



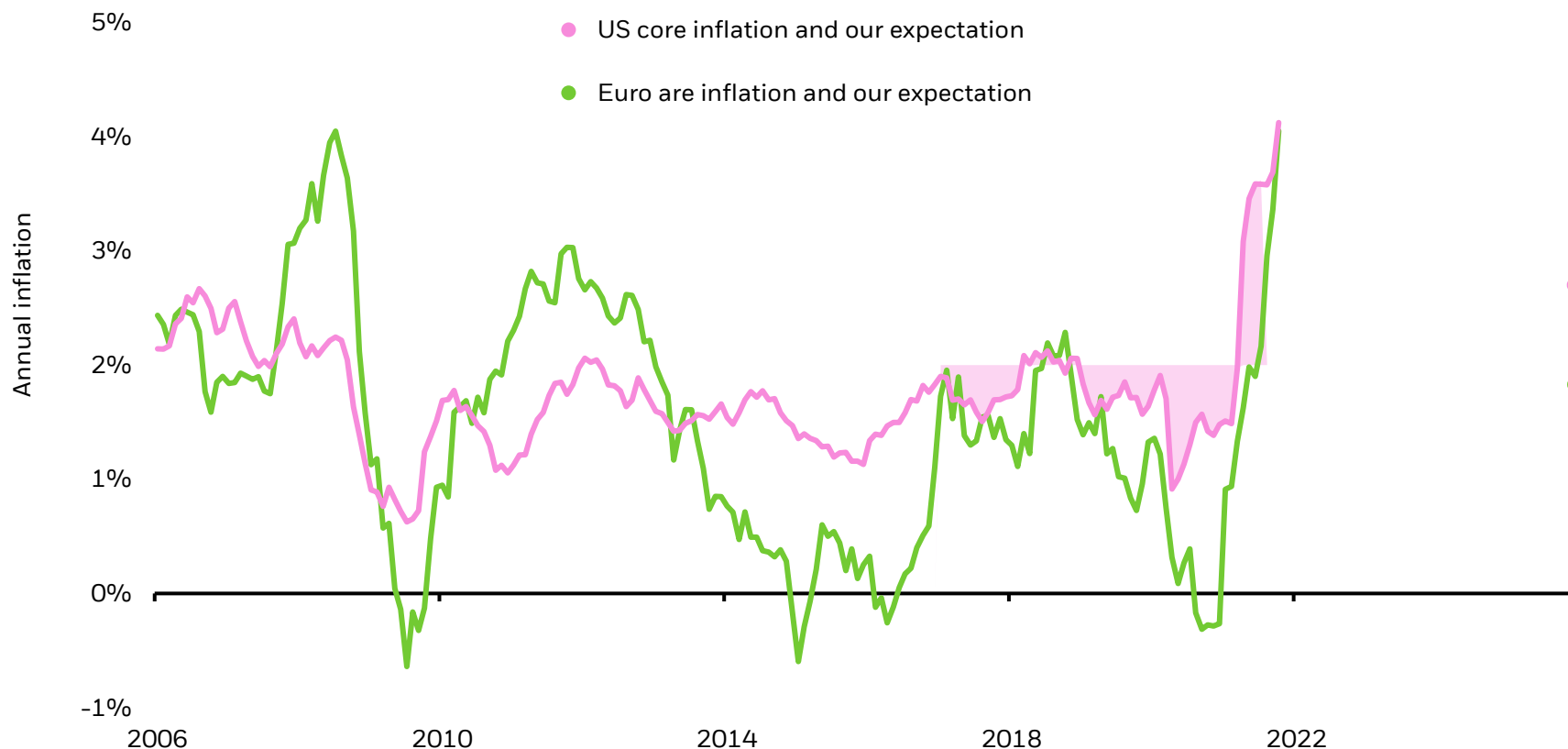
iSHARES FACTOR ETFs

**FOR PROFESSIONAL CLIENTS / QUALIFIED INVESTORS /
QUALIFIED CLIENTS ONLY**

A new market regime

Investor focus has been on inflation which is here to stay

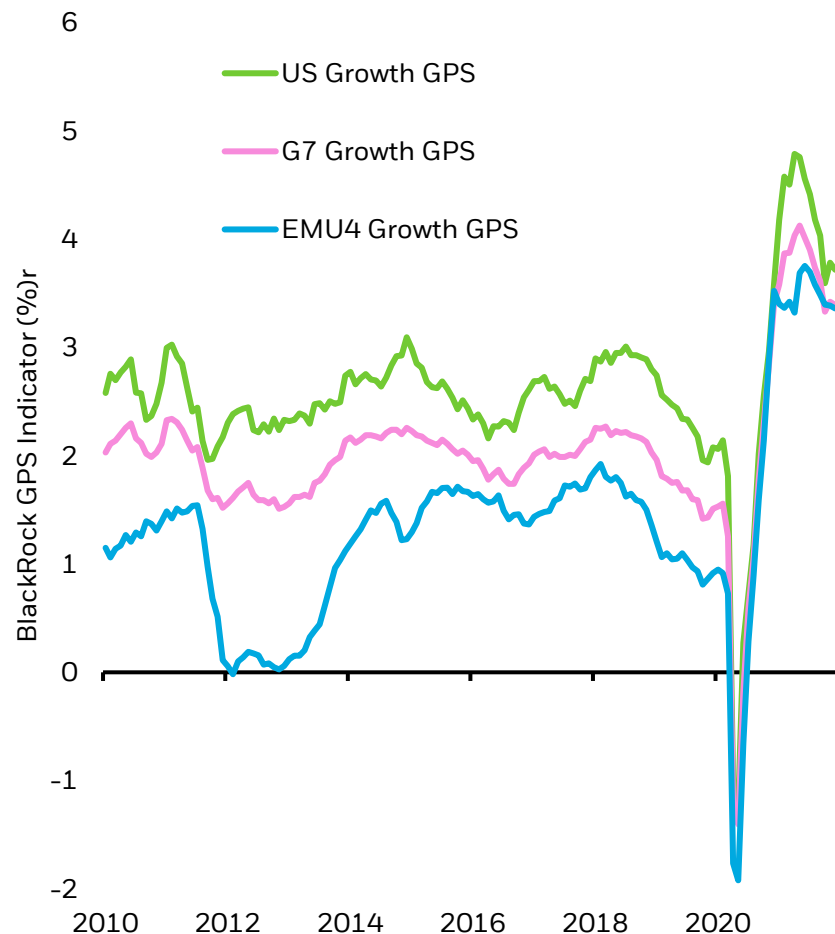
US and Euro are inflation and our expectations, 2006-2026



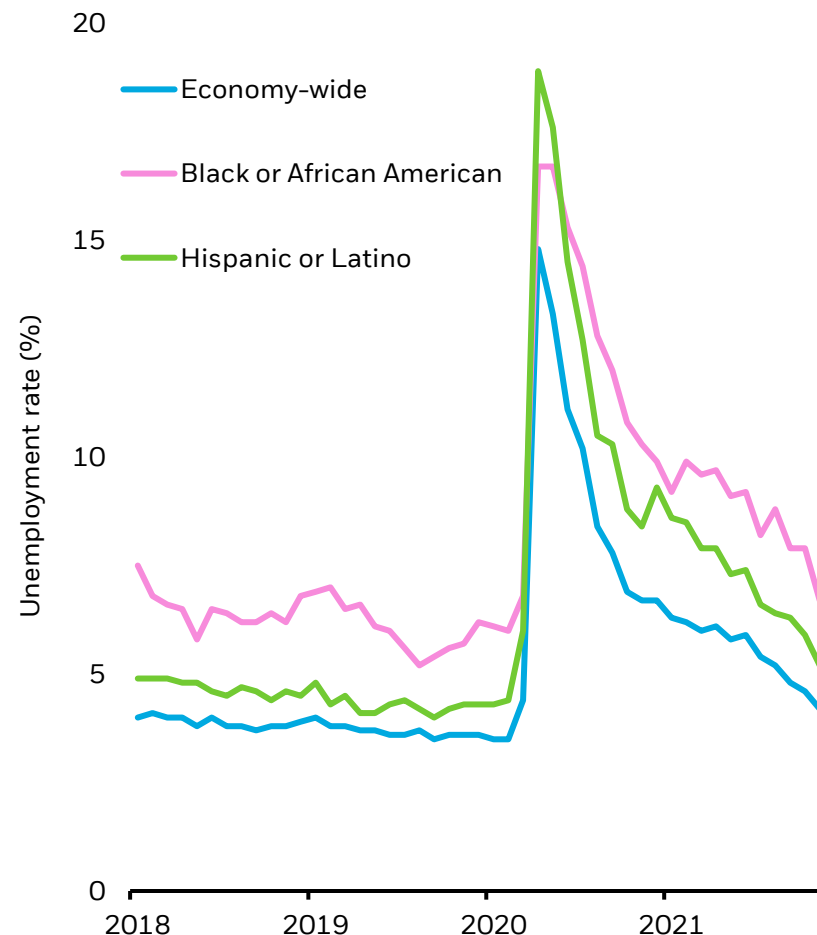
Forward-looking estimates may not come to pass. Sources: BlackRock Investment Institute, U.S. Bureau of Economic Analysis and Eurostat, with data from Haver Analytics, December 2021. Note: The chart lines shows U.S. core personal consumption expenditure (PCE) inflation and euro area headline inflation. The pink dot shows our expectation of U.S. PCE – the Fed’s preferred gauge of inflation –in five years’ time. We derive this from our estimate of the consumer price index in five years’ time, which currently stands at 3%. We assume a 0.3 percentage point wedge between PCE and CPI inflation based on the historical relationship and estimates of the factors that influence both. The green dot shows our estimate of euro area HICP (Harmonized Index of Consumer Prices) inflation in five years’ time.

What is the current market backdrop telling us?

BlackRock GPS Indicator, 2010-2021



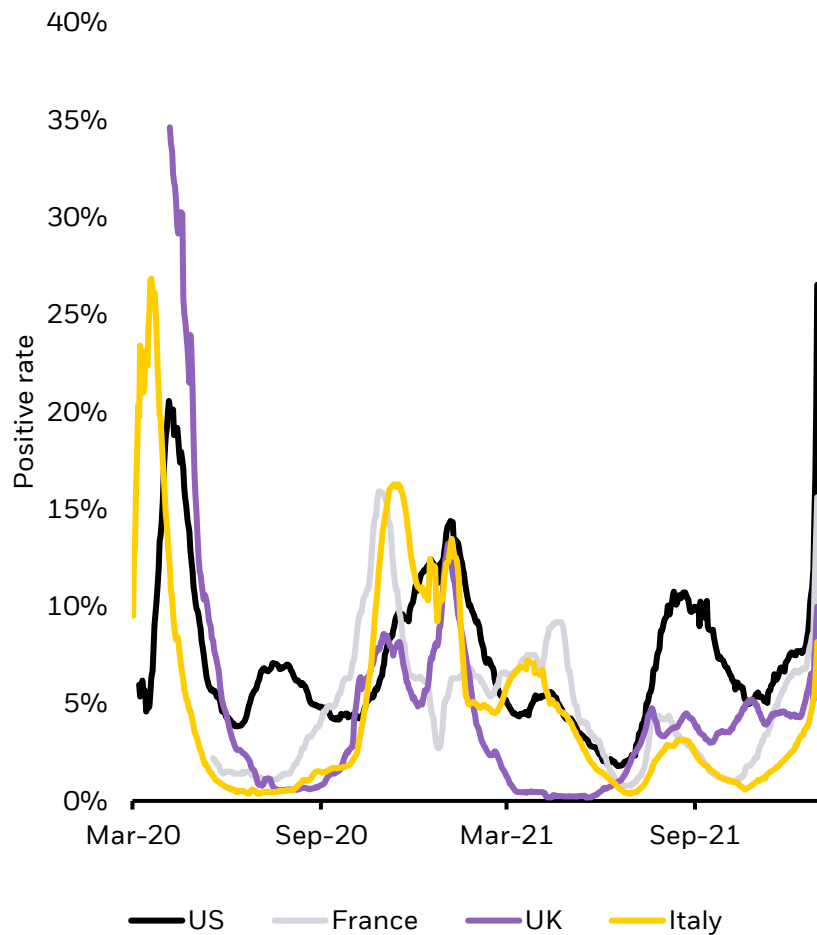
US unemployment rate, 2018-2021



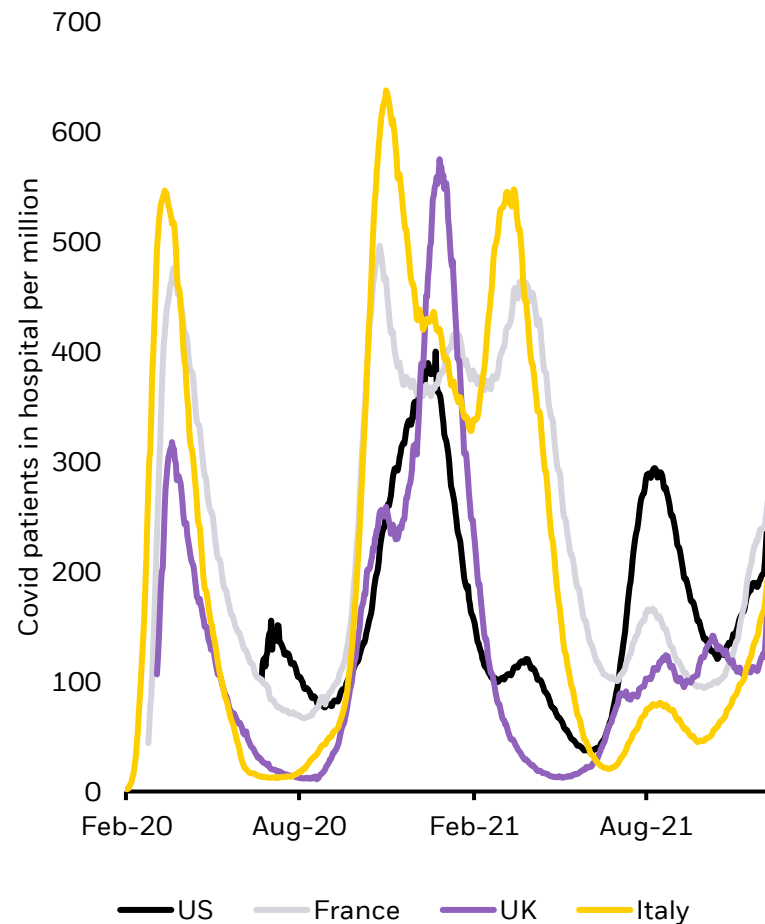
Source: Refinitiv Datastream, BlackRock Investment Institute and Consensus Economics as at 31/12/2021. Notes: The Growth GPS shows where the 12-month forward consensus GDP forecast may stand in three months' time. For illustrative purposes only. **Forward-looking estimates may not come to pass.** This information should not be relied upon as research or investment advice regarding any particular funds, strategy or security.

Certain short term risks could delay the restart

Positive test rate

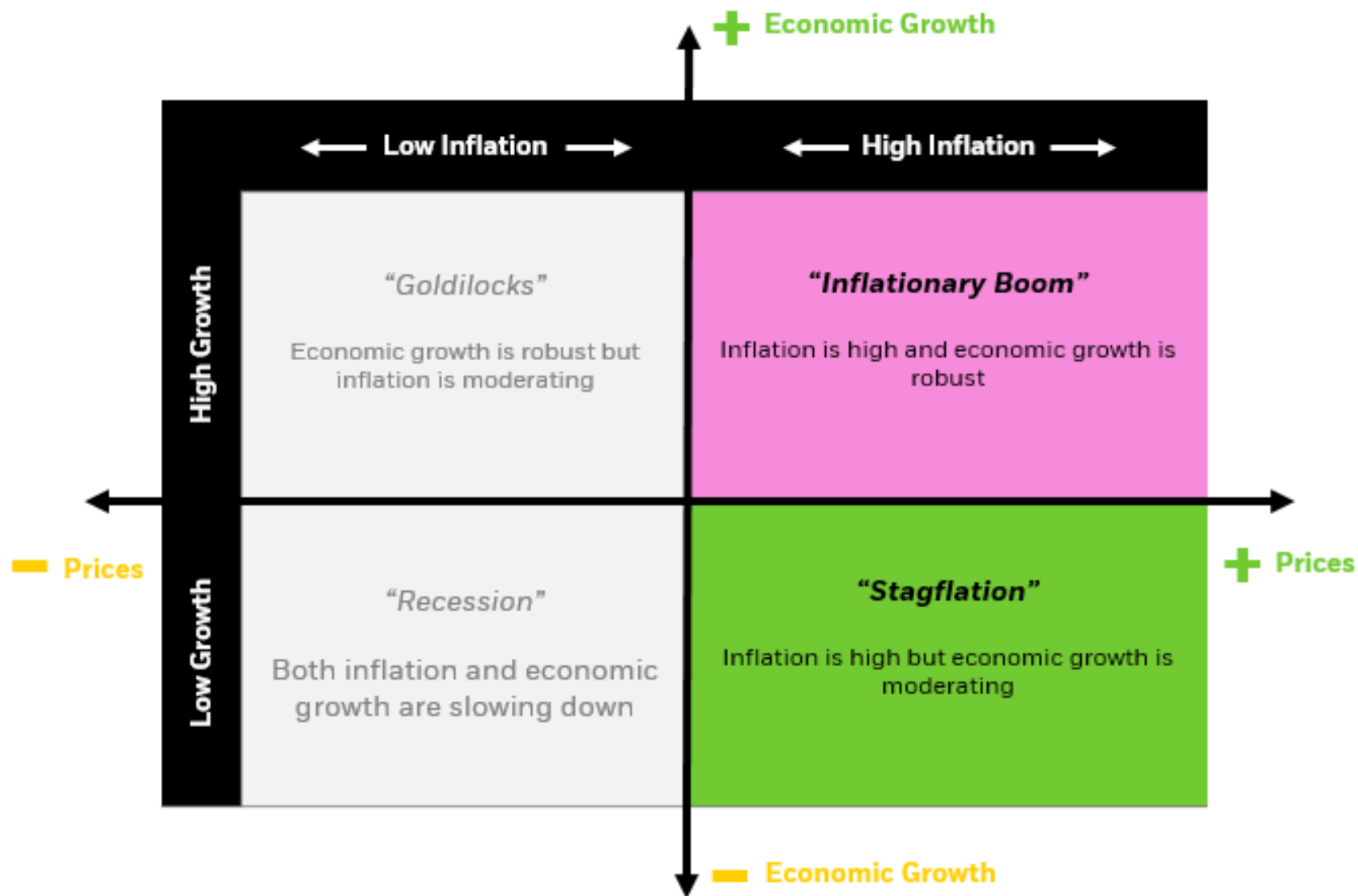


Hospitalization levels per million



Source: Our World in Data, 07/01/2022. Left chart: the share of COVID-19 tests that are positive, given as a rolling 7-day average. According to criteria published by WHO in May, a positive rate of less than 5% is one indicator that the epidemic is under control in a country. Right chart: Covid patients admitted in hospitals per million of population.

