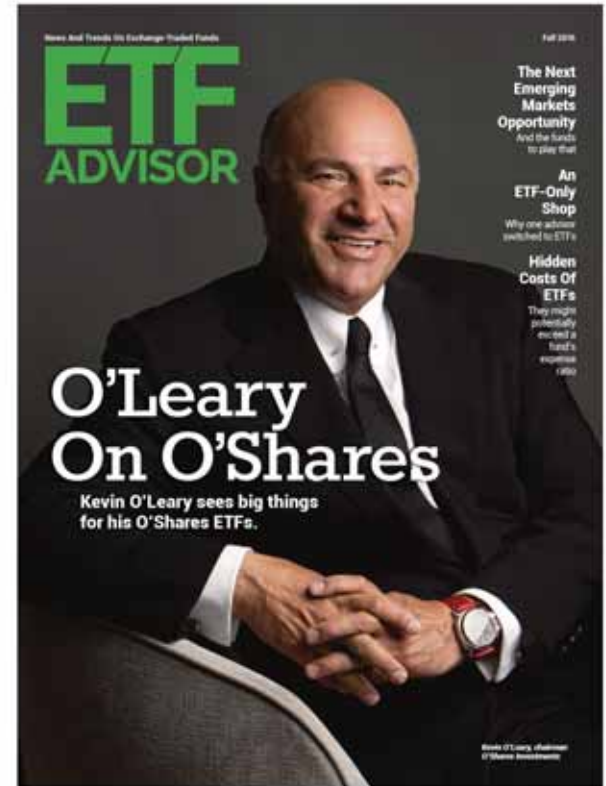


Presented by



Moderator
Ron DeLegge
Founder, ETFguide

BLACKROCK®

Factor-Based Investing

Robert D. Nestor, CFA

Head of iShares Strategic Product Segments

FA Magazine

November 2016

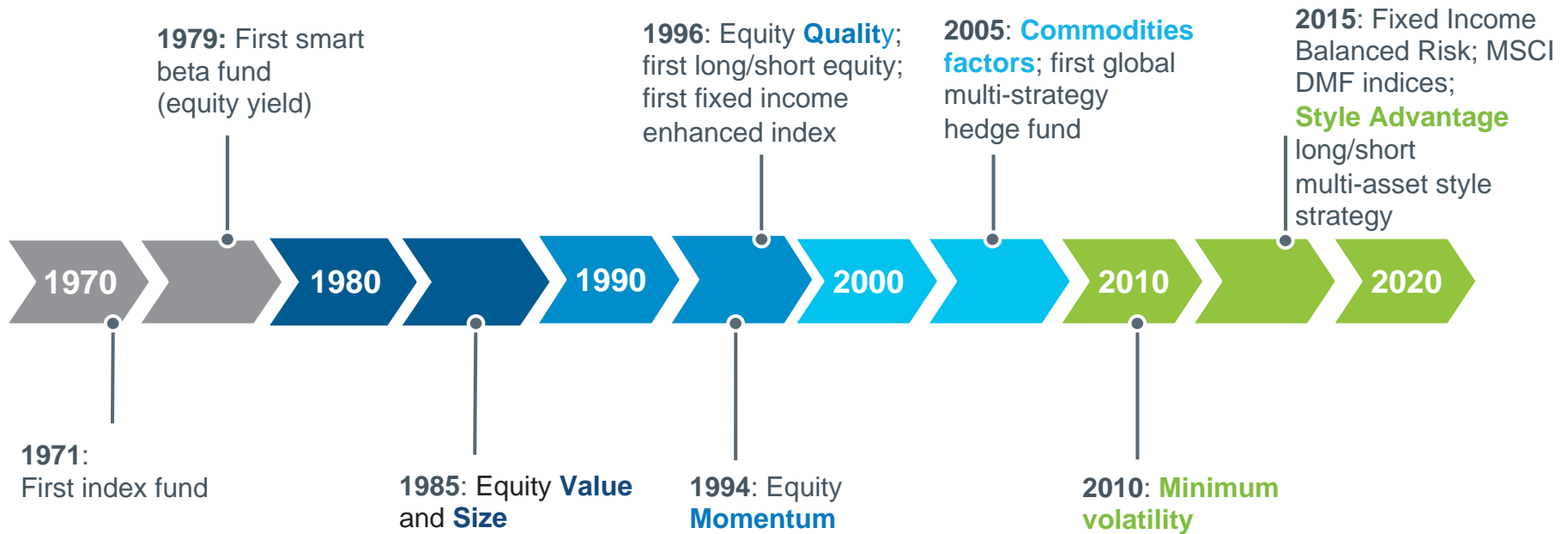
For use with institutional investors only-
Proprietary and confidential

