iShares®
by BlackRock

SUSTAINABLE INVESTING

Invest with purpose

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SUSTAINABLE IS ATTAINABLE

Sustainable investing is about investing in progress and recognizing that companies solving the world's biggest challenges may be best positioned for growth.

It's about pioneering better ways of doing business and creating the momentum to encourage more people to create a sustainable future.

In practice, sustainable investing is the combination of traditional investment approaches with environmental, social and governance (ESG) insights.

Investors large and small are adopting a sustainable approach. This guide answers four key questions to help get started with sustainable investing:

1	Why now for sustainable investing?
2	What are ESG insights?
3	How do I invest sustainably?
4	Why BlackRock for sustainable investing?

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1. WHY NOW FOR SUSTAINABLE INVESTING?

Sustainable investing is on the rise…

Sustainable investing allows investors to align investment decisions with personal beliefs. It is on the rise, evidenced by the growth of sustainable exchange traded funds (ETFs). With $4.6 billion in sustainable ETF AUM, iShares is a leader in the space.[1]

…and with good reason

Demand for sustainable investing is driven by:

Demographic shifts — a more diverse generation of young investors are seeking sustainable solutions for the heart of their investment portfolios

Government policies — evolving government policies are prompting large institutions around the world to put capital towards sustainable investments

Evolving views on risk — improving quality and availability of ESG data can help investors identify previously hidden risks and opportunities

[1] As of March 31, 2019.

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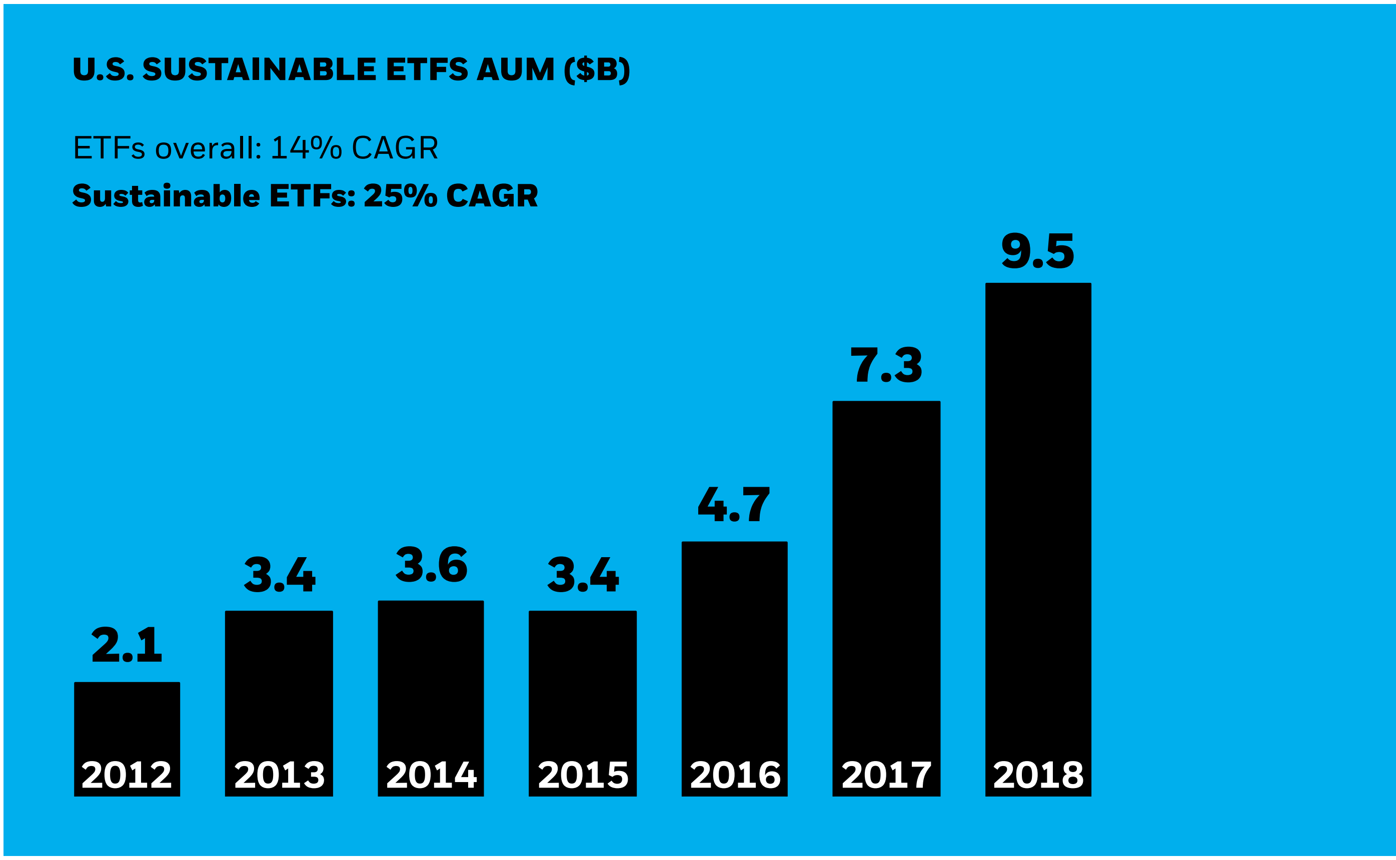
Less wish, more do

Sustainable investing has never been easier

With this growth has come an ever-expanding menu of choices for investors looking to implement sustainable investing strategies. ETFs provide an easily accessible and affordable option, allowing investors to take a transparent approach to sustainable investing.