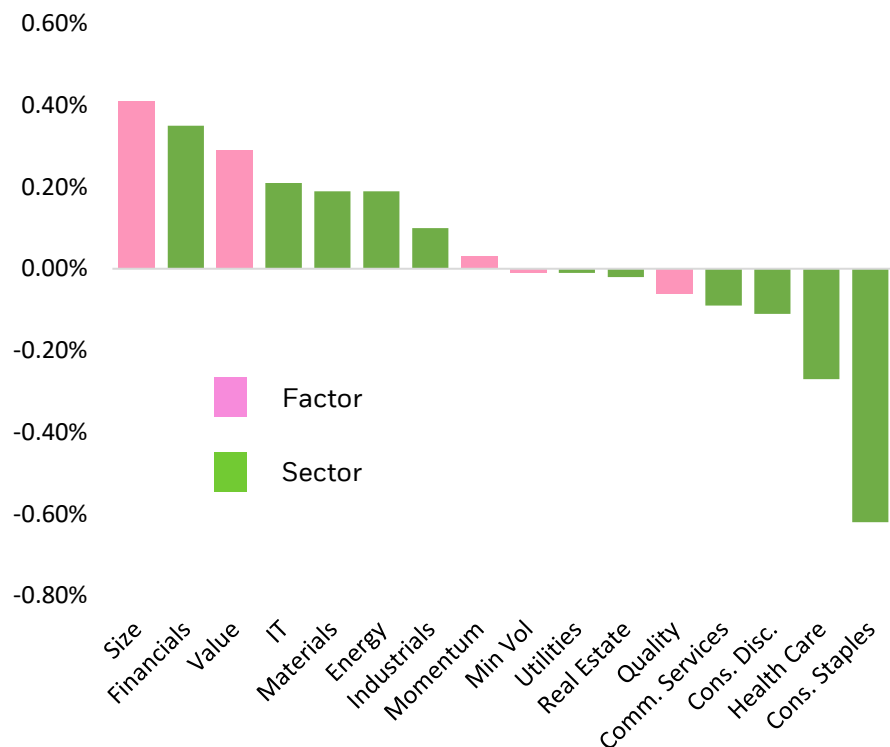
The overlap between inflation and growth



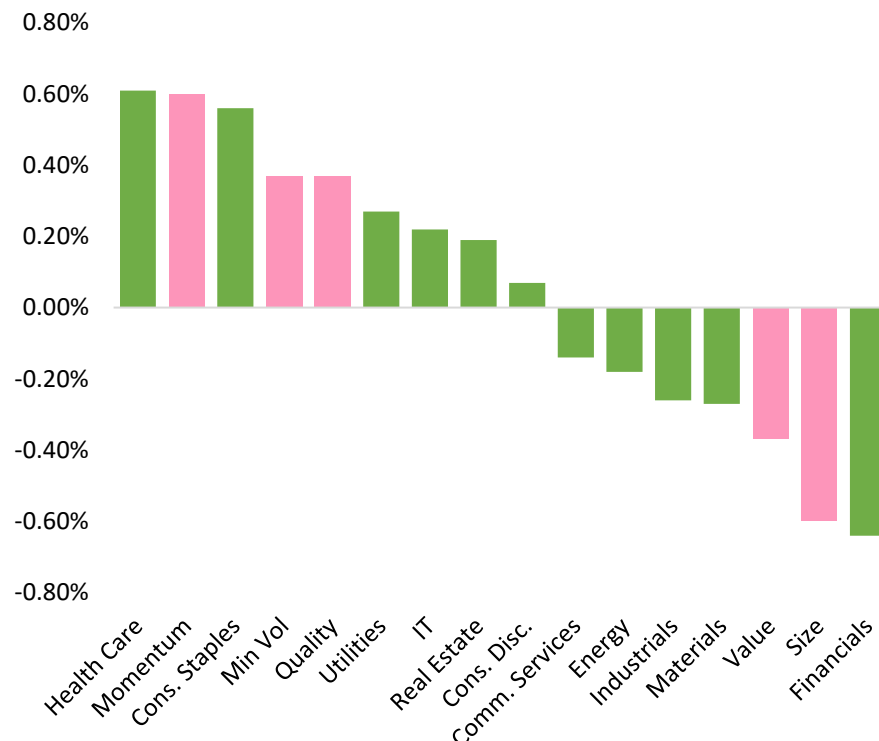
Source: BlackRock, as of 31/12/2021. For illustrative purposes only.

Historical performance in various market regimes

Inflationary Boom



Stagflation



The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD for the period 31/12/1999 – 31/12/2021. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period. High and low inflation is determined by comparing a 3 month vs. 36 month moving average on CPI YoY % change. High of low growth is defined by looking at the MoM change in the CLI Indicator.

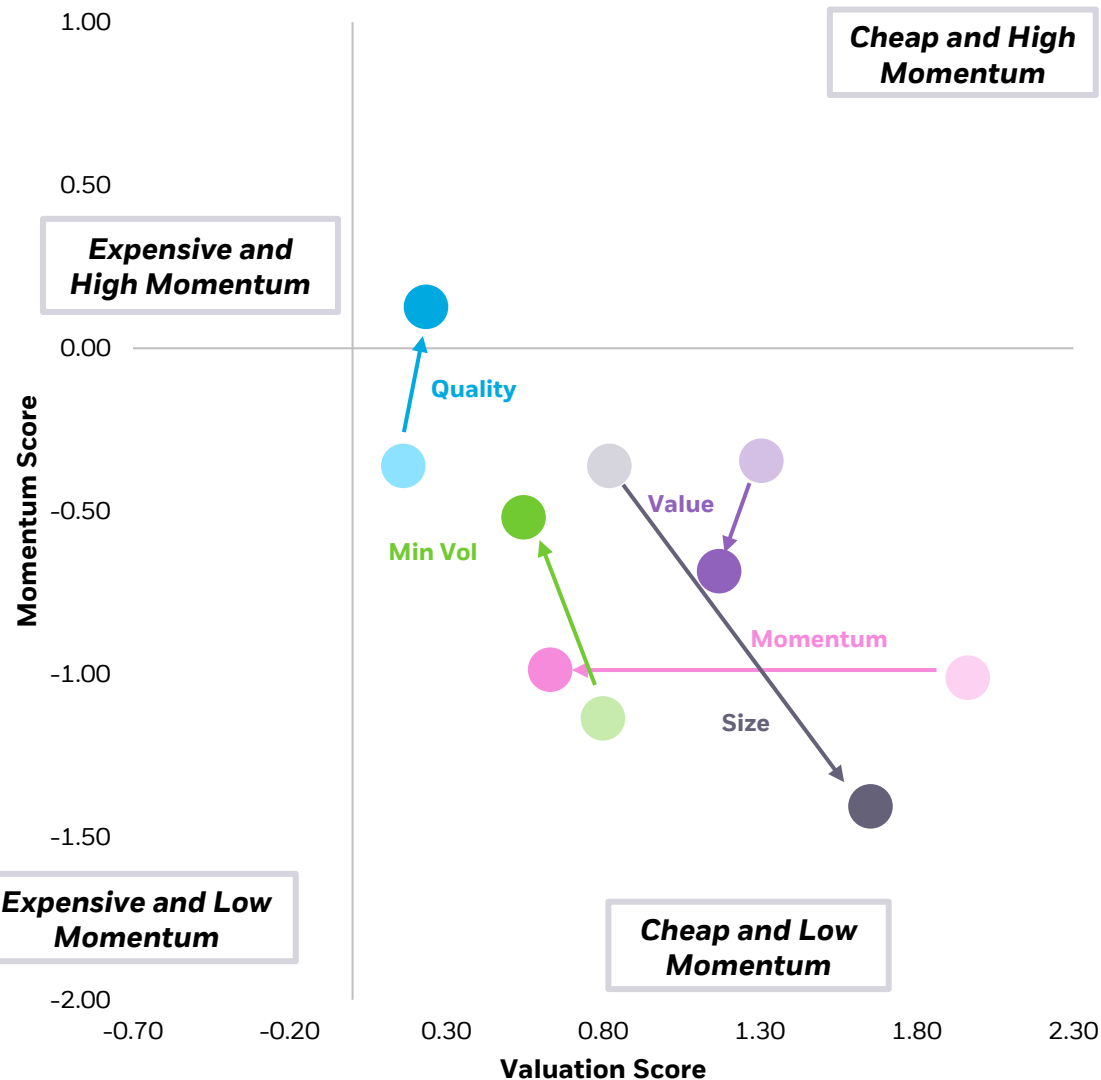
Historical performance in various market regimes

	31/12/2016 30/12/2017	30/12/2017 29/12/2018	29/12/2018 31/12/2019	31/12/2019 31/12/2020	31/12/2020 31/12/2021
MSCI World	22.40%	-9.35%	28.57%	15.90%	21.82%
Min Vol	17.32%	-2.67%	23.98%	2.61%	14.26%
Momentum	32.09%	-3.72%	28.94%	28.26%	14.64%
Quality	23.21%	-7.81%	31.51%	14.98%	23.42%
Size	23.90%	-14.59%	24.59%	10.58%	12.99%
Value	22.15%	-14.35%	19.57%	-3.97%	20.04%
IT	38.23%	-3.46%	48.87%	43.78%	29.85%
Financials	22.74%	-17.56%	26.41%	-2.84%	27.87%
Cons. Discretionary	23.69%	-6.39%	27.76%	36.62%	17.93%
Health Care	19.80%	1.47%	24.51%	13.52%	19.80%
Industrials	25.23%	-15.23%	28.80%	11.68%	16.60%
Communications	5.82%	-10.33%	27.82%	22.98%	14.35%
Consumer Staples	17.04%	-10.41%	23.22%	7.78%	13.06%
Materials	28.94%	-17.54%	24.27%	19.94%	16.32%
Real Estate	10.28%	-5.09%	26.14%	-5.27%	36.02%
Energy	4.97%	-16.16%	11.87%	-31.46%	40.09%
Utilities	13.66%	1.56%	23.02%	4.76%	9.84%

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Source: MSCI as of 31/12/2021. Index returns are NTR USD for the period 31/12/1999 – 31/12/2021. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period. High and low inflation is determined by comparing a 3 month vs. 36 month moving average on CPI YoY % change. High of low growth is defined by looking at the MoM change in the CLI Indicator.

Factor Map: World



Source: BlackRock, MSCI as of 31/12/2021. The chart shows valuation and momentum scores for the factors as of now and three months ago. For illustrative purposes only. Historical data for the period 30/06/1994 – 31/12/2021. Characteristics are subject to change.

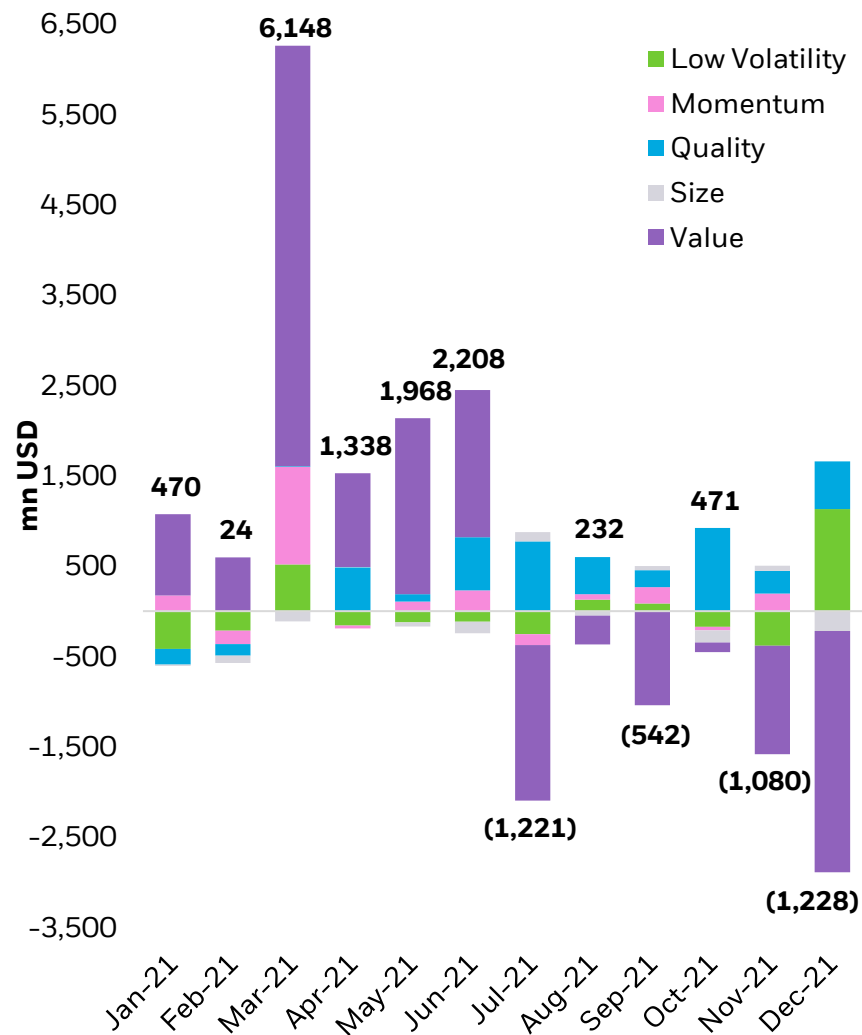
World Key Takeaways:

- **Momentum** took another hit as its cyclical tilts continued weighing negatively. Though still attractive, its valuation detracted given its recent rebalance towards the Technology sector.
- **Quality** paused its rally as some stock selection effects within Healthcare detracted. Quality is the only factor that has a robust price momentum and at the same time is attractively valued.
- **Value** benefited from increased interest rates. Value's price momentum has been weakening since summer 2021 but its valuation remains robust.
- **Min Vol** protected on the downside as rates broke their upwards trend towards the end of the month. Its price momentum has been strengthening over the recent months.
- **Size** took another hit in December and its price momentum has further detracted.

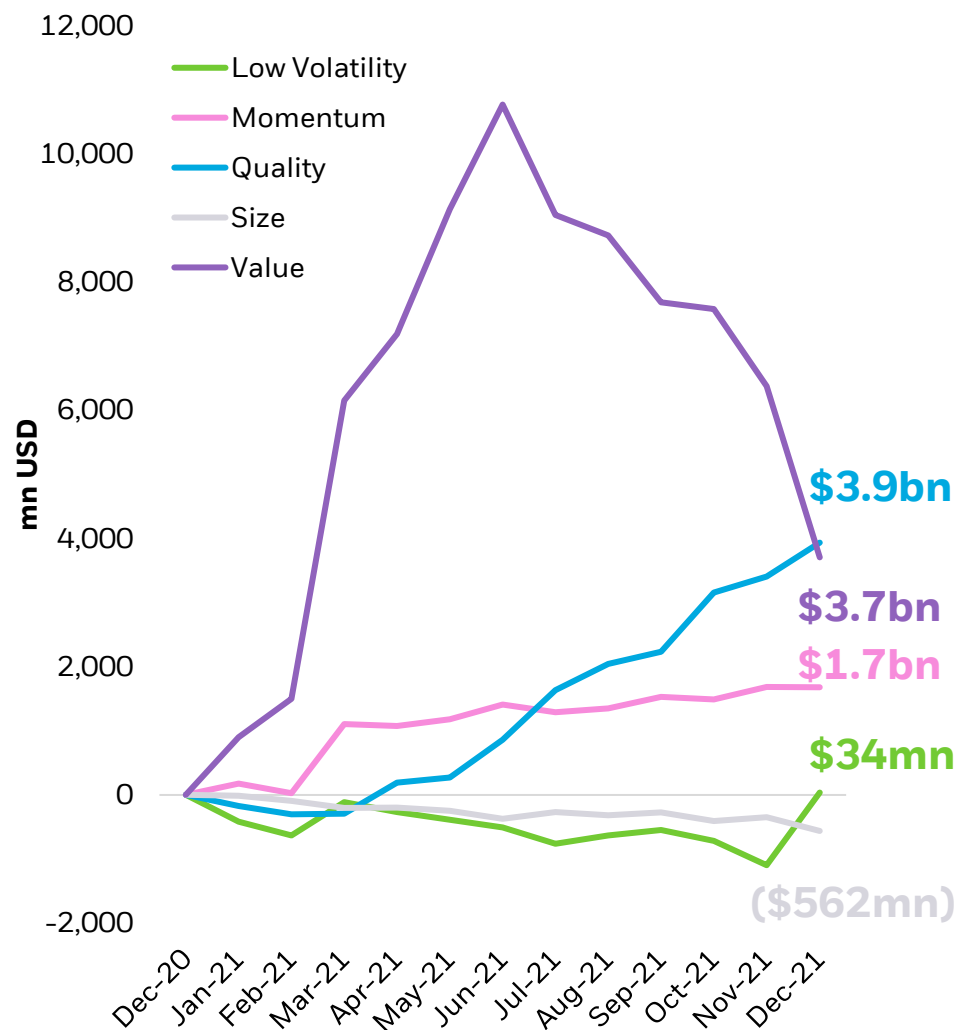
EMEA Factor ETF trends

2021: Factor ETFs Industry Flows

Monthly Flows Breakdown in mn USD



Cumulative Flows in mn USD



Source: BlackRock ETP Landscape as of 31/12/2021.