iS-19382

Old insights... new technology

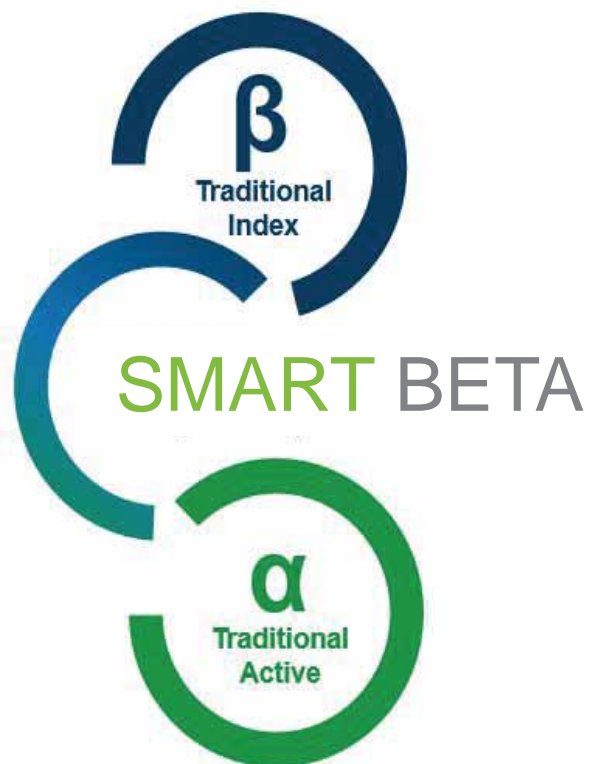


BlackRock's rich heritage of innovation in factor-based investing



Note: Some of the above innovations were developed by predecessor firms

Smart Beta – A Different Approach to Investing



Smart Beta strategies sit at the intersection of active and index investing, incorporating elements of both.

- Generally low cost and transparent like index strategies*
- Can be a source of incremental return or a way to manage risk like traditional active funds
- Can potentially help achieve a desired outcome such as dampening the impact of market volatility or pursuing higher income

*Smart beta ETFs have an added element of transparency in that holdings are disclosed daily, unlike active mutual funds that typically display holdings only quarterly.

Why factors now?

1

**Investing is
harder than ever**



2

**Diversification
may fall short**



3

**Investment
management
can be expensive**



EIU research findings revealed factors are an increasingly important tool for institutions

Use of factors is widespread

Investors are incorporating factors within their:



Overall investment process

Risk management

Investment strategies

FACTORS MAY HELP MEET INVESTOR OBJECTIVES

Most cited benefits include:



Factors are here to stay

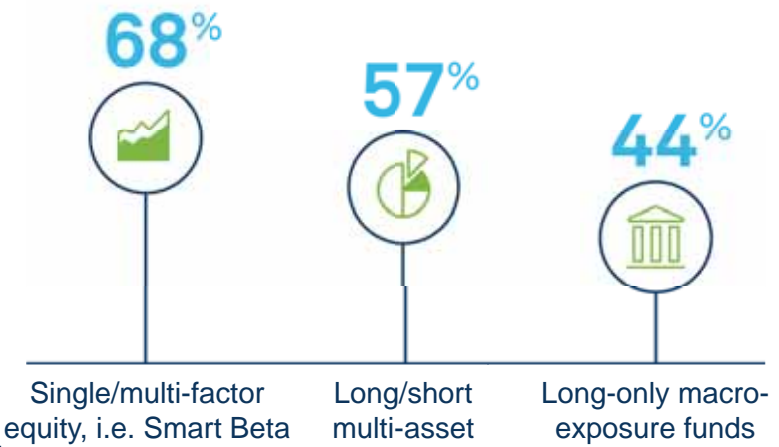
Investors are expecting to increase factor usage over the next 3 years:



Source: The Economist Intelligence Unit, January 31, 2016. This content is based on The Economist Intelligence Unit's January 2016 global survey of 200 executives from institutional investment firms. The information contained herein is not a full representation of all survey results and more information can be obtained at <https://www.blackrock.com/institutions/en-us/insights/investment-actions/the-rise-of-factor-investing>







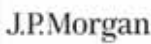
Investors access strategies in many ways

Factor investors allocate to the following strategies:



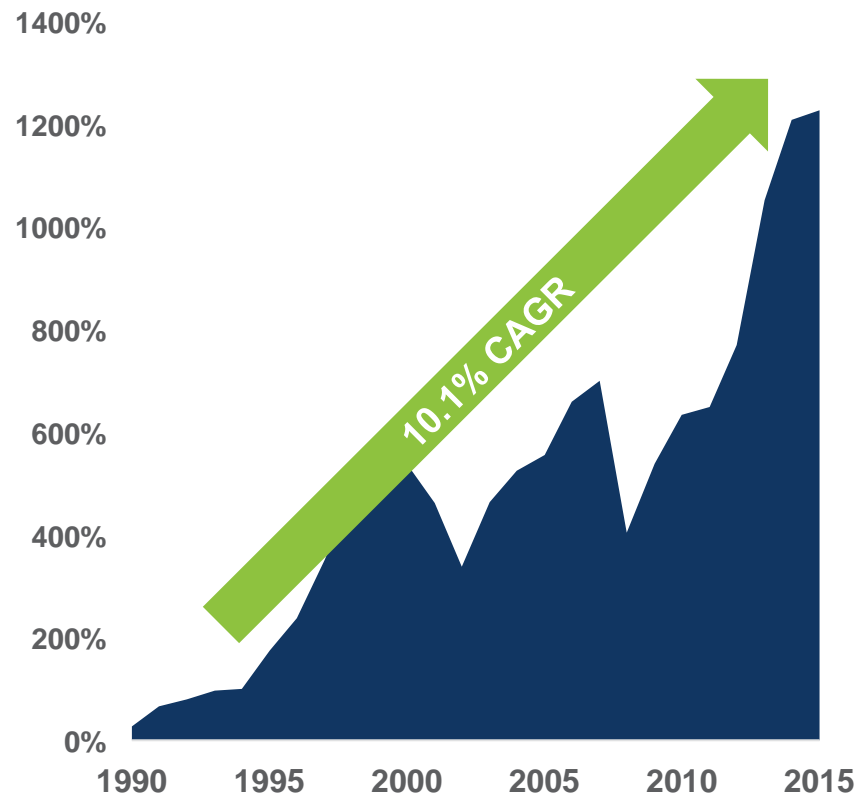
We've Invested for Decades by Market Cap – To Our Benefit

Constituents of the S&P 500*

	Apple	3.1%
	Microsoft	2.4%
	Exxon	1.9%
	Johnson & Johnson	1.7%
	Amazon	1.6%
	Facebook	1.5%
	General Electric	1.5%
	Berkshire Hathaway	1.5%
	AT&T	1.3%
	JP Morgan	1.3%
Next 490 Stocks		82.2%

S&P 500 Performance**

Past 26 years -- 1989 to 2015



*Source: Bloomberg as of 6/30/2016. Allocations are subject to change.

**Source: S&P Dow Jones Indices. S&P 500 Performance based on total annual return between 1/1/1989 – 12/31/2015. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

But What if Investors Are Looking for More?