Competitor data sourced from Morningstar as of 12/31/18. CAGR refers to compound annual growth rate. AUM refers to assets under management.

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2. WHAT ARE ESG INSIGHTS?

Sustainability and return potential

Investors no longer need to choose between purpose and performance. Some sustainable ETFs are designed to seek similar risk and returns as broad markets.

In fact, ESG criteria reveal risks and opportunities that aren't typically captured in traditional financial analysis.

Breaking down the three pillars of ESG

Environmental	Social	Governance
Climate change, natural resources, pollution and waste, environmental opportunities	Human capital, product liability, stakeholder opposition, social opportunities	Corporate governance, diversity, corporate behavior, transparency

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Comparison of traditional indexes and ESG equity ETFs by region, 2017-2018

	Name	1-Year Return (NAV)[1]	1-Year Volatility[1]	1-Year Sharpe ratio[2]	Price-to-earnings[2]	MSCI ESG Quality Score[3]	MSCI ESG Quality Score Perc.[3]	% AUM Coverage by MSCI ESG Re-search[3]	Fund Lipper Global Class[3]
U.S.	Traditional (MSCI USA)	8.84%	16.07%	0.47	19.77	5.42	N/A	99%	N/A
U.S.	iShares ESG MSCI USA ETF	9.73%	16.36%	0.51	20.06	6.38	96th	98.4%	Equity U.S. (2712)
INTERNATIONAL DEVELOPED	Traditional (MSCI EAFE)	-3.71%	13.15%	-0.40	14.66	6.63	N/A	100%	N/A
INTERNATIONAL DEVELOPED	iShares ESG MSCI EAFE ETF	-3.20%	13.55%	-0.34	14.59	7.48	98th	99.7%	Equity Global ex U.S. (787)
EMERGING MARKETS	Traditional (MSCI EM)	-7.41%	15.35%	-0.58	12.46	4.29	N/A	99.4%	N/A
EMERGING MARKETS	iShares ESG MSCI EM ETF	-6.93%	15.64%	-0.53	12.31	5.90	97th	99.6%	Equity Emerg. Mkts Global (896)

Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. The performance quoted represents past performance and does not guarantee future results. 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 or www.blackrock.com. For standardized fund performance, please see the end of this document. The indexes shown are the parent indexes of the indexes that the funds seek to track. There may be material differences between the fund's index and the indexes shown including without limitation holdings, methodology and performance. 1 Source: for fund data, BlackRock as of 3/31/19; for index data, Morningstar as of 3/31/19. Volatility is measured by Standard Deviation, which is a measure of the dispersion of a set of data from its mean. It is calculated as the square root of variance by determining the variation between each data point relative to the mean. 2 The Sharpe ratio is a measure of returns adjusted for risk; the higher the number, the better the risk-adjusted returns. Price-to-earnings based on a 12-month trailing period. The price-to-earnings ratio is a fundamental measure used to determine if an investment is valued appropriately. Each holding's P/E is the latest closing price divided by the latest fiscal year's earnings per share. 3 Source: for iShares ESG MSCI USA ETF, iShares ESG MSCI EAFE ETF and iShares ESG MSCI EM ETF data, MSCI ESG Fund Metrics as of 04/1/19, using holdings as of 02/28/19; for index data, Traditional (MSCI USA), Traditional (MSCI EAFE) and Traditional (MSCI EM), MSCI ESG Research as of 04/1/19. The ESG Quality Score is provided on a 0-10 score, with 0 and 10 being the respective lowest and highest possible fund scores. MSCI rates underlying holdings according to their exposure to 37 industry specific ESG risks and their ability to manage those risks relative to peers. To be included in MSCI ESG Fund Metrics, 65% of the fund's underlying holdings (excluding cash positions) must be covered by MSCI ESG Research, the fund's holdings date must be less than one year old, and the fund must have at least ten securities. The MSCI ESG Quality Score Percentile measures how a fund's ESG Quality Score ranks relative to other funds in the same peer group. The peer group is based on the Lipper Global Classification and reflects the funds that are in the MSCI ESG Fund Metrics coverage universe.

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3. HOW DO I INVEST SUSTAINABLY?