Introduction to Factor investing

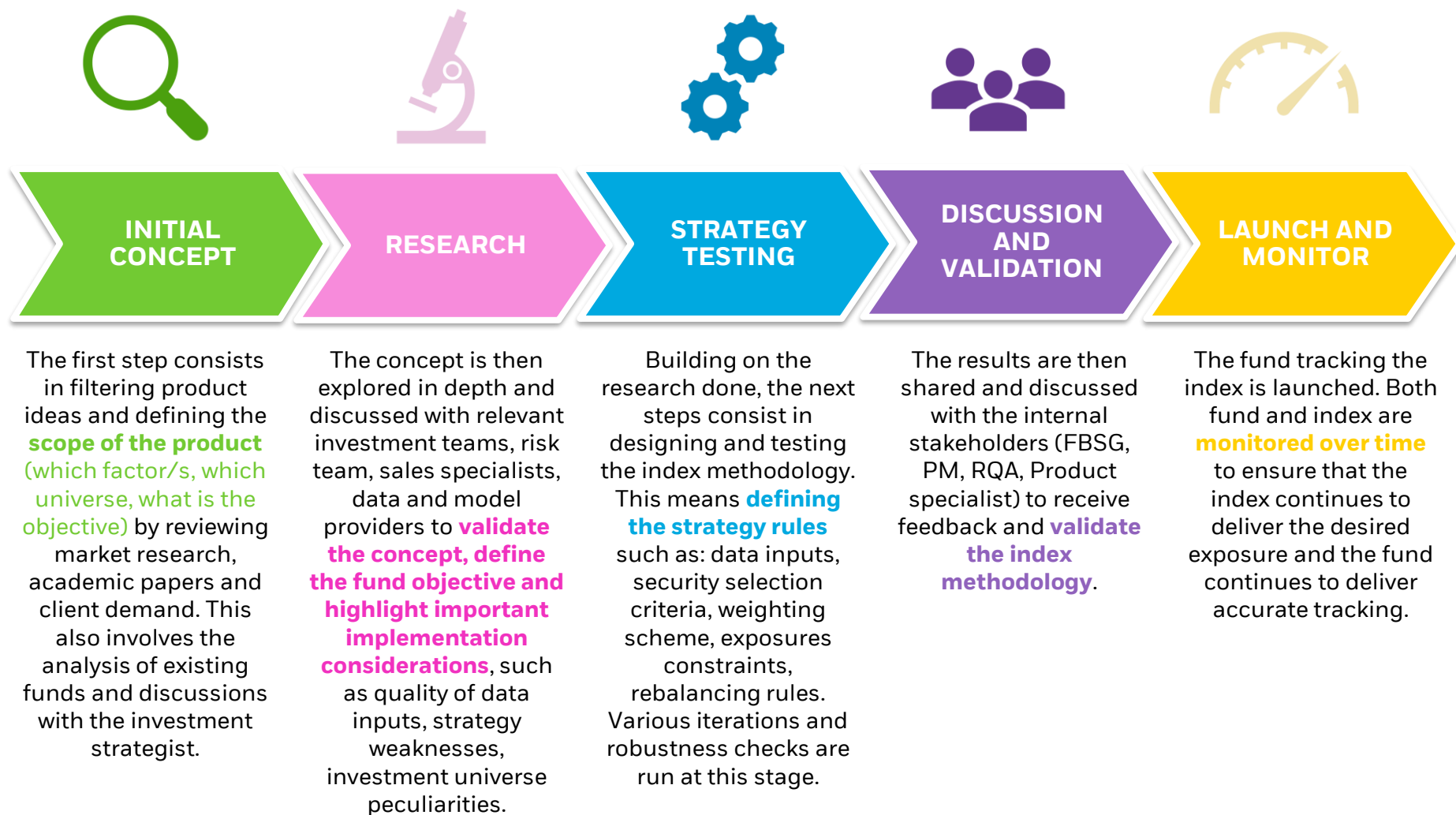
Why Have Factors Earned Long-Run Excess Returns?

Factor premiums exist mainly due to three key reasons:

	Rewarded risk	Structural impediment	Behavioural bias
Min Vol		●	●
Quality			●
Value	●		●
Momentum	●		●
Size	●		

Source: BlackRock, as of 31/12/2021. For illustrative purposes only.

Research and Innovation Process for Factor ETFs



Source: BlackRock as at 31/12/2021. There is no guarantee that research capabilities will contribute to a positive investment outcome.





Single Factor ETFs

Factor strategies are simply intuitive screens

Min Vol 	Lower risk stocks
Quality 	Companies with healthy balance sheets
Value 	Stocks that are cheap relative to fundamentals
Momentum 	Stocks on an upswing
Size 	Smaller, more nimble companies

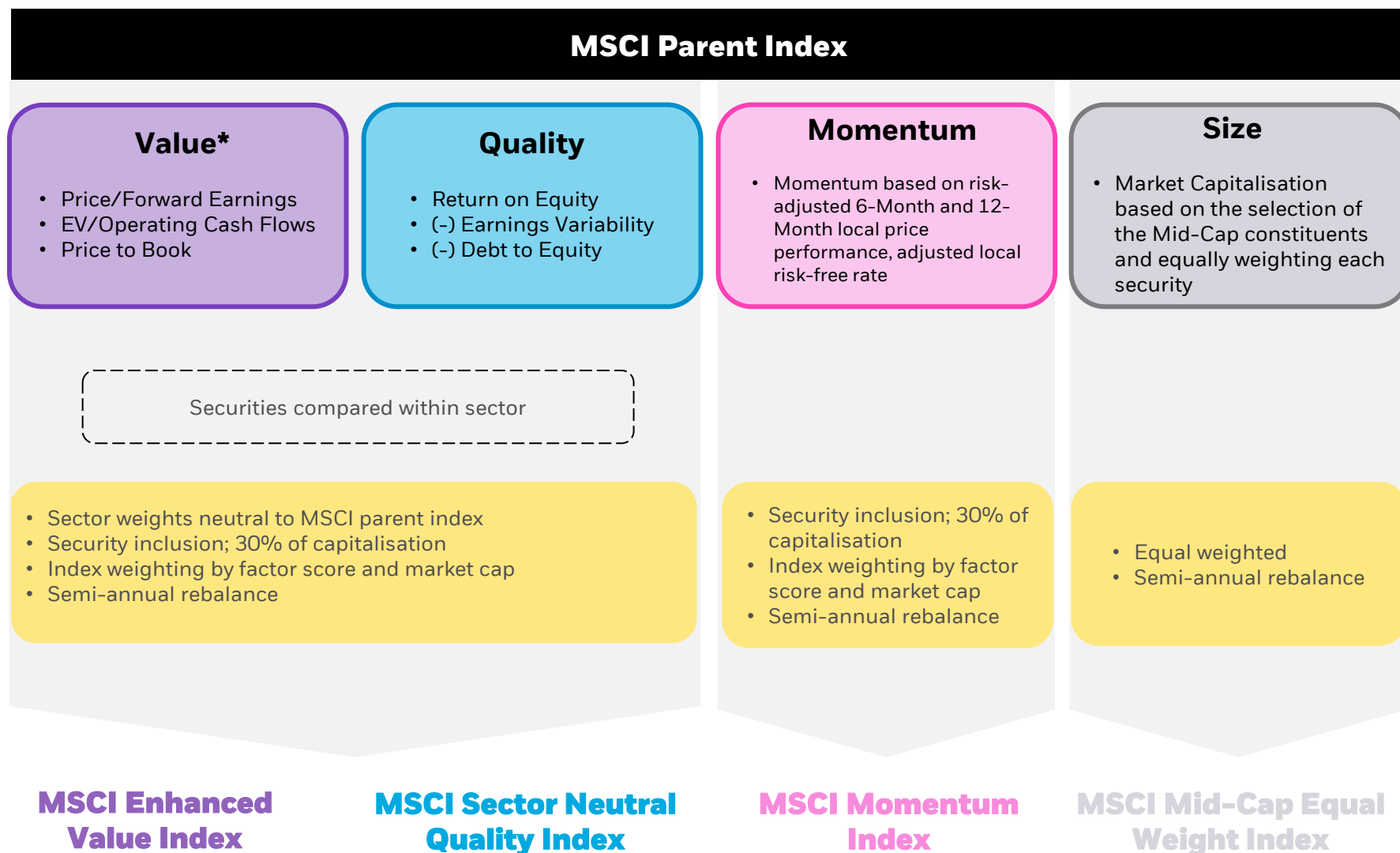
Source: BlackRock, as of 31/12/2021. For illustrative purposes only.

These screens use familiar metrics

Min Vol 	Stock price volatility
Quality 	Return on equity Earnings consistency Debt to equity
Value 	Fwd Price/earnings Price/book Enterprise value / cash flow from operations
Momentum 	6-month price momentum 12-month price momentum
Size 	Market capitalisation

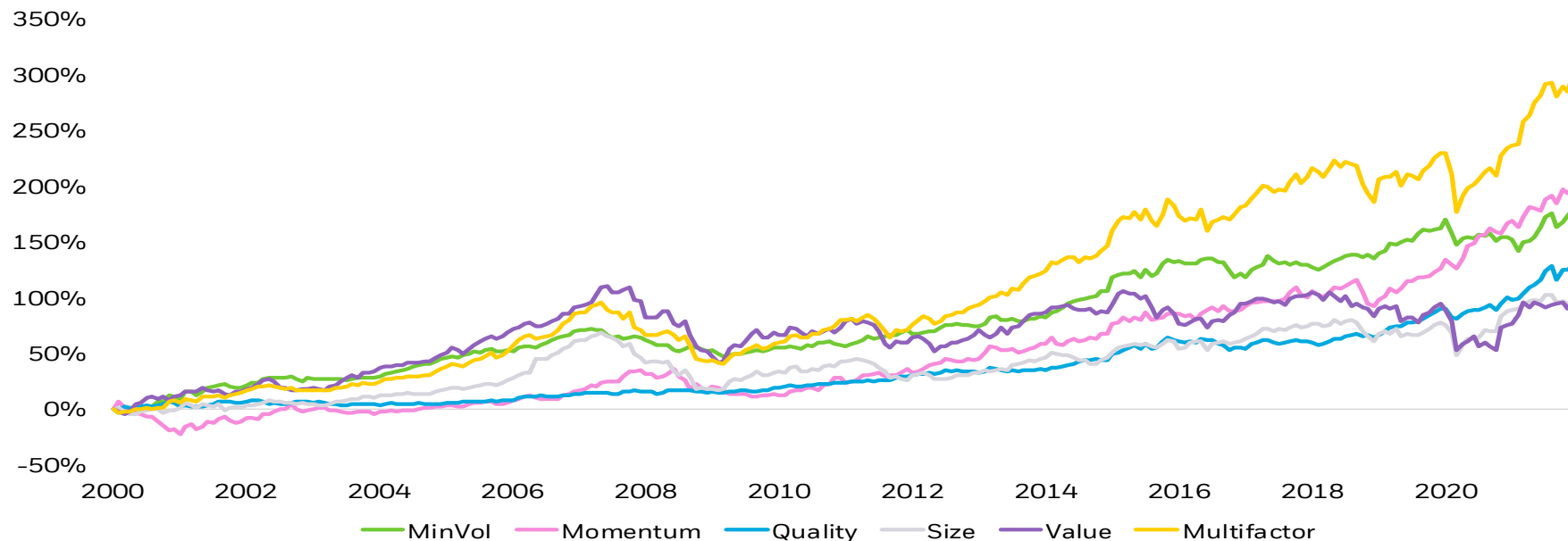
Source: BlackRock, as of 31/12/2021. For illustrative purposes only.

MSCI Factor index methodology



Source: MSCI. *EV/CFO is not used for the Financials sector, Fwd P/E and P/B are not used for the Real Estate sector as of 31/12/2021.

Cumulative Excess Returns over MSCI Europe

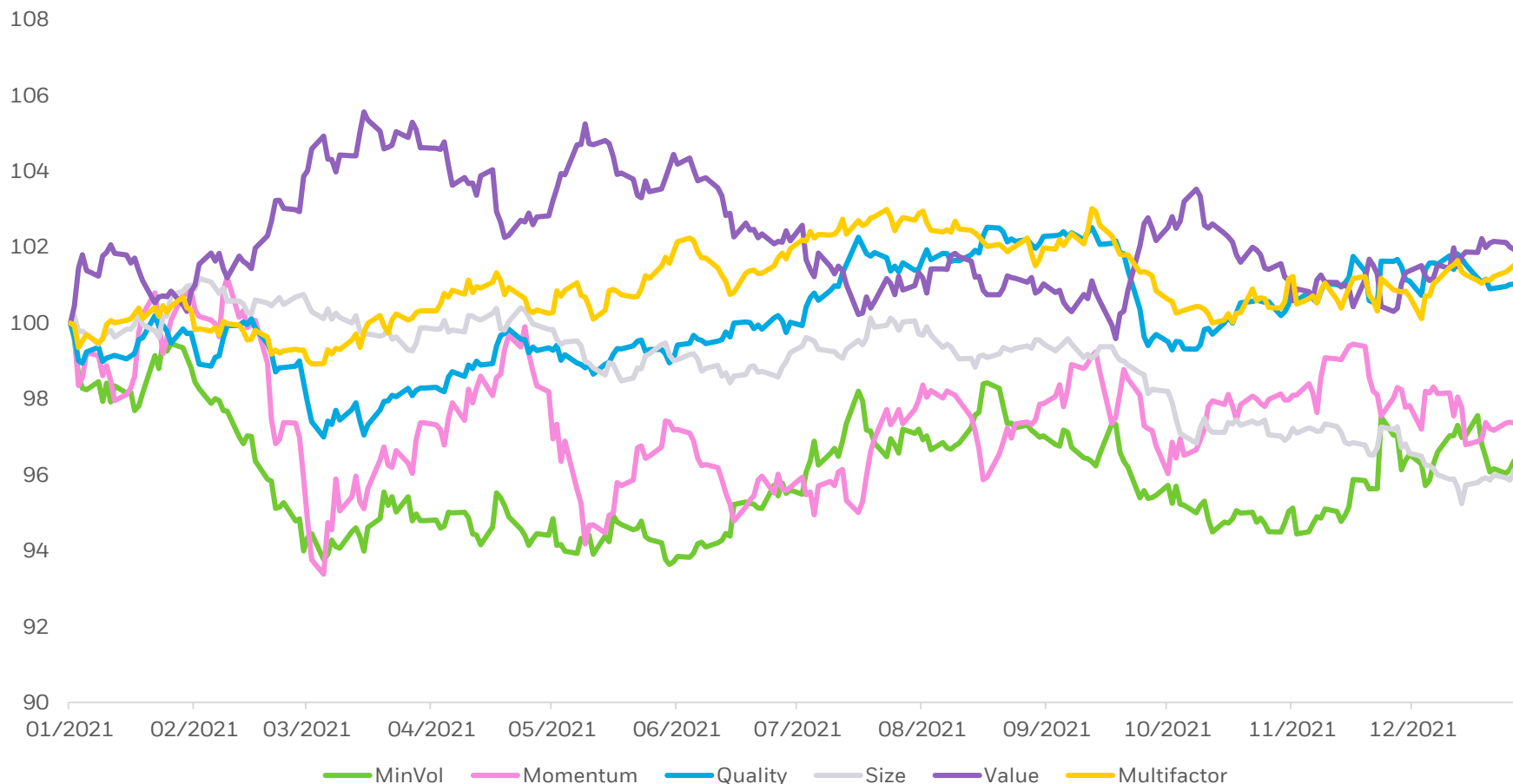


	Total Return	Risk	Risk/Return Ratio	Max DD	β	TE	30/12/2016 29/12/2017	29/12/2017 31/12/2018	31/12/2018 31/12/2019	31/12/2019 31/12/2020	31/12/2020 31/12/2021
MSCI Europe	3.83%	15.12%	0.25	54.10%			10.24%	-10.57%	26.05%	-3.32%	25.13%
MinVol	6.61%	11.12%	0.59	46.30%	0.68	6.49%	8.85%	-4.10%	22.92%	-4.04%	21.50%
Momentum	6.83%	13.97%	0.49	53.21%	0.80	7.70%	11.07%	-9.69%	30.04%	11.09%	22.40%
Quality	5.97%	13.87%	0.43	50.07%	0.90	3.37%	10.15%	-6.62%	30.75%	1.27%	26.65%
Size	5.51%	17.03%	0.32	61.54%	1.07	5.37%	13.72%	-13.24%	26.82%	1.49%	20.22%
Value	5.55%	17.73%	0.31	58.00%	1.13	5.21%	9.42%	-13.72%	21.77%	-9.00%	27.28%
Multifactor	7.89%	15.04%	0.52	55.12%	0.95	4.40%	12.48%	-10.66%	24.87%	-0.45%	27.59%

The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR EUR for the period 31/12/1999 – 31/12/2021. Index returns are for illustrative purposes only. MSCI Europe Momentum Index denoted as Momentum; MSCI Europe Mid-Cap Equal Weighted denoted as Size; MSCI Europe Enhanced Value Index denoted as Value; MSCI Europe Quality Sector Neutral Index denoted as Quality; MSCI Europe Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Cumulative Excess Returns over MSCI Europe (1-Year Rolling)



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD and are for illustrative purposes only. MSCI Europe Momentum Index denoted as Momentum; MSCI Europe Mid-Cap Equal Weighted denoted as Size; MSCI Europe Enhanced Value Index denoted as Value; MSCI Europe Quality Sector Neutral Index denoted as Quality; MSCI Europe Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past Performance is not a reliable indicator of current or future results. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results.

