iShares Global Green Bond ETF – BGRN

BENCHMARK: **BLOOMBERG BARCLAYS MSCI GLOBAL GREEN BOND SELECT (USD HEDGED) INDEX**

Environmental Impact

A one million US dollar investment in BGRN's holdings would have created the following environmental impacts equivalent to...

1,554 new passengers / year on public transit

1,236 MWh/year of renewable energy generated

105 people benefiting from forest, agriculture, water/waste projects

1,052 tCO_2/year of avoided emissions/year → **32** cars off the road

21 hectares of land area re/afforested or preserved → **30** soccer fields[1]

1,544 MWh/year of energy savings → **29** home's annual electricity use

7,483 m³/year of waste or water collected and disposed or treated → **3** Olympic-sided swimming pools[1]

334 m³/year of water savings → **0.13** Olympic-sided swimming pools[1]

Sustainable Impact

Examples of UN Sustainable Development Goals (SDGs) that BGRN aligns with include:

SUSTAINABLE DEVELOPMENT GOALS

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

IBERDROLA

Fund weight: 3.7%

SDGs: 7, 13

Iberdrola is a Spanish public multinational electric utility company, serving around 31.67 million customers. As a world leader in wind power, the company generated 16,077 MW in 2017, and their Electricity for All program reached 3,900,000 beneficiaries. Over the last three years, 63 million tons of CO2 emissions were avoided.

SEB GROUP

Fund weight: 0.5%

SDGs: 6, 7, 11, 13

SEB, is a Swedish financial group for corporate customers, institutions and private individuals, whose activities comprise mainly banking and life insurance services. Their green bond portfolio contains renewable energy (36%), sustainable forestry (22%), green buildings (17%), clean transportation (16%), energy efficiency (8%) and water and wastewater management (1%). In 2017, it realized a reduction of 219,947 tons of CO2 emissions and generated 554 GWh of electricity.

KOMMUNEKREDIT

Fund weight: 0.5%

SDGs: 7, 11, 13

KommuneKredit's green loans encompass 119 projects. When aggregated, the available impact figures for the district heating projects amount to an annual CO_2-reduction of 119,134 tons. This equals the average annual CO_2-emission from energy consumption of approximately 17,000 Danes.

References to specific positions are strictly to highlight examples of Environmental, Social and Governance (ESG) impact and should not be construed as investment advice or recommendations regarding those companies. More details on the selection process are provided in the Appendix. This is a non-exhaustive list of UN SDGs that the fund aligns with.

Sources: BlackRock analysis of publicly available environmental impact reports as communicated by issuers as of May 31, 2018, holdings as of 11/19/2018. 84.4% of iShares Global Green Bond ETF's constituents are covered by BlackRock's analysis. The above results are shown for informational purposes only, to illustrate the positive environmental impact of a green bond portfolio. They are not meant to be a prediction or projection. Not every issuer reports on every metric, hence no linear extrapolation should be performed. BlackRock cannot be held responsible for inaccuracies in issuers' reporting. US EPA's Greenhouse Gas Equivalencies Calculator for CO2 and energy measures. Other assumptions: 1 Olympic pool = 2,500 m3 of water; 1 soccer field = 7,000 m2

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Example in the portfolio

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

Supranational Finance | Fund weight: 9.5%

The EBRD is supranational Institution founded in 1991 owned by 66 countries, plus the European Community and the European Investment Bank. The Green Project Portfolio ("GPP") consists of 357 individual projects that focus on the environment.

Environmental impacts of the renewable energy and energy efficiency projects in the GPP

- Renewable energy (RE) and energy efficiency (EE) projects account for 75% of the GPP
- The projects assessed are expected to have achieved a greenhouse gas (GHG) reduction of 10.25 million tons of CO2 equivalent (CO2e) each year
- Based on EBRD's share of funding of the projects, the greenhouse gas savings attributable to EBRD finance is estimated to be 5.6 million CO2e

Environmental impacts of the water, waste and environmental infrastructure projects in the GPP

- Municipal and environmental infrastructure projects, which include water, waste and public transport projects, account for 25% of the GPP
- These 42 investments are expected to benefit a total of 13.4 million people in the EBRD region by providing them with improved water services, district heating and solid waste facilities

Green Bond Impact	
Number of projects	357
Avoided greenhouse gas emissions	4,000,000 metric tons
Installed renewable energy capacity	1,300 MW
People benefitting from improved solid waste management services	6,900,000
People benefiting from improved access to tap water	3,000,000
Total population benefiting from improved access to wastewater services	2,400,000
People benefitting from improved district heating	1,000,000

Example in the portfolio

KFW

Bank | Fund weight: 5.0%

The KfW, formerly KfW Bankengruppe, is a German government-owned development bank, based in Frankfurt. KfW has been issuing green bonds since mid-2014, including USD-denominated issuances registered with the SEC under its global debt program. This gives investors the option to specifically combine the security and liquidity typical for KfW bonds with the promotion of environmental and climate protection.