Invest with purpose by building a Sustainable Core

Investing for a sustainable future can be simple. iShares Sustainable Core ETFs are designed for investors who are seeking sustainable outcomes while pursuing their financial goals. iShares ETFs enable investors to easily build a low-cost portfolio with broad exposures across stocks and bonds:

U.S. Equities

ESGU 0.15%	iShares ESG MSCI USA ETF
ESML 0.17%	iShares ESG MSCI USA Small-Cap ETF

Int. Equities

ESGD 0.20%	iShares ESG MSCI EAFE ETF
ESGE 0.25%	iShares ESG MSCI EM ETF

Bonds

SUSB 0.12%	iShares ESG 1-5 Year USD Corporate Bond ETF
SUSC 0.18%	iShares ESG USD Corporate Bond ETF
EAGG 0.10%[2]	iShares ESG US Aggregate Bond ETF

Expense ratios are shown below the ticker symbols.

Indexed to

MSCI

[2] Net expense ratio shown for EAGG reflects contractual fee waiver in place until 6/30/24. Gross expense ratio is 0.11%.

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DON'T SEPARATE YOUR INVESTMENT CHOICES FROM YOUR PERSONAL BELIEFS

Minimize your carbon footprint

A hypothetical $1 million invested in ESGU implies an annual carbon emissions reduction of 12.91 tons of carbon dioxide equivalent compared to the MSCI USA index. This is equivalent to the annual emissions savings of 31,638 miles driven by an average passenger car for one year, 1.9 homes' energy use for one year and 1,452 gallons of gasoline consumed.[3]

[3] MSCI ESG Fund Metrics as of 4/01/19, using holdings as of 2/28/19, for ESGU. BlackRock with data provided by MSCI ESG Research as of 4/01/19 for the MSCI USA Index.

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4. WHY BLACKROCK FOR SUSTAINABLE INVESTING?

The world is changing and we are changing with it

We are experts in the sustainable investing space

BlackRock is committed to being an industry leader in sustainable investing. We provide sustainable solutions and insights across our entire organization, enabling investors to take a total-portfolio approach to sustainable investing. BlackRock currently manages $59 billion of dedicated sustainable investing strategies that align capital with sustainable outcomes and an additional $490 billion in screened investment solutions.[4]

We engage with companies to drive sustainability

As described by BlackRock CEO Larry Fink in his letter to CEOs, BlackRock has a fiduciary responsibility to engage with companies and encourage their consideration of ESG matters.

We focus on the long-term sustainability of our own firm

BlackRock is committed to using our resources responsibly to support the long-term sustainability of our firm and of the global environment in which we and our clients live and operate. The long-term sustainability of our firm is heavily dependent on our people. We are committed to fostering a unifying culture, ensuring that we are developing, retaining and recruiting the best talent and incorporating inclusion and diversity into all levels of our business. As vocal advocates for the adoption of sound corporate governance policies, we have implemented such a framework at BlackRock through a set of principles, guidelines and practices that support sustainable financial performance and long-term value creation for shareholders.

[4] As of March 2019.

“A company’s ability to manage environmental, social, and governance matters demonstrates the leadership and good governance that is so essential to sustainable growth, which is why we are increasingly integrating these issues into our investment process.”

Larry Fink, BlackRock CEO

Committed to achieving 30% female representation in senior management by 2020

Larry Fink is a founding member of the 30% Club in the U.S., a group that aims to achieve gender balance on boards and throughout organizations.

Committed to using 100% renewable energy in the US by the end of 2018 and globally by 2020

BlackRock has reported to the CDP[5] since 2013 as part of our effort to reduce carbon emissions and decouple our business growth from our environmental impact.

[5] CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

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Standardized Performance

Fund Name	Fund Inception Date	Gross Expense Ratio	1-Year Returns		5-Year Returns		Since Inception	
			NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares ESG MSCI USA ETF (ESGU)	12/1/2016	0.15%	9.73%	9.63%	–	–	13.91%	13.90%
iShares ESG MSCI EAFE ETF (ESGD)	6/28/2016	0.20%	-3.20%	-3.71%	–	–	10.14%	10.25%
iShares ESG MSCI EM ETF (ESGE)	6/28/2016	0.25%	-6.93%	-8.13%	–	–	13.19%	13.33%

Fees as of Current Prospectus. All Other Data as of 3/31/19. The performance quoted represents past performance and does not guarantee future results. 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 or www.blackrock.com.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. Performance shown may reflect fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without such waivers. Certain sectors and markets perform exceptionally well based on current market conditions and iShares Funds can benefit from that performance. Achieving such exceptional returns involves the risk of volatility and investors should not expect that such results will be repeated.

Want to know more?

iShares.com/sustainable 800-iShares (1-800-474-2737)

Carefully consider the iShares 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.

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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. Buying and selling shares of ETFs will result in brokerage commissions.

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 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 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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