Individual risk factors experience cyclicality

Each factor has historically added value over the long term, but performance varies by year

- The performance of any single factor may be positive or negative in any given month or year, and may go through periods of drought
- Driven by different phenomena, individual factors are generally lowly correlated with each other

MSCI Europe Factor Index Returns vs. MSCI Europe Index

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Ann Excess Return
Positive Excess																Momentum
																3.54
																Quality
																2.41
																DMF
																2.09
																Min Vol
																0.81
Negative Excess																
	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe	MSCI Europe
	2.69	-43.65	31.60	11.10	-8.08	17.29	19.82	6.84	8.23	2.58	10.24	-10.57	26.05	-3.32	25.13	4.54

The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR EUR for the period 31/12/2006 – 31/12/2021. Index returns are for illustrative purposes only. MSCI Europe Momentum Index denoted as Momentum; MSCI Europe Mid-Cap Equal Weighted denoted as Size; MSCI Europe Enhanced Value Index denoted as Value; MSCI Europe Quality Sector Neutral Index denoted as Quality; MSCI Europe Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

iShares Factor ETFs

ESG version available

	Value	Quality	Momentum	Size	Min Vol	Multi-Factor
Global	iShares Edge MSCI World Value Factor UCITS ETF 30bps	iShares Edge MSCI World Quality Factor UCITS ETF 30bps	iShares Edge MSCI World Momentum Factor UCITS ETF 30bps	iShares Edge MSCI World Size Factor UCITS ETF 30bps	iShares Edge MSCI World Minimum Volatility UCITS ETF [ESG] 30bps	iShares Edge MSCI World Multifactor UCITS ETF 50bps
Europe	iShares Edge MSCI Europe Value Factor UCITS ETF 25bps	iShares Edge MSCI Europe Quality Factor UCITS ETF 25bps	iShares Edge MSCI Europe Momentum Factor UCITS ETF 25bps	iShares Edge MSCI Europe Size Factor UCITS ETF 25bps	iShares Edge MSCI Europe Minimum Volatility UCITS ETF [ESG] 25bps	iShares Edge MSCI Europe Multifactor UCITS ETF 45bps
USA	iShares Edge MSCI USA Value Factor UCITS ETF [ESG] 20bps	iShares Edge MSCI USA Quality Factor UCITS ETF 20bps	iShares Edge MSCI USA Momentum Factor UCITS ETF [ESG] 20bps	iShares Edge MSCI USA Size Factor UCITS ETF 20bps	iShares Edge S&P 500 Minimum Volatility UCITS ETF [ESG] 20bps	iShares Edge MSCI USA Multifactor UCITS ETF 35bps
EM	iShares Edge MSCI Emerging Markets Value UCITS ETF 40bps	iShares Edge MSCI Emerging Markets Quality UCITS ETF 40bps			iShares Edge MSCI Emerging Markets Minimum Volatility UCITS ETF [ESG] 40bps	iShares Edge MSCI Emerging Markets Multifactor UCITS ETF 45bps

Source: BlackRock, as of 31/12/2021. For illustrative purpose only. It is not a recommendation or an offer to invest, sell or buy any of the funds mentioned in this slide, subject to change.



Customised Factor Strategies: Value and Quality

How to harness **Value** and **Quality** strategies?

Measurement matters

While we can observe market prices for traded stocks, intrinsic value must be estimated, and the measures that are used matter.

Targeted style exposure

A new wave of style indices offers enhanced opportunities for implementing this popular tilt. The factor weighting and more concentrated positioning of style factor indices offer stronger exposure to the value factor than market cap weighted alternatives.

Implementation

Seeking Outperformance: By tilting toward value investors can aim for returns above the market. But value strategies are cyclical, and will have periods of underperformance. Holding complementary factor exposures may offer diversification benefits.

Source: BlackRock, as of 31/12/2021. For illustrative purposes only.

Targeted style exposure: considering sectors

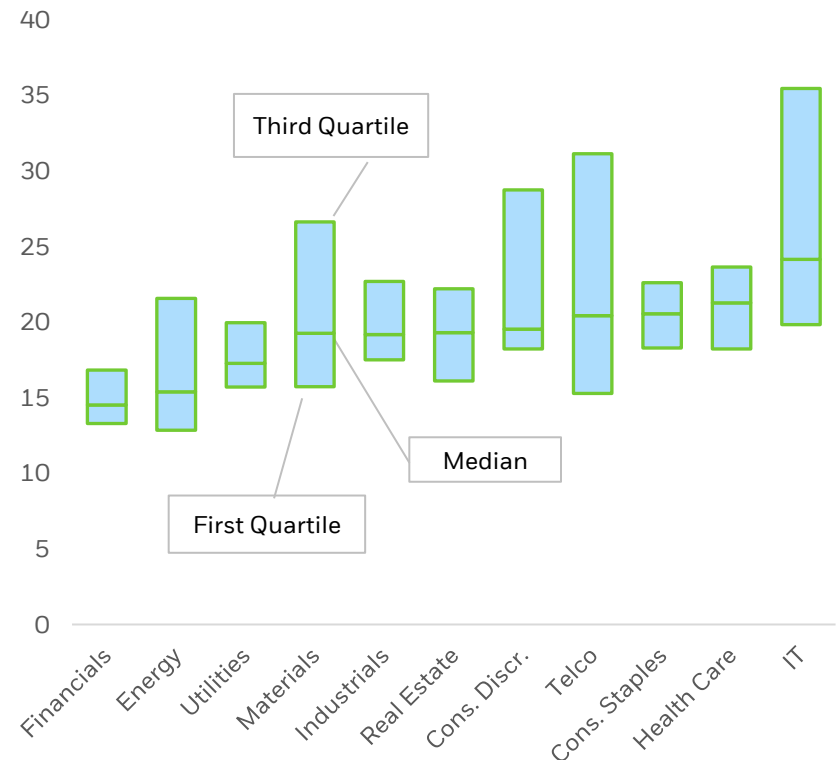
Valuations are highly sector-dependent as some sectors are historically cheaper than others. A **sector-relative Value scoring** allows us to limit the sector bias on the companies and help to **capture the true value premium**.

P/B Price-to-book	<p>Most academic studies focus on price-to-book value. The risk of this metric is that certain stocks remain cheap for a reason. Practitioners call this the “value trap” – an investor is attracted to a stock because it appears inexpensive, but its price never improves.</p>
Fwd P/E Forward Price/Earning	<p>To help mitigate this risk of value traps, we can use a forward-looking valuation ratio that embeds analysts’ expectations.</p>
EV/CFO Enterprise Value-to-cash flow from operations	<p>Earnings may contain transitory components that are reversed, or they may be high because of temporary financial transactions compared to more permanent operational changes. Additionally, a company may appear cheap in relation to its equity outstanding, but it may be expensive when considering the debt it has taken on in lieu of issuing stock.</p>

Source: BlackRock, Bloomberg, as of 31/12/2021. Figures shown are the P/E Ratios of the MSCI Developed Markets Sector Indices for the time period Dec 1999 to Dec 2021. Ratios are measured on a monthly basis. Characteristics are subject to change.

Sector idiosyncrasies could lead to significant sector bets

P/E Ratios for MSCI World Sector Indices



Source: MSCI, as of 31/12/2021.

¹ Securities which are classified in the Financials sector just use Fwd P/E and P/B while securities in the Real Estate sector just use EV/CFO.

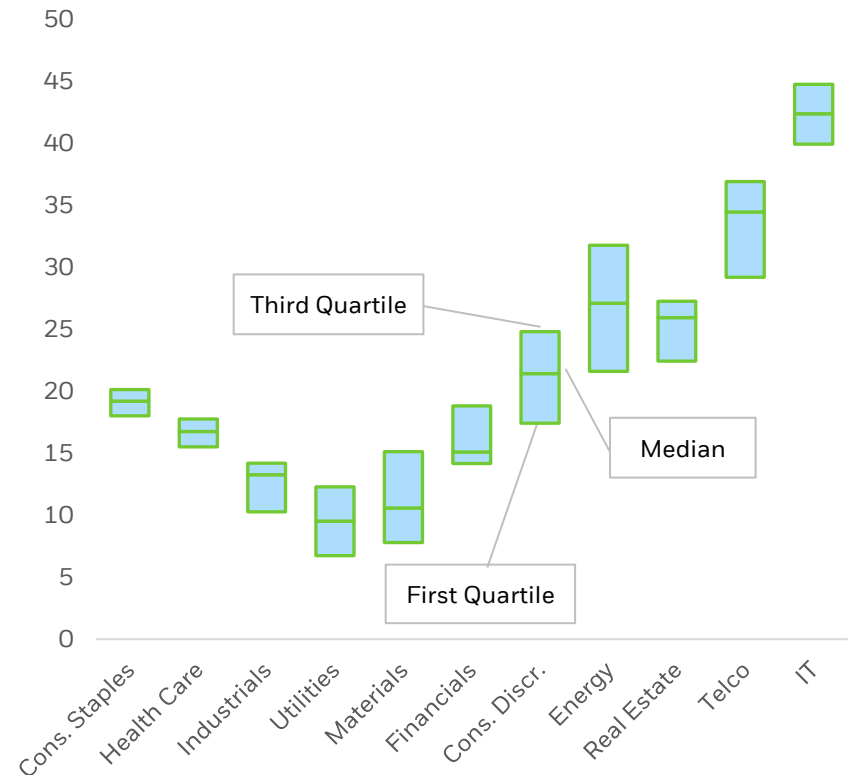
Targeted style exposure: considering sectors

Measuring profitability and stability is highly sector-dependent as sectors have different profitability and leverage profiles. A **sector-relative Quality scoring** allows us to limit the sector bias on the companies and help to **capture the true Quality premium**.

ROE Return on Equity	<p>The outperformance of high-profitability stocks over low-profitability stocks is well-documented in academic literature. ROE is a common metric to capture this profitability as it shows how much a company can earn relative to the capital it has deployed. A high ROE proves that a company has a competitive advantage which is hard to be replicated by its competitors.</p>
Earnings Variability	<p>Consistency of earnings focuses on the quality of earnings and captures its persistency over time. The lower the variability of a company's earnings, the better the competitive advantage of the company and the higher the quality of its management.</p>
Debt to Equity	<p>Accounting for a company's leverage is synonymous to controlling for its safety. High levels of leverage may jeopardise a company's ability to pay back its debt thus putting its existence at risk.</p>

Sector idiosyncrasies could lead to significant sector bets

ROE Ratios for MSCI World Sector Indices



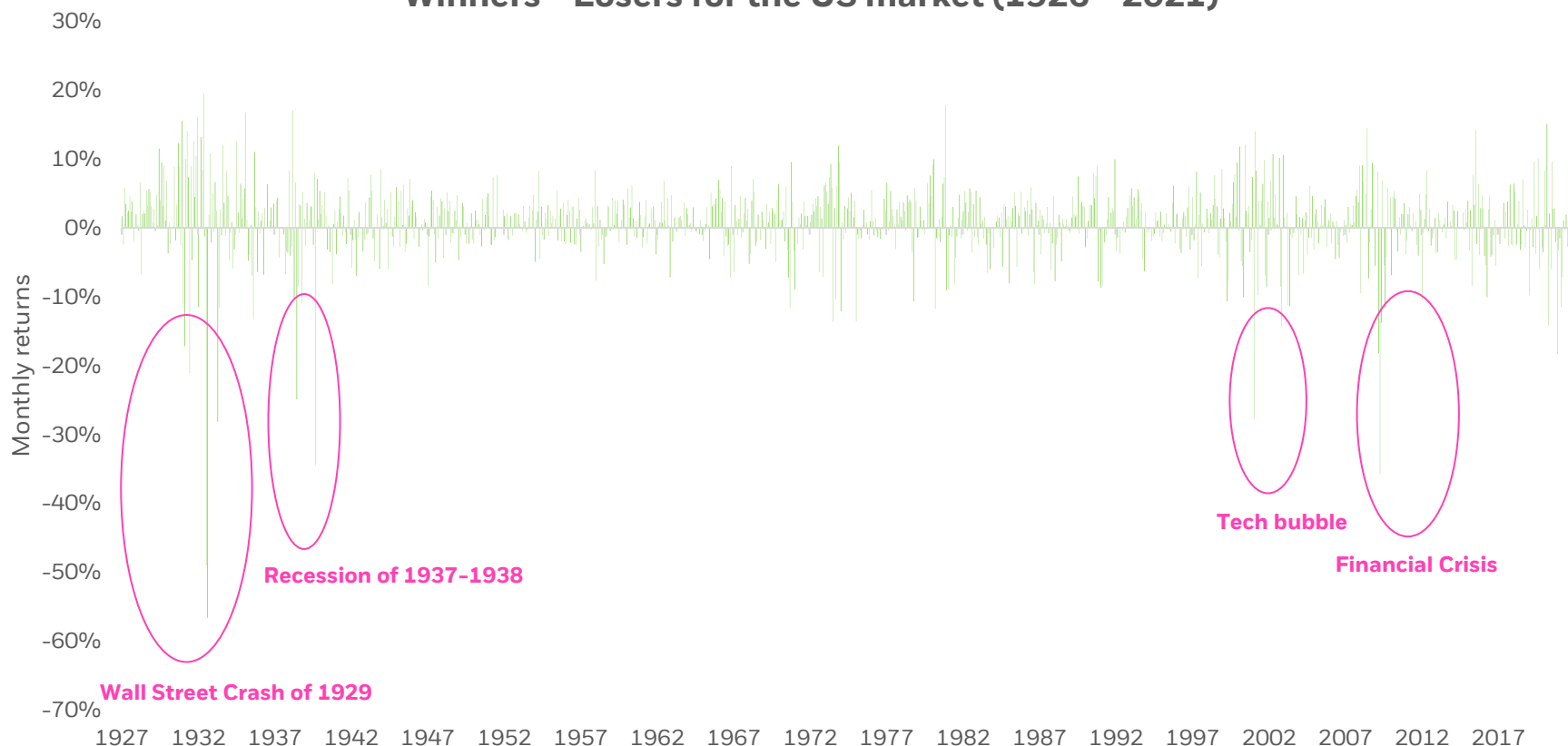
Source: BlackRock, Bloomberg, as of 31/12/2021. Figures shown are ROE weighted averages of sectors in the MSCI Developed Markets Index for the time period Dec 1999 to Dec 2021. Figures are measured on a monthly basis. Characteristics are subject to change.



Momentum Factor

Momentum can experience infrequent but severe losses

Winners - Losers for the US market (1926 - 2021)



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

Source: BlackRock, Kenneth R. French – Data Library (http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html), as of 31/12/2021. Winners Portfolio is defined as the average return of the Top 3 deciles formed on prior (2 -12 months) returns of the market. Losers Portfolio is defined as the average return of the Bottom 3 deciles formed on prior (2 -12 months) returns of the market. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Momentum is “behaviourally” attractive

