking

Based on total return

Percentile ● 1% – 25% ● 26% – 50% ● 51% – 75% ● 76% – 100%

What role bonds can Play in your portfolio:			1-year	3-year	5-year	10-year	Morningstar category
Seek to diversify from equities	iShares Core U.S. Aggregate Bond ETF	AGG	52%	53%	53%	52%	Intermediate Core Bond
	iShares Core Universal USD Bond ETF	IUSB	52%	55%	65%	55%	Intermediate Core-Plus Bond
	iShares National Muni Bond ETF	MUB	79%	73%	63%	46%	Muni National Intermediate
	iShares iBoxx \$ Investment Grade Corporate Bond ETF	LQD	91%	44%	94%	52%	Corporate Bond
Seek capital preservation	iShares Ultra Short Duration Bond Active ETF	ICSH	48%	52%	38%	36%	Ultrashort Bond
	iShares 1-5 Year Investment Grade Corporate Bond ETF	IGSB	15%	16%	43%	27%	Short-term Bond
	iShares Core 1-5 Year USD Bond ETF	ISTB	62%	52%	74%	50%	Short-term Bond
	iShares Treasury Floating Rate Bond ETF	TFLO	75%	81%	49%	77%	Ultrashort Bond
Seek to generate income	iShares Broad USD High Yield Corporate Bond ETF	USHY	28%	18%	35%	--	High Yield Bond
	iShares iBoxx \$ High Yield Corporate Bond ETF	HYG	37%	41%	63%	53%	High Yield Bond
	iShares Flexible Income Active ETF	BINC	37%	--	--	--	Multisector Bond

Source: Morningstar as of 9/30/2025. Comparison universe is ETFs and mutual funds within the fund's Morningstar category and based on total return. Total return represents changes to the NAV and accounts for distributions from the funds (excluding any applicable sales charges).

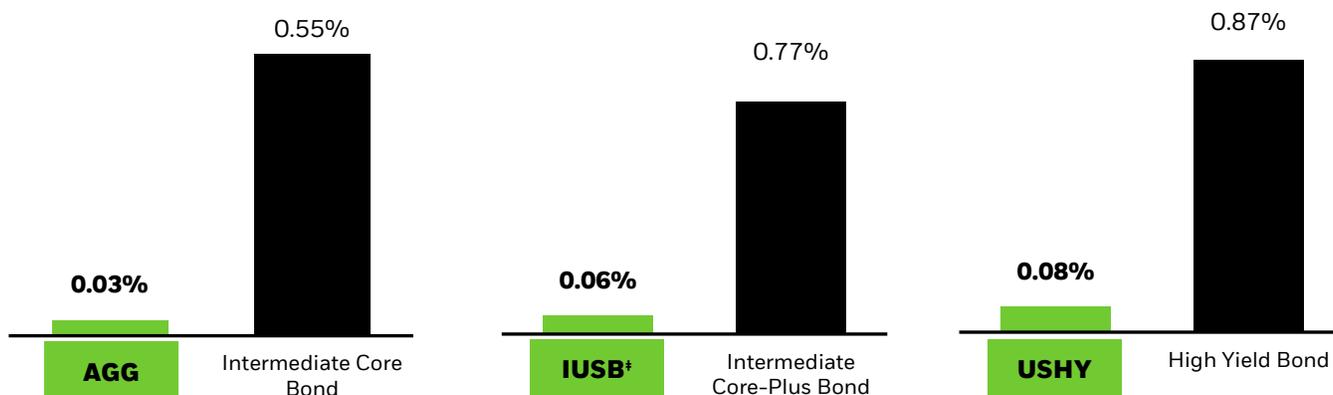
The following shows the number of funds rated against for each year shown for every fund: **iShares Core U.S. Aggregate Bond ETF** rated against 459, 430, 382 and 288 Intermediate Core Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Core Universal USD Bond ETF** rated against 551, 520, 468 and 344 Intermediate Core-Plus Bond funds over the 1, 3, 5 and 10-years respectively; **iShares National Muni Bond ETF** rated against 283, 262, 243, and 184 Muni National Intermediate funds over the 1, 3, 5 and 10-years respectively; **iShares iBoxx \$ Investment Grade Corporate Bond ETF**: rated against 170, 163, 149 and 96 Corporate Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Ultra Short Duration Bond Active ETF**: rated against 253, 211, 185 and 110 Ultrashort Bond funds over the 1, 3, and 5-years respectively; **iShares 1-5 Year Investment Grade Corporate Bond ETF**: rated against 554, 526, 485 and 376 Short-term Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Core 1-5 Year USD Bond ETF**: rated against 554, 526, 485 and 376 Short-term Bond funds over the 1, 3, 5 and 10-years respectively; **iShares Broad USD High Yield Corporate Bond ETF**: rated against 623, 586 and 547 High Yield Bond funds over the 1, 3 and 5-years respectively; **iShares Treasury Floating Rate Bond ETF**: rated against 253, 211, 185 and 110 Bond funds over the 1, 3, 5 and 10-years respectively; **iShares iBoxx \$ High Yield Corporate Bond ETF**: rated against 623, 586, 547 and 439 Short-term Bond funds over the 1, 3, 5 and 10-years respectively **BlackRock Flexible Income ETF**: rated against 381 US Fund Multisector Bond over 1 year. Inception date is 05/19/2023. **Past performance does not guarantee future results.**

## 2. LOW COST

Don't let high fees eat up your yield.