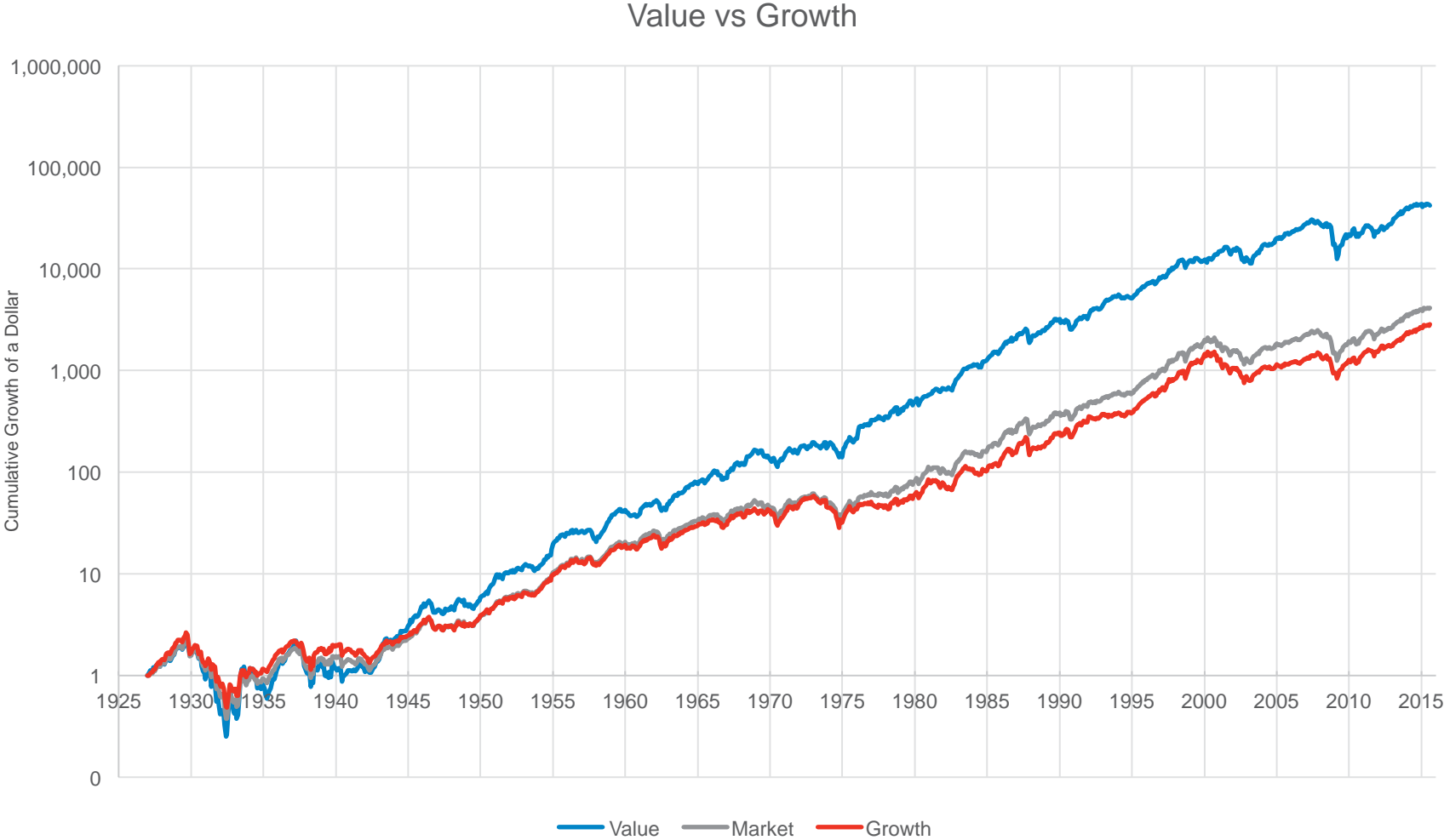
I Want Less Risk



I Want More Return



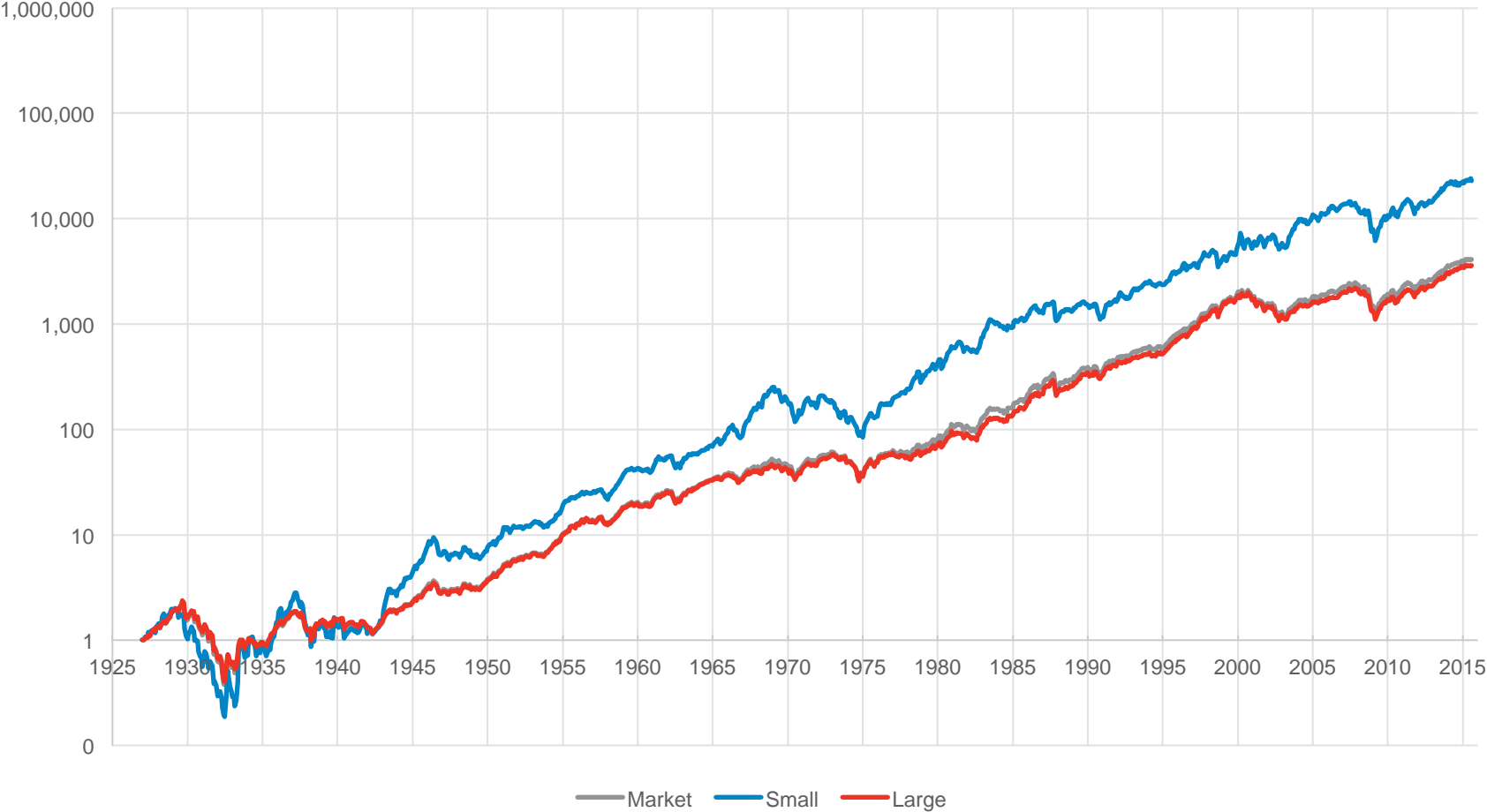
Value vs. Growth



Source: http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

Small vs. Large

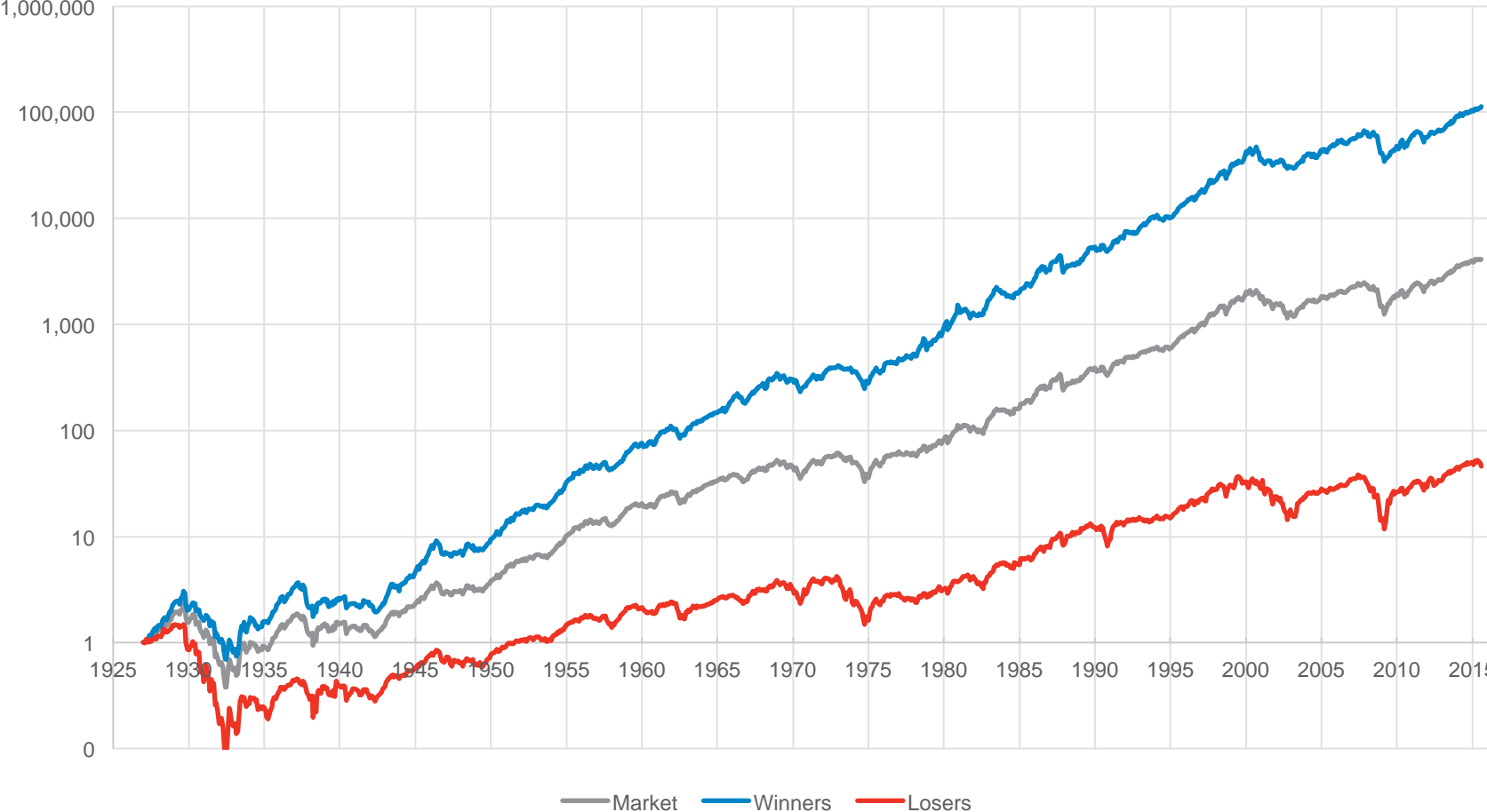
Small vs Large



Source: http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

Trending up vs. declining

Winners vs Losers



Source: http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

Cyclicality of smart beta factors

MSCI World single factor index excess returns vs. MSCI World

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Ann. Excess Ret. '01-'15
	Min Vol 9.74														Value 3.88
Value 11.86	Size 5.97		Value 13.35		Value 10.33				Size 5.94						Size 2.72
Min Vol 6.29	Momentum 5.08		Size 8.89	Momentum 18.32	Size 1.54	Momentum 10.40	Min Vol 11.03	Size 11.36	Momentum 4.35	Min Vol 12.83			Min Vol 6.43	Min Vol 6.03	Momentum 2.29
Size 4.94	Value 4.32	Value 22.95	Momentum 6.14	Value 7.27	Min Vol 0.43	Quality 5.76	Quality 2.80	Value 11.11	Quality 0.87	Momentum 9.75			Value 5.24	Quality 1.79	Momentum 4.93