CATALYST

Company news announcement

UNDERREACTION

Buying winners late

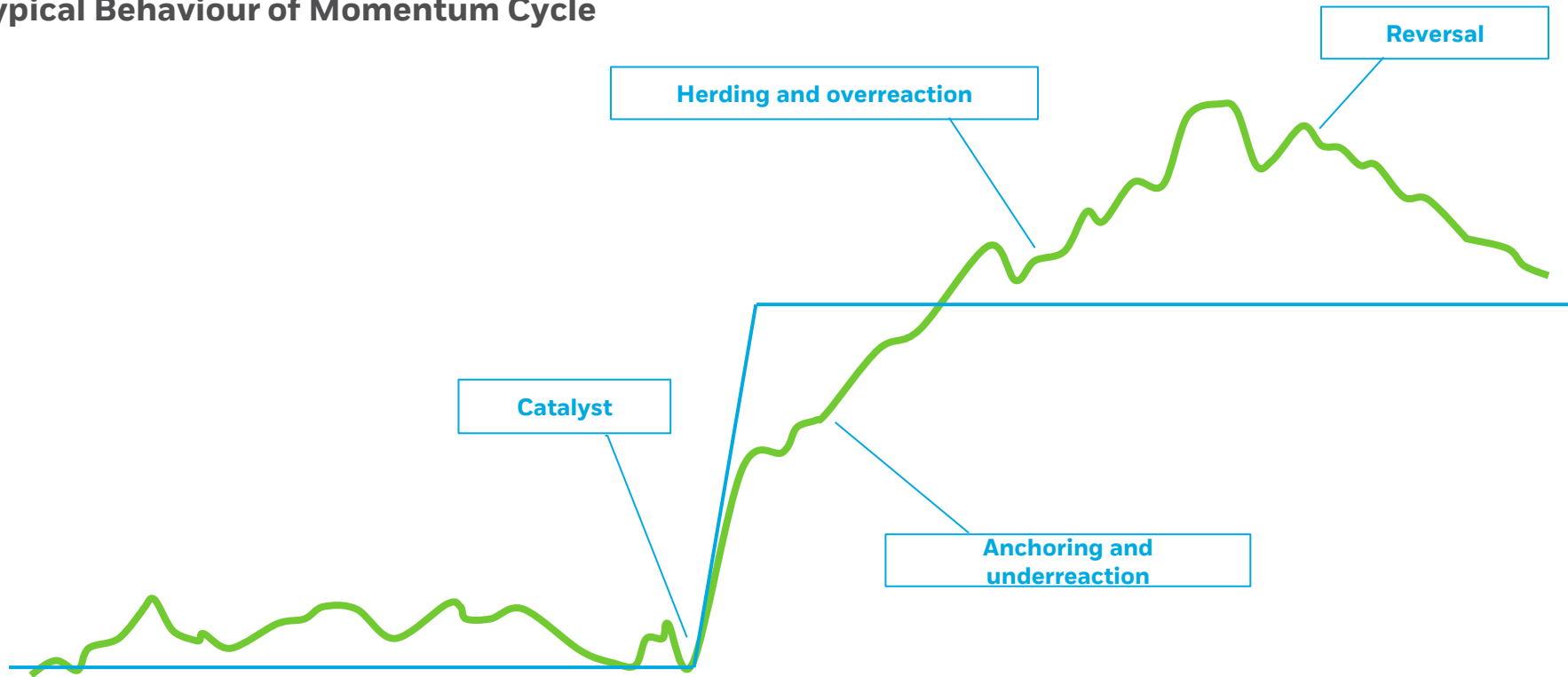
OVERREACTION

Fear of missing out

REVERSAL

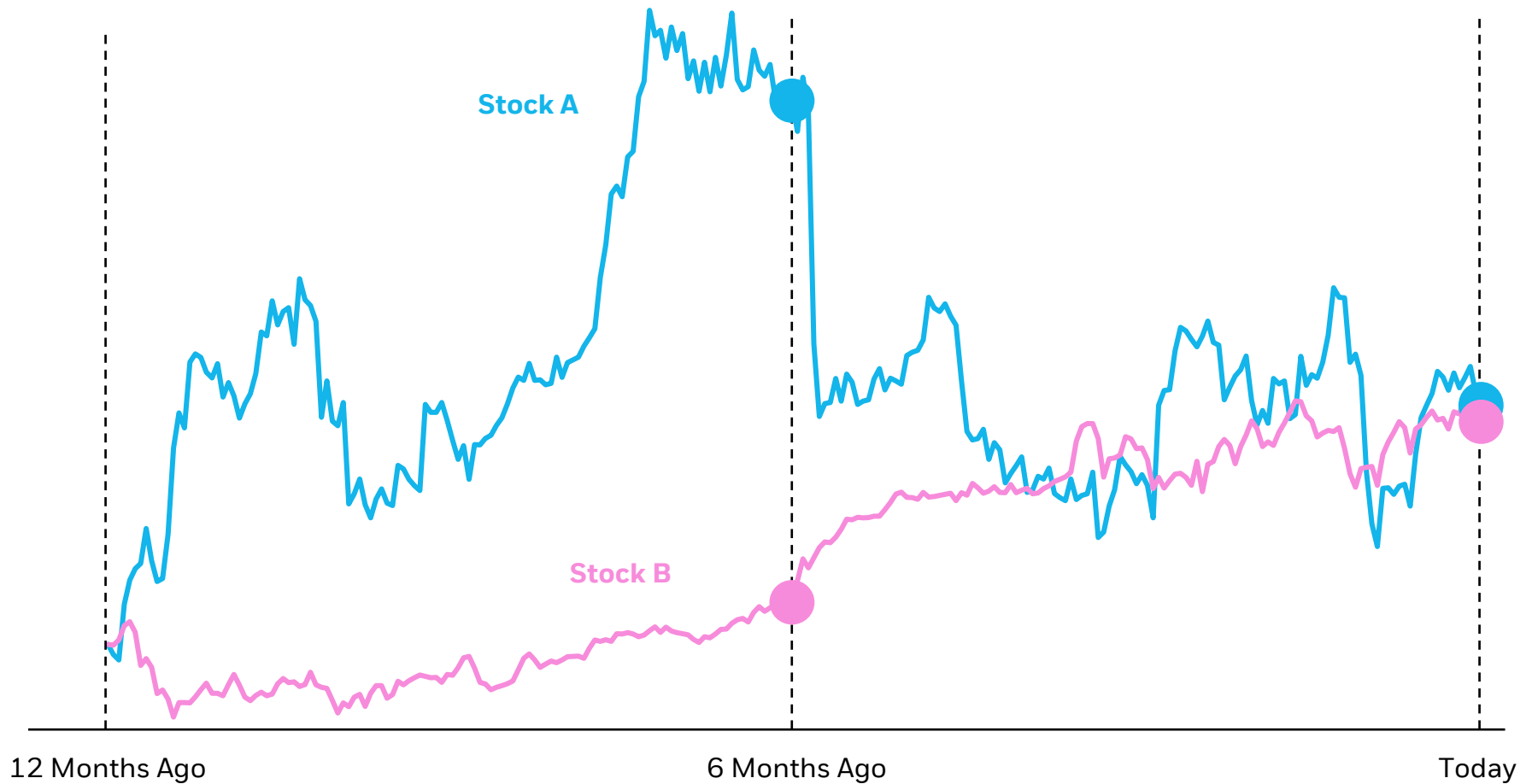
Return to fundamentals

Typical Behaviour of Momentum Cycle



Source: BlackRock. For illustrative purposes only.

Not all trends are equal



Source: BlackRock. For illustrative purposes only.

MSCI Momentum index methodology

MSCI Parent Index

Momentum

**6-Month Local Price Performance –
Local Risk-Free Rate**

**12-Month Local Price Performance –
Local Risk-Free Rate**

Managing risk of Momentum; Using risk-adjusted returns to arrive to standardised Momentum scores

$$Z\text{-score}_i = \text{Price Momentum}_i / \sigma_i$$

$$\text{Momentum Score} = 6\text{-month Momentum Z-score} * 0.5 + 12\text{-month Momentum Z-score} * 0.5$$

→ winsorized +/- 3

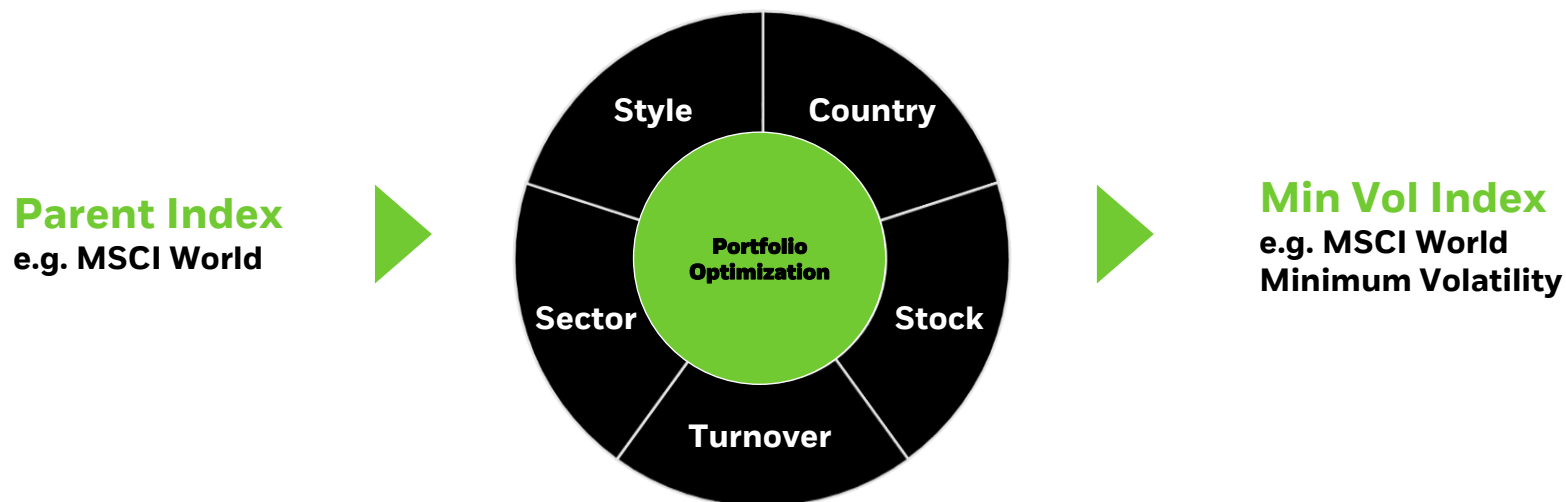
- Security inclusion; 30% of capitalisation
- Index weighting by factor score and market cap
- Semi-annual rebalance
- Ad-hoc rebalancing in periods of heightened market volatility

MSCI Momentum Index



Minimum Volatility Factor

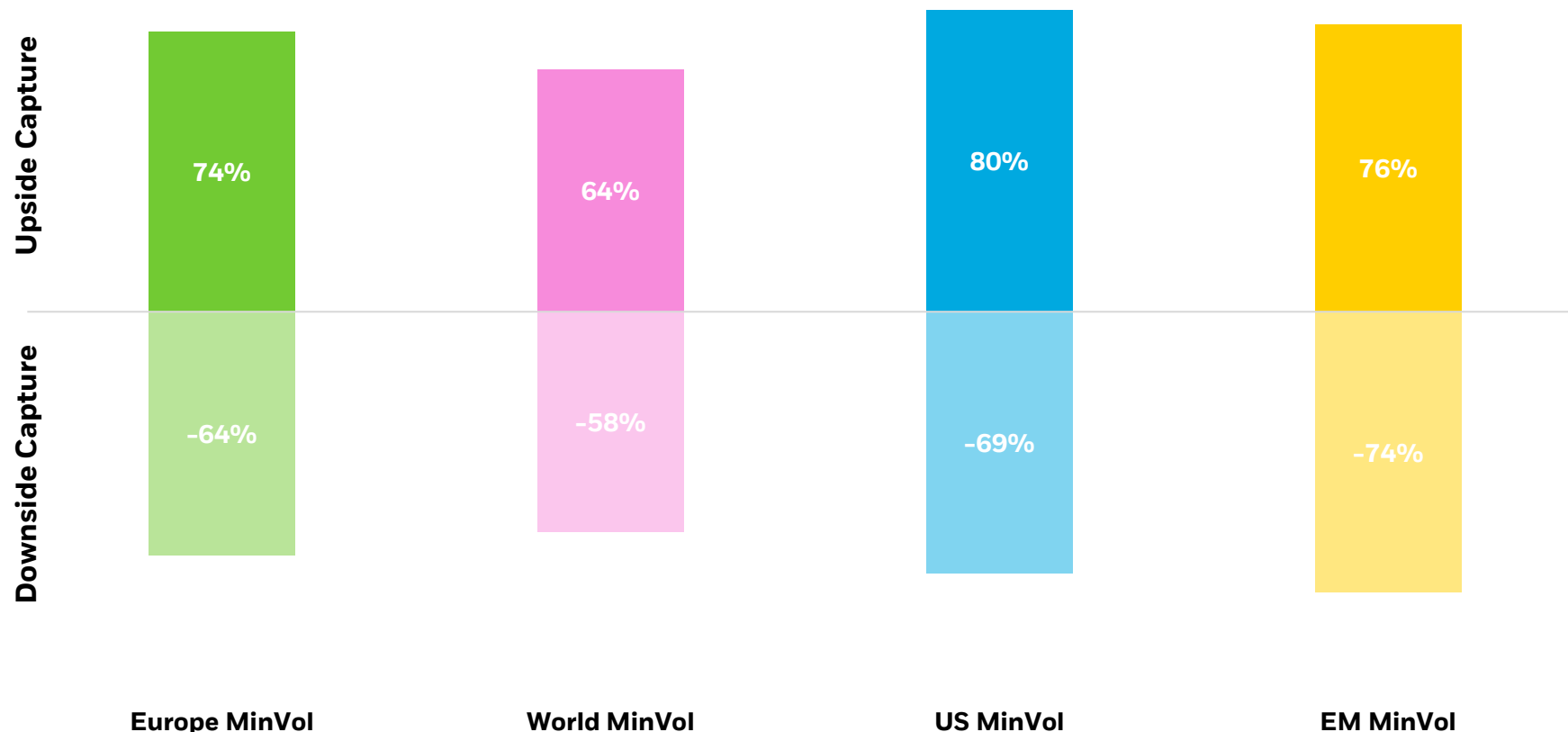
MSCI Minimum Volatility Index Methodology



Constraints				
STOCK LEVEL	SECTOR LEVEL	COUNTRY LEVEL	TURNOVER	STYLE
<p>Min weight = 0.05%</p> <p>Max weight = 1.5% or 20 times the weight of the security in the parent index</p>	<p>Will not deviate more than +/- 5% from the sector weights of the parent index</p>	<p>If country weight >2.5% in parent index: will not deviate more than +/- 5%.</p> <p>If country weight <2.5% in parent index: will be capped at 3 times their weight in the parent index</p>	<p>One way turnover constrained to a maximum of 10%</p>	<p>No constraint applied to the Volatility risk index factor</p> <p>Exposure to all other risk index factors will be restricted to +/- 0.25 standard deviation relative to the parent index.</p>

Source: BlackRock, MSCI as of 31/12/2021. For illustrative purposes only, subject to change. For more detailed information please refer to the document 'MSCI Global Minimum Volatility Indexes Methodology' on msci.com

Minimum Volatility Capture Ratios

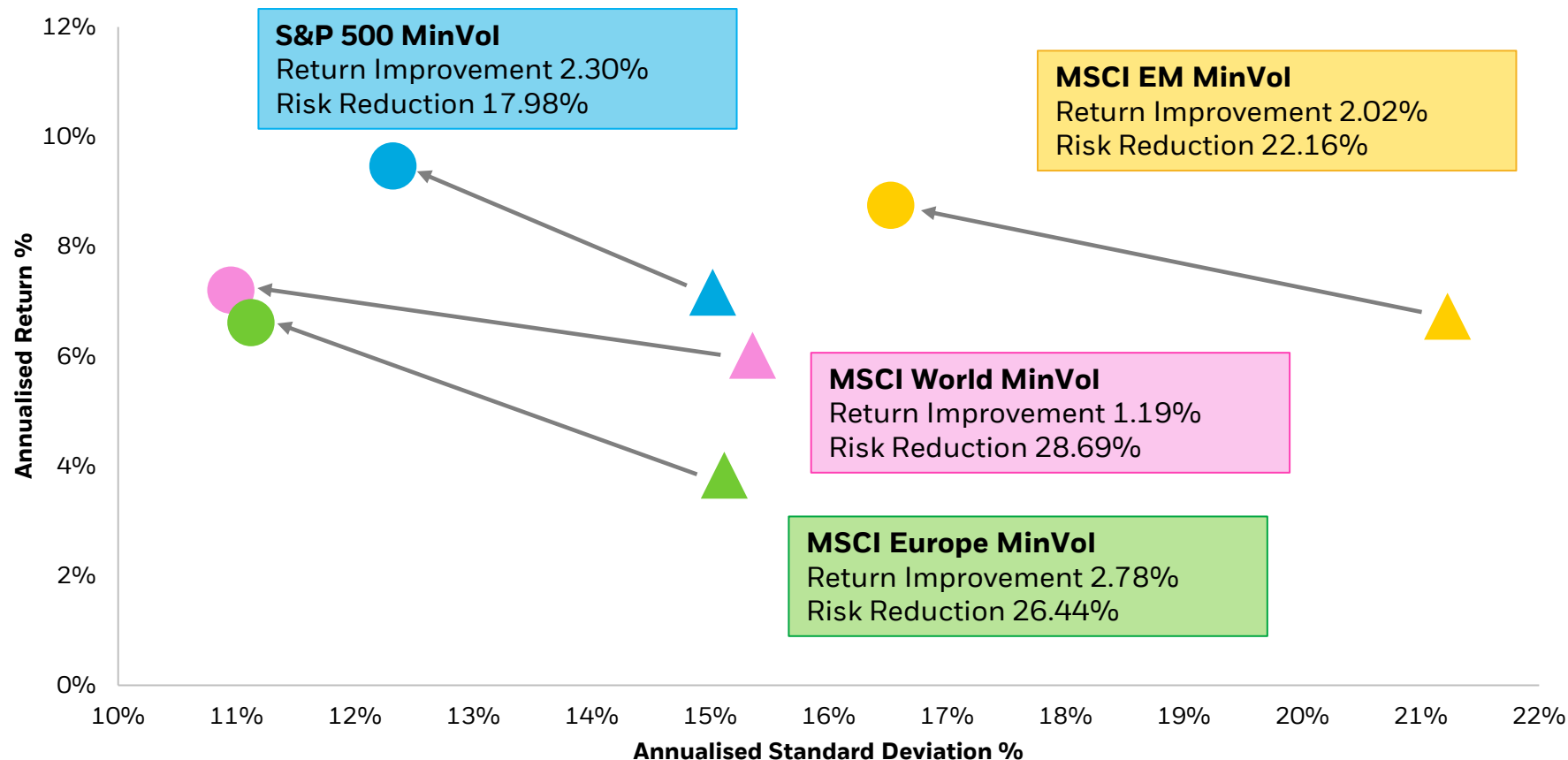


The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: BlackRock, MSCI, S&P, as of 31/12/2021. Figures shown for 31/12/1999 – 31/12/2021. Index performance is net total return. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Risk/Return Outcomes

CHANGING YOUR RISK AND RETURN OUTCOME (DEC 1999 – DEC 2021)



The figures shown relate to past simulated performance. Simulated past performance is not a reliable indicator of current or future results. Source: BlackRock, MSCI, as of 31/12/2021. Index Performance is NTR for the period 31/12/1999 until 31/12/2021. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

MSCI Minimum Volatility ESG Strategy Methodology

Parent Index
e.g. MSCI World



**Min Vol
ESG Strategy**
e.g. MSCI World
Minimum Volatility
ESG Strategy

Constraints

STOCK LEVEL	SECTOR LEVEL	COUNTRY LEVEL	TURNOVER	STYLE	ESG
Min weight = 0.05% Max weight = 1.5% or 20 times the weight of the security in the parent index	Will not deviate more than +/- 5% from the sector weights of the parent index	If country weight >2.5% in parent index: will not deviate more than +/- 5%. If country weight <2.5% in parent index: will be capped at 3 times their weight in the parent index	One way turnover constrained to a maximum of 10%	No constraint applied to the Volatility risk index factor Exposure to all other risk index factors will be restricted to +/- 0.25 standard deviation relative to the parent index.	Industry screens ¹ Carbon reduction of 30% vs parent index ESG score improvement of 20% vs parent index

Source: BlackRock, MSCI as of 31/12/2021. For illustrative purposes only, subject to change.