### A cost effective alternative

iShares fund versus their average Morningstar category expense ratio\*

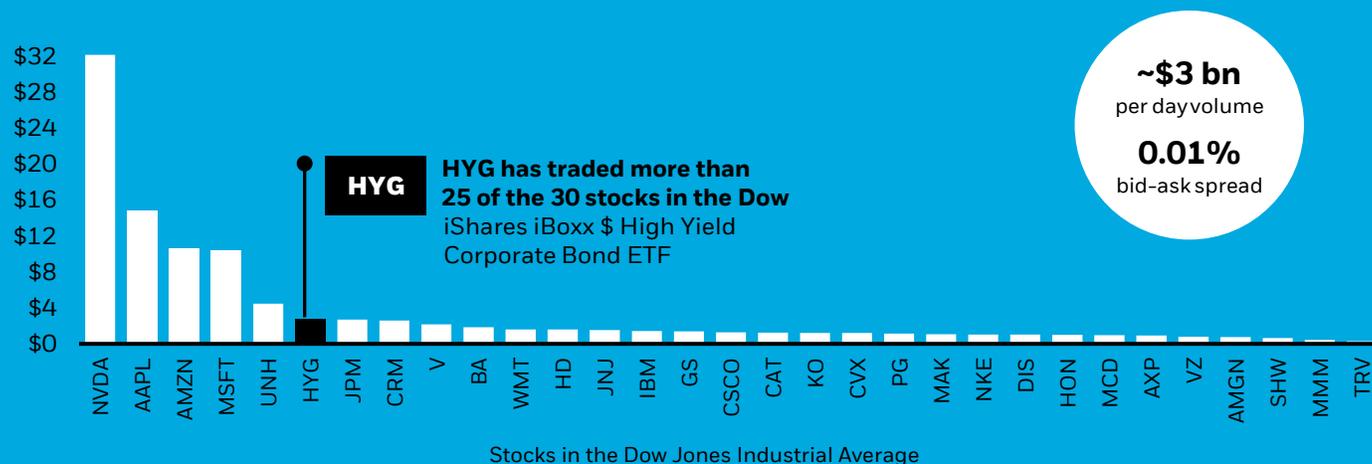


## 3. LIQUIDITY

The world's largest capital market, U.S. bonds, is finally moving to the transparency and liquidity of exchange trading.

### The Dow vs. HYG

Average daily trading volume (\$ bn)§



\* Source: Morningstar as of 9/30/2025. Average prospectus Net expense ratio is shown for the Morningstar category averages and span the entire universe of ETFs and mutual funds, inclusive of active and passive, within the respective categories.

† Source: Morningstar as of 9/30/2025. Gross expense ratio for IUSB is 0.07% and reflects contractual fee waivers in place until 02/28/2029.

§ Source: Bloomberg, BlackRock, S&P Dow Jones, as of 9/30/2025. Volume based on full year average. HYG spread data as per NYSE Arca, Bloomberg as of 9/30/2025.

## Standardized performance as of 9/30/2025

Fund Name	Ticker	Fund Inception Date	Gross/Net 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
iShares Core U.S. Aggregate Bond ETF (AGG)	AGG	09/22/2003	0.03%	4.17%	--	2.89%	2.90%	-0.45%	-0.44%	1.80%	1.80%	3.17%	3.17%
iShares Core Universal USD Bond ETF (IUSB)	IUSB	06/10/2014	0.07%/0.06%	4.37%/4.32%	2/28/2029	3.39%	3.36%	0.06%	0.04%	2.22%	2.21%	2.24%	2.24%
iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD)	LQD	07/22/2002	0.14%	4.79%	--	3.18%	3.15%	-0.19%	-0.24%	3.10%	3.07%	4.56%	4.55%
iShares National Muni Bond ETF (MUB)	MUB	09/07/2007	0.05%	3.38%	--	1.12%	1.15%	0.82%	0.78%	2.14%	2.14%	3.13%	3.13%
iShares Ultra Short Duration Bond Active ETF (ICSH)	ICSH	12/11/2013	0.08%	4.36%	--	4.84%	4.90%	3.20%	3.20%	2.56%	2.56%	2.22%	2.22%
iShares Core 1-5 Year USD Bond ETF (ISTB)	ISTB	10/18/2012	0.06%	3.99%	--	4.52%	4.50%	1.73%	1.71%	2.31%	2.28%	2.00%	2.00%
iShares 1-5 Year Investment Grade Corporate Bond ETF (IGSB)	IGSB	01/05/2007	0.04%	4.23%	--	5.21%	5.18%	2.32%	2.31%	2.68%	2.68%	2.86%	2.85%
iShares Treasury Floating Rate Bond ETF (TFLO)	TFLO	02/03/2014	0.15%	4.05%	--	4.48%	4.48%	3.09%	3.09%	2.12%	2.12%	1.83%	1.82%
iShares iBoxx \$ High Yield Corporate Bond ETF (HYG)	HYG	04/04/2007	0.49%	6.12%	--	7.18%	7.15%	4.79%	4.76%	5.20%	5.16%	5.10%	5.07%
iShares Flexible Income Active ETF (BINC)	BINC	05/19/2023	0.52%/0.40%	5.15%	6/30/2026	6.08%	5.88%	--	--	--	--	8.35%	8.40%
iShares Broad USD High Yield Corporate Bond ETF (USHY)	USHY	10/25/2017	0.08%	6.62%	--	7.39%	7.46%	5.49%	5.45%	--	--	4.85%	4.85%

**The performance quoted represents past performance of specific funds and does not guarantee future results for such funds. 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](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Performance shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some overall of the periods shown. Performance would have been lower without such waivers.**

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 p.m. 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.

**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](http://www.iShares.com). Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.**

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