The program provides financings for the construction, expansion and acquisition of plants generating power or heat from renewable energy sources that comply with the requirements defined by the German Renewable Energy Sources Act (Erneuerbare-EnergienGesetz – EEG 2017). This includes especially wind energy, solar energy (photovoltaics), hydropower, biomass and geothermal energy. Furthermore, grids and plants for the storage of heat are supported. Funds are available for private individuals and not-for-profit organizations which feed the generated electricity/heat into the grid, at least in part, self-employed professionals and farmers, as well as German and non-German enterprises majority-owned by private individuals or municipalities. Investments outside Germany are eligible for German companies, German citizens and joint ventures with a substantial German stake.

Green Bond Impact	2015 & 2016
Number of projects	9
Avoided greenhouse gas emissions	5,400,000 metric tons
Installed renewable energy capacity	4,198 MW
Energy produced from renewable sources	78,000,000 MWh
Annual savings in energy imports and costs for fossil fuels	€393,000,000
Employment effects: jobs created and/or secured for one year	138,500

References to specific positions are strictly to highlight examples of ESG impact and should not be construed as investment advice or recommendations regarding those companies. More details on the selection process are provided in the Appendix. Source: BlackRock & publicly available environmental impact reports as communicated by issuers as at 31 May 2018. Currency shown USD. Not every issuer reports on every metric, hence no linear extrapolation should be performed; BlackRock cannot be held responsible for inaccuracies in issuers' reporting.

Appendix: Definitions and Other Important Information

GREEN BONDS

Green bonds are fixed income securities in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds

GREEN BOND PRINCIPLES & MSCI

For the Bloomberg Barclays MSCI Global Green Bond (USD Hedged) Index, securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether they should be classified as a green bond. These eligibility criteria reflect themes articulated in the Green Bond Principles[1] and require commitments about a bond's:

1. ***Use of proceeds***: Proceeds should fund projects with clear environmental benefits defined by MSCI ESG Research, including alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building, and climate adaption, with clear disclosure in legal documentation
2. ***Project evaluation and selection***: Issuers should outline a process to determine project eligibility and sustainability objectives
3. ***Management of proceeds***: Proceeds should be ring-fenced or tracked through a formal internal process
4. ***Reporting****:* Annual disclosure of the use of proceeds and qualitative and quantitative performance measures

EXAMPLES IN THE PORTFOLIO

To be highlighted as an example, BlackRock selects issuers with a relatively high fund-weighting and have an annual impact report on their Green Bond portfolio that is publically available and accessible to U.S. investors, with concrete environmental and social metrics. The example highlighted is selected by BlackRock using the following criteria:

1. Fund holding with relatively high fund-weighting,
2. With a recent annual impact report on their Green Bond portfolio that is publically available and accessible to U.S. investors, and
3. Has concrete environmental and social performance results that can be converted into tangible impact metrics.

SUSTAINABLE IMPACT

The UN Sustainable Development Goals (SDGs) have emerged as the dominant framework for investing for impact. To be eligible to be highlighted, a company must satisfy the "EXAMPLES IN THE PORTFOLIO" criteria described. BlackRock assesses portfolio alignment with the UN SDGs, based on the issuers' self-identification of the SDGs in their annual reports. In addition, BlackRock highlights examples of SDGs by issuer that are also self-identified.

ENVIRONMENTAL IMPACT

The greenhouse gas equivalencies calculator can help you understand just that, translating abstract measurements into concrete terms you can understand, such as the annual emissions from cars, households, or power plants. For more information on the calculation please visit the EPA website.[2]

IMPACT DATA AGGREGATION

The process of compiling portfolio-level impact report for green bond portfolios begins with a BlackRock analysis on publicly available environmental impact reports as communicated by issuers. It is important to note that not every issuer reports on every metric, hence no linear extrapolation should be performed. Issuers may sometimes report impact by green bond issuance; in this case we attribute impact to the issuer's total outstanding green bonds and scale accordingly to process below. BlackRock's analysis is conducted on an annual basis in May. Issuers are required to report annually on their green bond projects, however, given the variances in issuance dates, BlackRock will assess each issuer's most recent impact report as of May 1st. The issuers' absolute reported metrics are uploaded into Aladdin, BlackRock's internal research platform, by the portfolio management team, and assigned to their corresponding ISIN. Once the BlackRock team inputs the issuers' reported information into Aladdin, we are able to run a report on those ISINs in any portfolio, which provides an automated and standardized process. Portfolio-level impacts are the sum of the program-level impacts of an issuer's investments, which BlackRock scales to the market value of the ISINs we hold.

Sources: 1. The Green Bond Principles (GBP), updated as of June 2018, are voluntary process guidelines for issuing green bonds, published by the International Capital Market Association (ICMA). GBP promote integrity in the green bond market through guidelines that recommend transparency, disclosure and reporting. 2. https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references. 2. https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Mapping-SDGs-to-Social-and-Sustainability-Bonds-Final-030818.pdf.

Important Information about iShares ETFs

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 ww.iShares.com or www.blackrock.com . Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

The Fund's green bond 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 a green bond focus. The Fund's green bond investment strategy may result in the Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds with a green bond focus. In addition, projects funded by green bonds may not result in direct environmental benefits.

The Fund's use of derivatives may reduce the Fund's returns and/or increase volatility and subject the Fund to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. The 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 the Fund's hedging transactions will be effective.

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.

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, in concentrations of single countries or smaller capital markets.

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 than the general securities market. Small-capitalization companies may be less stable and more susceptible to adverse developments, and their securities may be more volatile and less liquid than larger capitalization companies.

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