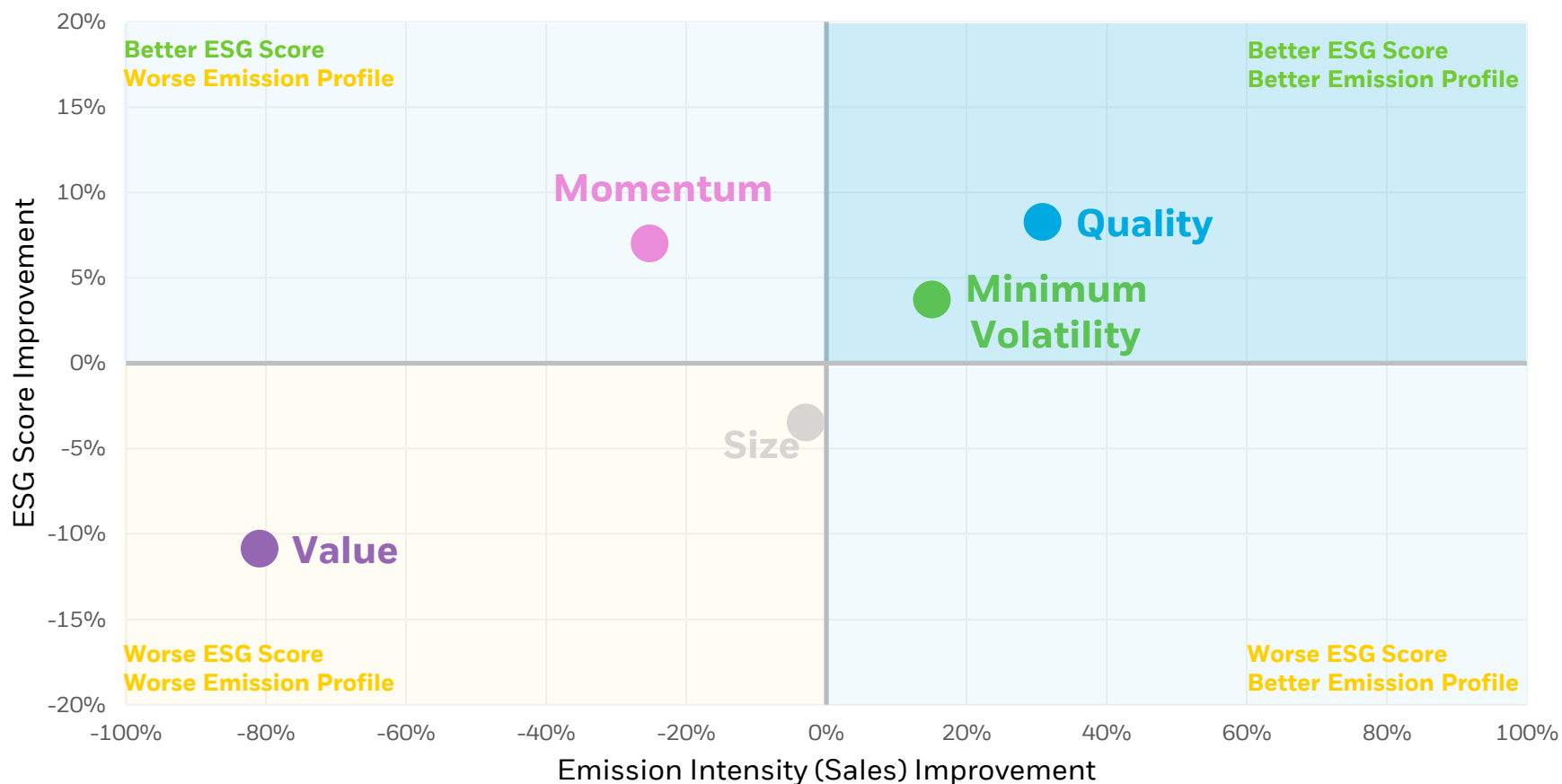
¹ Screens out companies associated with controversial, civilian and nuclear weapons and tobacco, that derive revenues from thermal coal and oil sands extraction and that are not compliant with the United Nations Global Compact principles; details on the definition and thresholds can be found in the slide deck.



Integrating ESG into Factors

Active ESG exposure vs MSCI Europe Index

Pure factor portfolio ESG profile without ESG considerations in the selection process



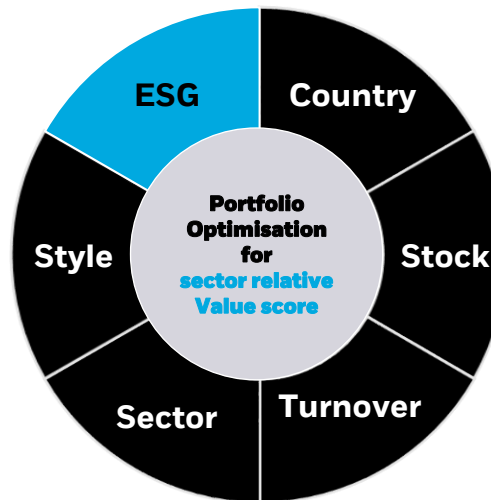
Source: BlackRock, MSCI, as of 31/12/2021. For illustrative purposes only. Characteristics are subject to change.

MSCI Value ESG Strategy - Methodology

Parent Index e.g. MSCI World

Exclusion Screening¹:

- Controversial weapons
- Nuclear weapons
- Civilian weapons
- Tobacco
- Thermal coal
- Oil sands extraction
- UN Global Compact violators
- Very severe controversies²



Value ESG Strategy e.g. MSCI World Value ESG Strategy

Constraints

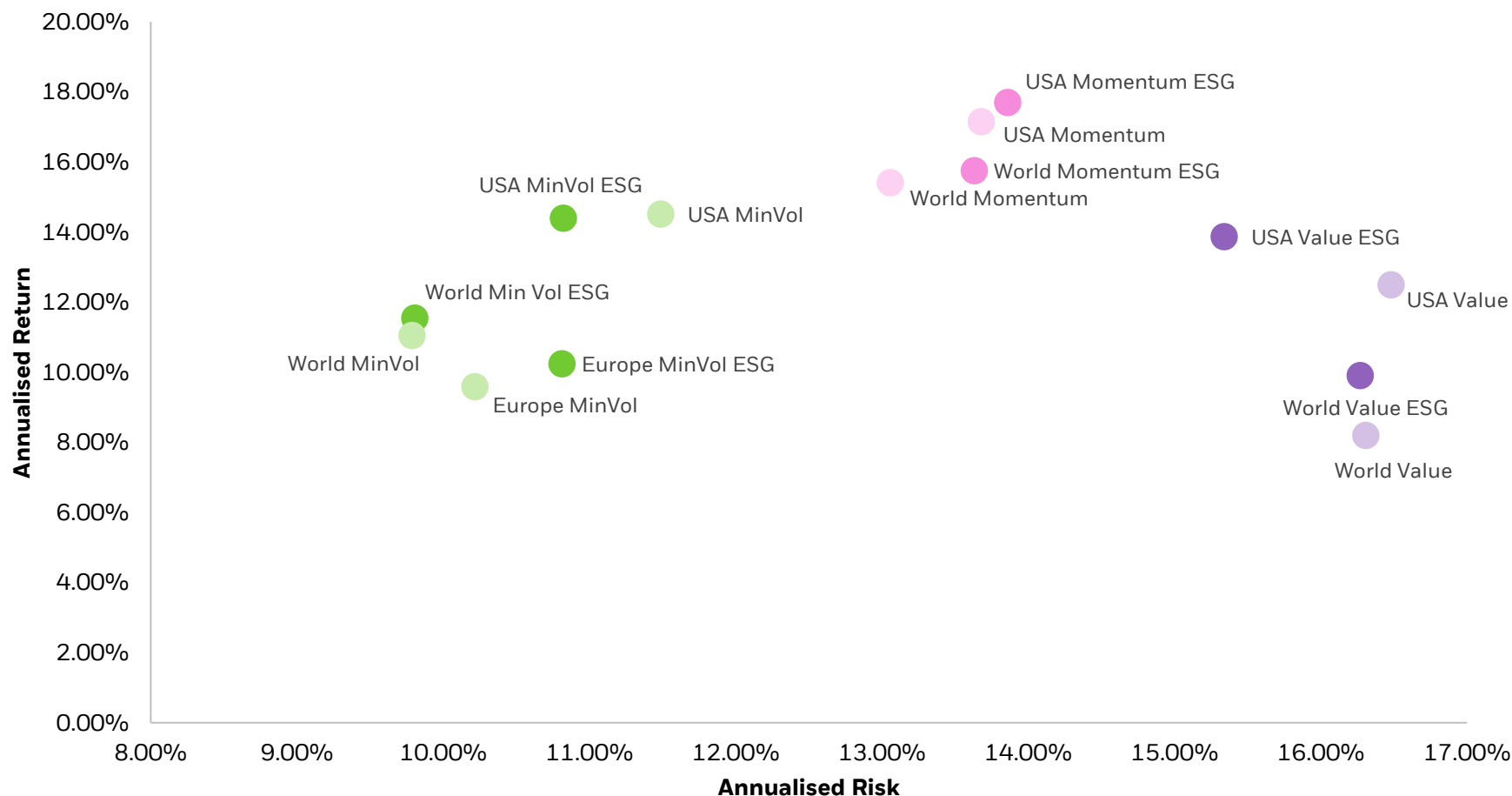
STOCK LEVEL	SECTOR LEVEL	COUNTRY LEVEL	TURNOVER	TRACKING ERROR	ESG
<p>Min weight = $\max(\text{parent index} - 2\%, 0)$</p> <p>Max weight = $\min(\text{parent index} + 2\%, \text{parent index} * 10)$</p>	<p>Will not deviate more than +/- 5% from the sector weights of the parent index</p>	<p>If country weight >2.5% in parent index: will not deviate more than +/- 5%.</p> <p>If country weight <2.5% in parent index: will be capped at 3 times their weight in the parent index</p>	<p>One way turnover constrained to a maximum of 20% for each semi-annual rebalancing</p>	<p>Tracking error constraint of 5% from the parent index</p>	<p>Carbon reduction of 30% vs parent index</p> <p>ESG score improvement of 20% vs parent index</p>

Source: BlackRock, MSCI as of 31/12/2021. For illustrative purposes only, subject to change.

¹ Screens out companies associated with controversial, civilian and nuclear weapons and tobacco, that derive revenues from thermal coal or oil sands extraction, which are involved and that are not compliant with the United Nations Global Compact principles; details on the definition and thresholds can be found in the appendix.

² Defined as a MSCI ESG Controversy Score of 0 ('Red Flag' companies).

Risk/Return Reward

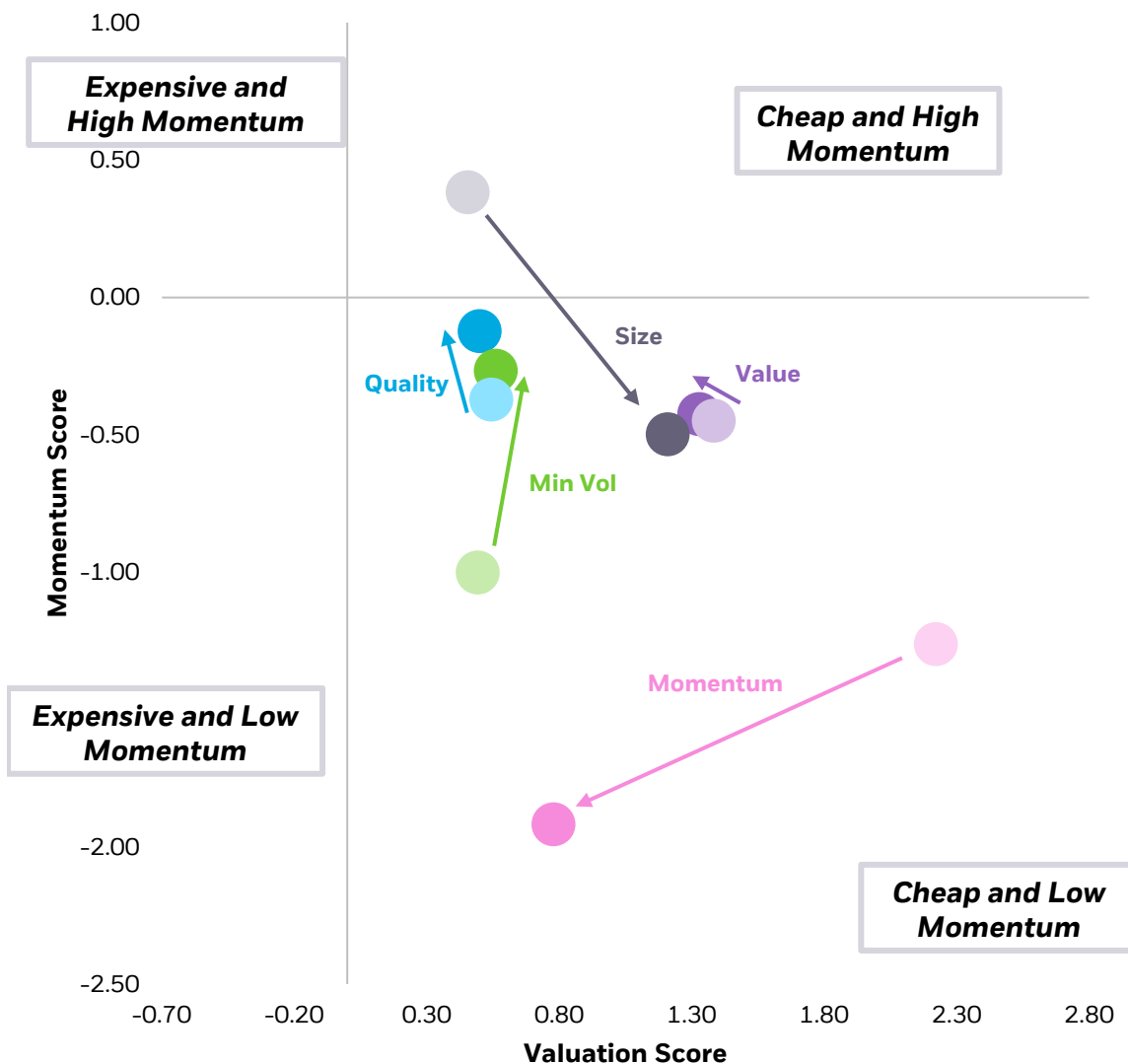


The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR for the period 31/05/2010 – 31/12/2021. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Appendix

Factor Map: USA

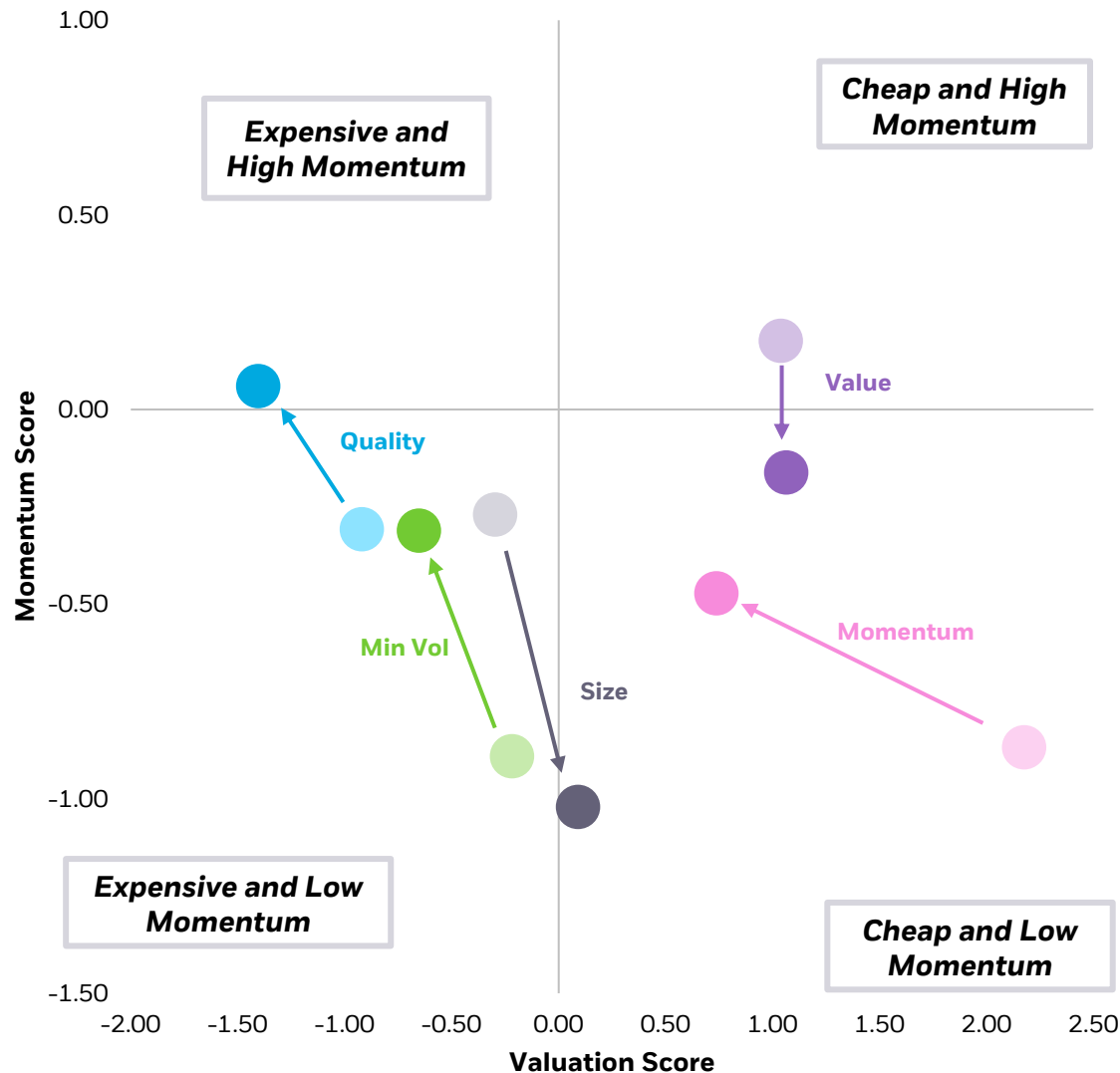


Source: BlackRock, MSCI as of 31/12/2021. The chart shows valuation and momentum scores for the factors as of now and three months ago. For illustrative purposes only. Historical data for the period 30/06/1994 – 31/12/2021. Characteristics are subject to change.

USA Key Takeaways:

- **Momentum** took another hit as its cyclical tilts continued weighing negatively. Though still attractive, its valuation detracted given its recent rebalance towards the Technology sector.
- **Quality** paused its rally as some stock selection effects within Healthcare detracted. Quality's price appreciation has improved and its valuation remains attractive.
- **Value** benefited from increased interest rates. Value's price momentum remains weak but its valuation is attractive.
- **Min Vol** protected on the downside as rates broke their upwards trend towards the end of the month. Its price momentum has been strengthening over the recent months.
- **Size** was resilient in December but its price momentum has been weakening recently.

Factor Map: Europe

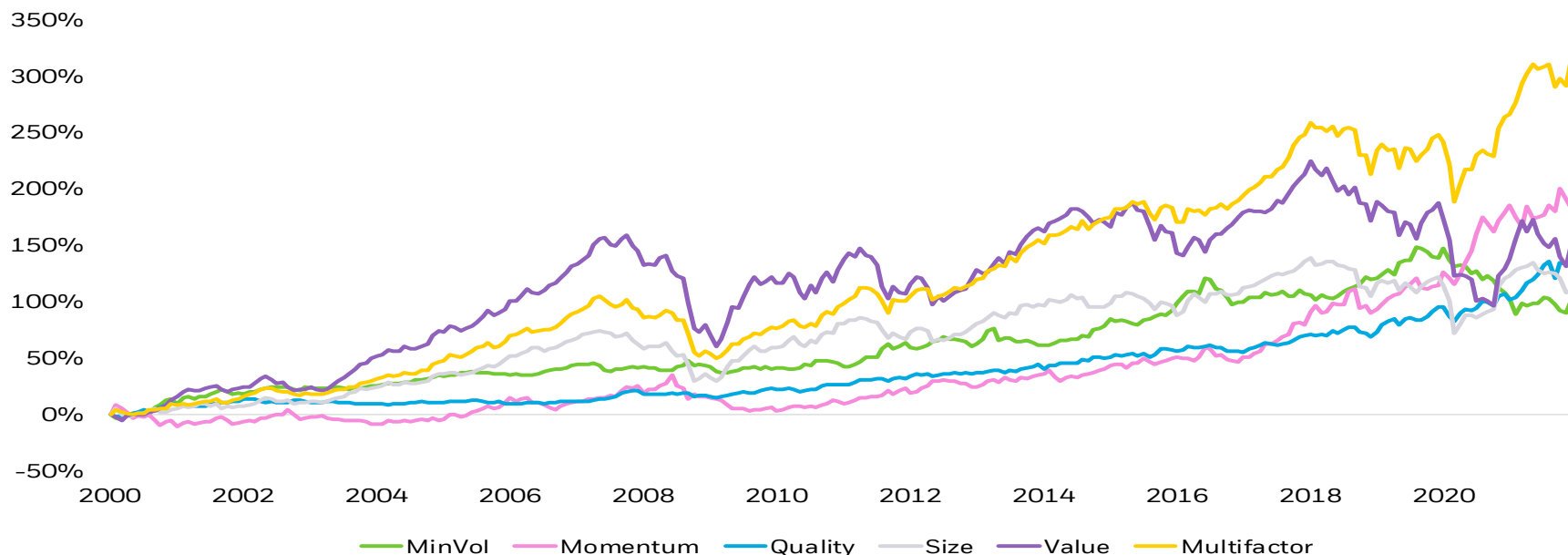


Source: BlackRock, MSCI as of 31/12/2021. The chart shows valuation and momentum scores for the factors as of now and three months ago. For illustrative purposes only. Historical data for the period 30/06/1994 – 31/12/2021. Characteristics are subject to change.

Europe Key Takeaways:

- **Momentum** took another hit as its cyclical tilts continued weighing negatively. Though still attractive, its valuation detracted given its recent rebalance towards the Technology sector.
- **Quality** paused its rally as some stock selection effects within Healthcare detracted. Quality now appears expensive but its price momentum remains robust.
- **Value** benefited from increased interest rates. Value's price remains weak but its valuation is attractive.
- **Min Vol** struggled in Europe as some stock selection effects within Healthcare and Staples detracted. European Min Vol appears both expensive and with a low price momentum.
- **Size** took another hit in December and its price momentum has further weakened but its valuation just turned attractive.

Cumulative Excess Returns over MSCI World

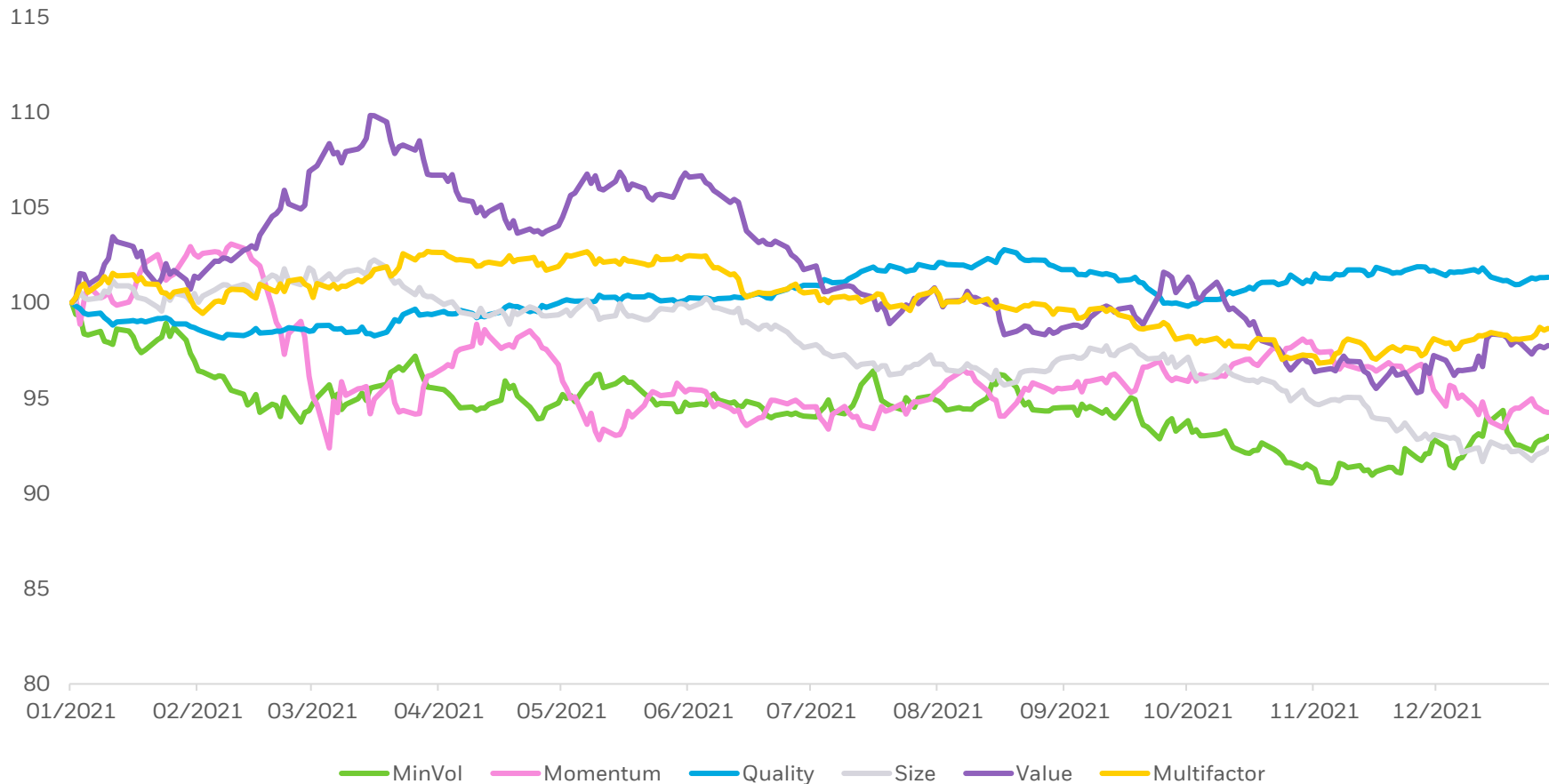


	Total Return	Risk	Risk/Return Ratio	Max DD	β	TE	30/12/2016 29/12/2017	29/12/2017 31/12/2018	31/12/2018 31/12/2019	31/12/2019 31/12/2020	31/12/2020 31/12/2021
MSCI World	6.01%	15.36%	0.39	54.03%			22.40%	-8.71%	27.67%	15.90%	21.82%
MinVol	7.20%	10.95%	0.66	43.48%	0.64	7.49%	17.32%	-2.03%	23.17%	2.61%	14.26%
Momentum	8.01%	15.07%	0.53	52.79%	0.86	7.58%	32.09%	-2.76%	27.67%	28.26%	14.64%
Quality	7.57%	14.63%	0.52	50.68%	0.94	2.91%	23.21%	-7.20%	30.65%	14.98%	23.42%
Size	7.30%	16.74%	0.44	55.66%	1.05	4.73%	23.90%	-13.98%	23.71%	10.58%	12.99%
Value	7.69%	17.44%	0.44	58.24%	1.06	6.25%	22.15%	-13.93%	18.99%	-3.97%	20.04%
Multifactor	9.07%	15.32%	0.59	52.81%	0.97	3.87%	26.54%	-11.48%	21.98%	11.05%	20.61%

The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD for the period 31/12/1999 – 31/12/2021. Index returns are for illustrative purposes only. MSCI World Momentum Index denoted as Momentum; MSCI World Mid-Cap Equal Weighted denoted as Size; MSCI World Enhanced Value Index denoted as Value; MSCI World Quality Sector Neutral Index denoted as Quality; MSCI World Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Cumulative Excess Returns over MSCI World (1-Year Rolling)



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD and are for illustrative purposes only. MSCI World Momentum Index denoted as Momentum; MSCI World Mid-Cap Equal Weighted denoted as Size; MSCI World Enhanced Value Index denoted as Value; MSCI World Quality Sector Neutral Index denoted as Quality; MSCI World Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results.

Individual risk factors experience cyclicality

Each factor has historically added value over the long term, but performance varies by year

- The performance of any single factor may be positive or negative in any given month or year, and may go through periods of drought
- Driven by different phenomena, individual factors are generally lowly correlated with each other

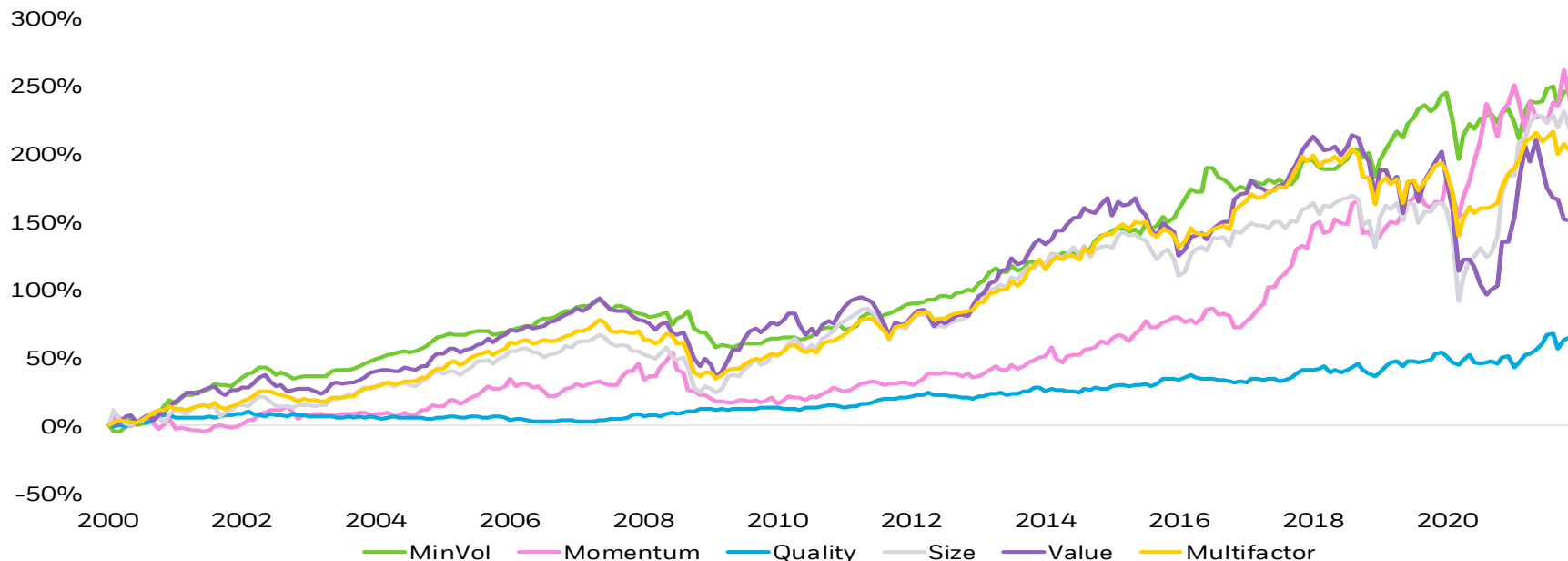
MSCI World Factor Index Returns vs. MSCI World Index

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Ann Excess Return
Positive Excess				Size 8.28					MinVol 6.03							Momentum 2.37
		MinVol 11.03	Size 11.51	DMF 4.89	MinVol 12.83		Value 5.24	Min Vol 6.43	Momentum 4.93		Momentum 9.69					Quality 1.67
	Momentum 10.40	Quality 2.80	Value 11.10	Momentum 4.35	Momentum 9.75		DMF 3.79	DMF 3.43	Quality 3.50		DMF 4.14	MinVol 6.68				DMF 0.58
	Quality 5.76	Momentum 0.51	DMF 3.21	Quality 0.87	DMF 5.06		Momentum 2.98	Quality 1.79	DMF 3.42	Size 1.16	Size 1.50	Momentum 5.95	Quality 2.98			
	Value 0.72	DMF 0.31	Quality 1.41	MinVol 0.27	Quality 4.90		Size 0.01	Momentum 1.61	Size 0.61	Value 0.62	Quality 0.81	Quality 1.51	Momentum 0.00	Momentum 12.36	Quality 1.60	
	DMF -1.98	Size -0.83	MinVol -13.56	Value -3.17	Size -4.33	Size -0.40	Quality -0.77	Value -0.95	Value -2.41	MinVol -0.04	Value -0.25	DMF -2.77	Size -3.96	Quality -0.92	DMF -1.21	MinVol -0.38
	MinVol -3.51	Value -2.33	Momentum -15.78		Value -6.02	DMF -0.54	MinVol -8.07	Size -2.55		DMF -2.18	MinVol -5.08	Value -5.22	MinVol -4.50	DMF -4.86	Value -1.78	Size -1.13
	Size -4.47					Quality -1.07				Quality -2.46		Size -5.27	DMF -5.69	Size -5.32	Momentum -7.18	Value -2.69
						Value -1.55				Momentum -3.32			Value -8.68	MinVol -13.29	MinVol -7.56	
						Momentum -1.74								Value -19.87	Size -8.83	
						MinVol -7.77										
Negative Excess	MSCI World 9.04	MSCI World -40.71	MSCI World 29.99	MSCI World 11.76	MSCI World -5.54	MSCI World 15.83	MSCI World 26.68	MSCI World 4.94	MSCI World -0.87	MSCI World 7.51	MSCI World 22.40	MSCI World -8.71	MSCI World 27.67	MSCI World 15.90	MSCI World 21.82	MSCI World 7.43

The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD for the period 31/12/2006 – 31/12/2021. Index returns are for illustrative purposes only. MSCI World Momentum Index denoted as Momentum; MSCI World Mid-Cap Equal Weighted denoted as Size; MSCI World Enhanced Value Index denoted as Value; MSCI World Quality Sector Neutral Index denoted as Quality; MSCI World Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Cumulative Excess Returns over MSCI USA

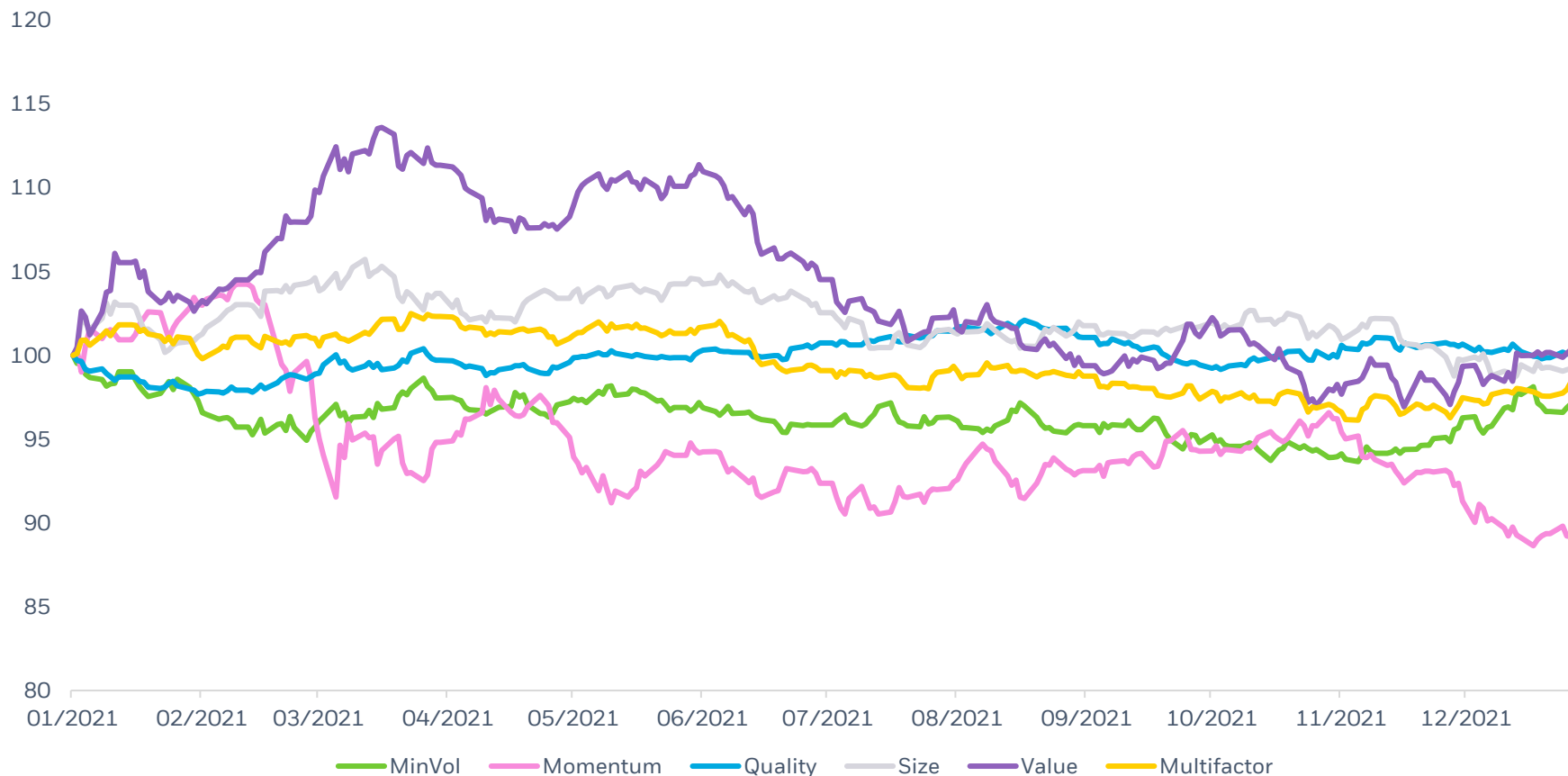


	Total Return	Risk	Risk/Return Ratio	Max DD	β	TE	30/12/2016 29/12/2017	29/12/2017 31/12/2018	31/12/2018 31/12/2019	31/12/2019 31/12/2020	31/12/2020 31/12/2021
MSCI USA	7.08%	15.15%	0.47	51.12%			21.19%	-5.04%	30.88%	20.73%	26.45%
MinVol	9.46%	12.32%	0.77	44.83%	0.75	6.31%	16.41%	-5.50%	31.48%	7.95%	23.74%
Momentum	9.02%	15.44%	0.58	52.01%	0.89	7.75%	37.24%	-2.02%	27.44%	29.18%	12.64%
Quality	7.74%	14.34%	0.54	44.35%	0.93	2.95%	21.74%	-6.21%	33.62%	16.52%	26.65%
Size	9.09%	18.22%	0.50	55.07%	1.12	6.85%	17.82%	-10.21%	28.59%	17.57%	25.65%
Value	8.72%	17.35%	0.50	55.56%	1.07	6.45%	21.28%	-11.72%	26.50%	-1.15%	28.21%
Multifactor	9.07%	15.19%	0.60	52.24%	0.96	4.50%	20.75%	-10.15%	25.81%	10.83%	24.62%

The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD for the period 31/12/1999 – 31/12/2021. Index returns are for illustrative purposes only. MSCI USA Momentum Index denoted as Momentum; MSCI USA Mid-Cap Equal Weighted denoted as Size; MSCI USA Enhanced Value Index denoted as Value; MSCI USA Quality Sector Neutral Index denoted as Quality; S&P 500 Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Cumulative Excess Returns over MSCI USA (1-Year Rolling)



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

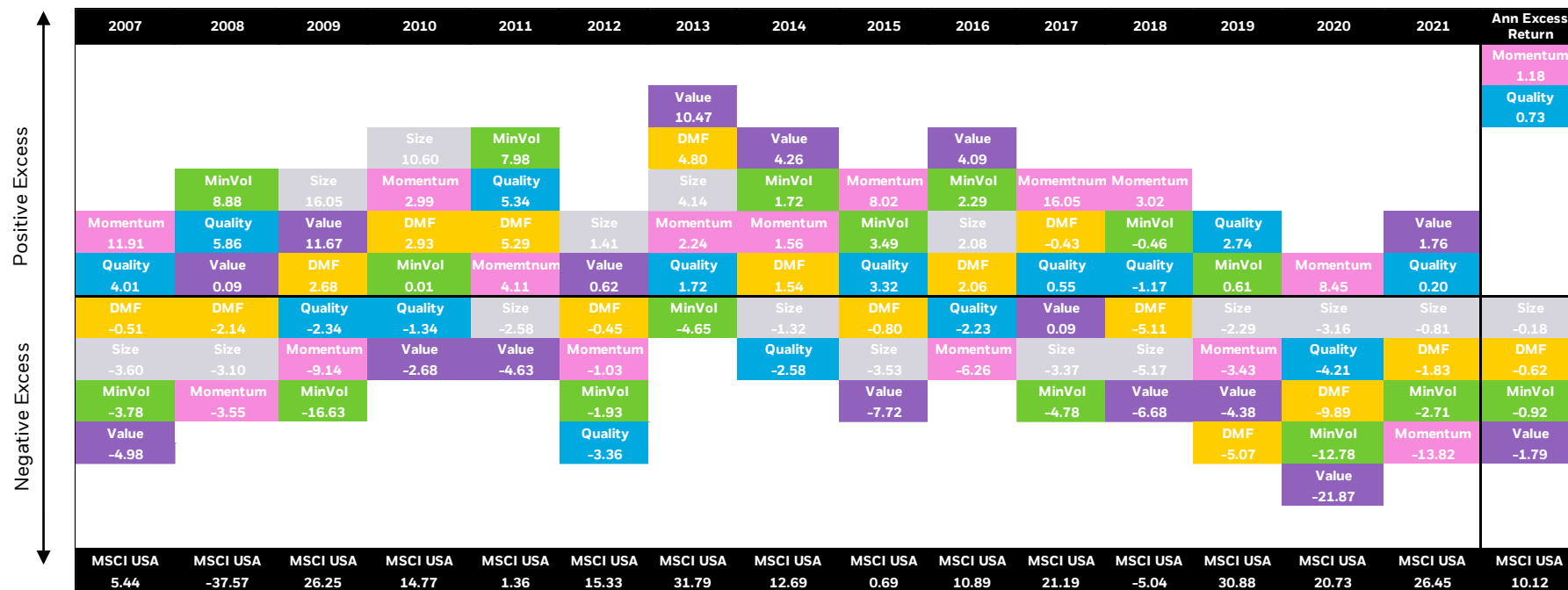
Source: MSCI as of 31/12/2021. Index returns are NTR USD and are for illustrative purposes only. MSCI USA Momentum Index denoted as Momentum; MSCI USA Mid-Cap Equal Weighted denoted as Size; MSCI USA Enhanced Value Index denoted as Value; MSCI USA Quality Sector Neutral Index denoted as Quality; S&P 500 Minimum Volatility denoted as MinVol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past Performance is not a reliable indicator of current or future results. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results.

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Each factor has historically added value over the long term, but performance varies by year

- The performance of any single factor may be positive or negative in any given month or year, and may go through periods of drought
- Driven by different phenomena, individual factors are generally lowly correlated with each other

US Factor Index Returns vs. MSCI USA Index



The figures shown relate to simulated past performance. Simulated past performance is not a reliable indicator of current or future results.

Source: MSCI as of 31/12/2021. Index returns are NTR USD for the period 31/12/2006 – 31/12/2021. Index returns are for illustrative purposes only. MSCI USA Momentum Index denoted as Momentum; MSCI USA Mid-Cap Equal Weighted denoted as Size; MSCI USA Enhanced Value Index denoted as Value; MSCI USA Quality Sector Neutral Index denoted as Quality; S&P 500 Minimum Volatility denoted as Min Vol. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. The value of an investment can fall as well as rise and you may not get back the original amount invested. There is a risk that the entire amount invested may be lost. BlackRock makes no representations or warranties as to the accuracy or completeness of any past, estimated or simulated performance results contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by BlackRock whether as to past or future performance results. This analysis contains back-tested index data. Data for time periods prior to the index inception date is hypothetical and is provided for informational purposes only to indicate historical performance had the index been available over the relevant time period.

Barra Global Total Market Equity Model for Long-Term Investors (GEMLT)

Multifactor Target Factors

Value (25%)

Book to Price (33%)

- Book to Price

Earnings Yield (67%)

- Cash-Earnings-to-Price
- Earnings-to-Price
- Enterprise Multiple (EBITDA to EV)
- Analyst-Predicted Earnings-to-Price

Momentum (25%)

- Relative Strength (50%)
- Historical Alpha (50%)

Size (25%)

- Log of Market Capitalization

Quality (25%)

Profitability (20%)

- Asset Turnover
- Gross Profitability
- Gross Margin
- Return on Assets

Investment Quality (20%)

- Asset Growth
- Issuance Growth
- Capital Expenditure Growth

Earnings Quality (20%)

- Accruals – Balance Sheet Version
- Accruals – Cash Flow Version
- Cash Earnings to Earnings

Earnings Variability (20%)

- Variability in Sales
- Variability in Earnings
- Variability in Cash Flows
- Standard Deviation of Analyst Predicted E/P

Leverage (20%)

- Market Leverage
- Book Leverage
- Debt-to-Assets

Multifactor Non-Target Factors

Beta

- Historical Beta

Dividend Yield

- Dividend Yield
- Analyst-Predicted Dividend to Price

Growth

- Analyst-Predicted Long-Term Growth
- Earnings per Share Growth Rate
- Sales per Share Growth Rate

Liquidity

- Monthly Share Turnover
- Quarterly Share Turnover
- Annual Share Turnover
- Annualized Traded Value Ratio

Long Term Reversal

- Long-Term Relative Strength
- Long-Term Historical Alpha

Mid Capitalizaion

- Cube of Size Exposure

Residual Volatility

- Historical Sigma
- Daily Standard Deviation
- Cumulative Range

Source: MSCI Barra Global Total Market Equity Model for Long-Term Investors, December 2021.

GEM2 Style Factor Definition

Momentum

- Relative strength
- Historical alpha

Volatility

- Historical sigma
- Historical beta
- Cumulative range
- Daily standard deviation

Value

- Forecast earnings to price
- Earnings to price
- Book to Price
- Dividend Yield
- Cash earnings to price

Size

- Logarithm of market capitalization

Size Non-linearity

- Cube of the logarithm of market capitalization

Growth

- 5-year Earnings growth
- 5-year Sales growth
- Analyst predicted 5 year earnings growth

Liquidity

- Monthly share turnover
- Quarterly share turnover
- Annual share turnover

Financial Leverage

- Book leverage
- Market leverage
- Debt to asset

Source: MSCI GEM2 Barra Risk Model

Risks

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. The data displayed provides summary information. Investment should be made on the basis of the relevant Prospectus which is available from the manager.

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Fund Risks

iShares Edge MSCI EM Minimum Volatility ESG UCITS ETF USD (Acc)

Concentration Risk, Counterparty Risk, Credit Risk, Currency Risk, Equity Risk, Environmental, Social and Governance (ESG) Risk, Volatility Risk

iShares Edge MSCI EM Minimum Volatility UCITS ETF USD (Acc)

Counterparty Risk, Currency Risk, Emerging Markets Risk, Equity Risk, Factor Focus Risk, Liquidity Risk, Volatility Risk

iShares Edge MSCI EM Value Factor UCITS ETF USD (Acc)

Counterparty Risk, Emerging Markets Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk, Liquidity Risk

Risks

iShares Edge MSCI Europe Minimum Volatility ESG UCITS ETF EUR (Acc)

Concentration Risk, Counterparty Risk, Equity Risk, Environmental, Social and Governance (ESG) Risk, Volatility Risk

iShares Edge MSCI Europe Minimum Volatility UCITS ETF EUR (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Volatility Risk

iShares Edge MSCI Europe Momentum Factor UCITS ETF EUR (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI Europe Multifactor UCITS ETF EUR (Acc)

Counterparty Risk, Equity Risk, Index Methodology Risk, Multi-Factor Focus Risk

iShares Edge MSCI Europe Quality Factor UCITS ETF EUR (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI Europe Size Factor UCITS ETF EUR (Acc)

Counterparty Risk, Emerging Markets Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk, Liquidity Risk, Smaller Companies Risk

iShares Edge MSCI Europe Value Factor UCITS ETF EUR (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI USA Minimum Volatility ESG UCITS ETF USD (Acc)

Concentration Risk, Counterparty Risk, Equity Risk, Environmental, Social and Governance (ESG) Risk, Volatility Risk

iShares Edge MSCI USA Momentum Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI USA Multifactor UCITS ETF

Counterparty Risk, Equity Risk, Index Methodology Risk, Multi-Factor Focus Risk

Risks

iShares Edge MSCI USA Quality Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI USA Size Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Liquidity Risk

iShares Edge MSCI USA Value Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI World Minimum Volatility ESG UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Environmental, Social and Governance (ESG) Risk, Volatility Risk

iShares Edge MSCI World Minimum Volatility UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk, Volatility Risk

iShares Edge MSCI World Momentum Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI World Multifactor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Index Methodology Risk, Multi-Factor Focus Risk

iShares Edge MSCI World Quality Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

iShares Edge MSCI World Size Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Liquidity Risk, Smaller Companies Risk

iShares Edge MSCI World Value Factor UCITS ETF USD (Acc)

Counterparty Risk, Equity Risk, Factor Focus Risk, Index Methodology Risk

Risks

iShares MSCI World Value Factor ESG UCITS ETF USD (Acc)

Counterparty Risk, Factor Focus Risk

Description of Product Risks

Concentration Risk

Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.

Counterparty Risk

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Share Class to financial loss.

Credit Risk

The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.

Currency Risk

The Fund invests in other currencies. Changes in exchange rates will therefore affect the value of the investment.

Equity Risk

The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.

Risks

Description of Fund Risks

Environmental, Social and Governance (ESG) Risk

The benchmark index only excludes companies engaging in certain activities inconsistent with ESG criteria if such activities exceed the thresholds determined by the index provider. Investors should therefore make a personal ethical assessment of the benchmark index's ESG screening prior to investing in the Fund. Such ESG screening may adversely affect the value of the Fund's investments compared to a fund without such screening.

Volatility Risk

The Fund tracks an index comprising securities with lower volatility historically. "Minimum volatility" in the Fund's name refers to its underlying index exposure and not to its trading price. There is no guarantee that the trading price of its shares on exchanges will have low volatility.

Emerging Markets Risk

Emerging markets are generally more sensitive to economic and political conditions than developed markets. Other factors include greater 'Liquidity Risk', restrictions on investment or transfer of assets and failed/delayed delivery of securities or payments to the Fund.

Factor Focus Risk

Indices with a factor focus are less diversified than their parent index because they have predominant exposure to a single factor rather than the multiple factor exposure of most indices. Therefore they will be more exposed to factor related market movements. Investors should consider this fund as part of a broader investment strategy.

Liquidity Risk

Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.

Index Methodology Risk

Although the Benchmark Index was created to select securities within the Parent Index for their recent price increases on the assumption that such increases will continue, there is no guarantee this objective will be achieved.

Risks

Description of Fund Risks

Multi-Factor Focus Risk

Indices with a multi-factor focus are less diversified than their parent index because they focus on four investment style factors rather than a broader market exposure. Therefore they will be more exposed to factor related market movements. Investors should consider this Fund as part of a broader investment strategy.

Smaller Companies Risk

Shares in smaller companies typically trade in less volume and experience greater price variations than larger companies.

Important Information

Regulatory Information

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Further information about the Fund and the Share Class, such as details of the key underlying investments of the Share Class and share prices, is available on the iShares website at www.ishares.com or by calling +44 (0)845 357 7000 or from your broker or financial adviser. The indicative intra-day net asset value of the Share Class is available at <http://deutsche-boerse.com> and/or <http://www.reuters.com>. A UCITS ETF's units / shares that have been acquired on the secondary market cannot usually be sold directly back to the UCITS ETF itself. Investors who are not Authorised Participants must buy and sell shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees and additional taxes in doing so. In addition, as the market price at which the Shares are traded on the secondary market may differ from the Net Asset Value per Share, investors may pay more than the then current Net Asset Value per Share when buying shares and may receive less than the current Net Asset Value per Share when selling them.

Important Information

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