Quality 3.33	Quality 2.49	Size 16.60	Min Vol 5.29	Size 5.21	Quality 0.17	Value 0.73	Momentum 0.51	Quality 1.41	Min Vol 0.27	Quality 4.90	Size 0.25	Momentum 2.98	Momentum 1.61	Quality 3.50	Quality 1.31
Momentum -4.04		Momentum -7.69	Quality -0.32	Min Vol -1.79	Momentum -1.33	Size -3.04	Size -1.53	Min Vol -13.56	Value -3.17	Size -4.21	Quality -1.07	Size -0.72	Value -0.95	Size -0.64	
		Min Vol -7.93		Quality -2.19		Min Vol -3.51	Value -2.33	Momentum -15.78		Value -6.03	Value -1.55	Quality -0.77	Size -2.00	Value -2.41	
		Quality -8.13									Momentum -1.74	Min Vol -8.07			
											Min Vol -7.77				

MSCI World Index USD net dividend per calendar year

-16.82	-19.89	33.11	14.72	9.49	20.07	9.04	-40.71	29.99	11.76	-5.54	15.83	26.68	4.94	-0.87	
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Source: MSCI as of December 31, 2015. MSCI index methodology resources available at www.msci.com. MSCI World Momentum Index denoted as Momentum; MSCI World Equal Weighted denoted as Size; MSCI World Enhanced Value Index denoted as Value; MSCI World Sector Neutral Quality Index denoted as Quality; MSCI World Minimum Volatility Index denoted as Min Vol. Index returns are for illustrative purposes. Index performance returns do not reflect management fees, transactions costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Index returns prior to the inception date are hypothetical and back-tested index data calculated by the index provider. For additional information, see the Appendix. It is not possible to directly invest in an unmanaged index.

What are Factors and Why Have They Worked?

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

These Screens Use Familiar Metrics

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

Why Factors Have Worked....and More importantly, Why They Will Persist

Rewarded Risk



Earn more for taking on higher risk

Structural Impediment



Market rules or restrictions make some investments off-limits to certain investors

Behavioral Bias



Not all investors behave rationally all of the time

Min Vol



Quality



Value



Momentum

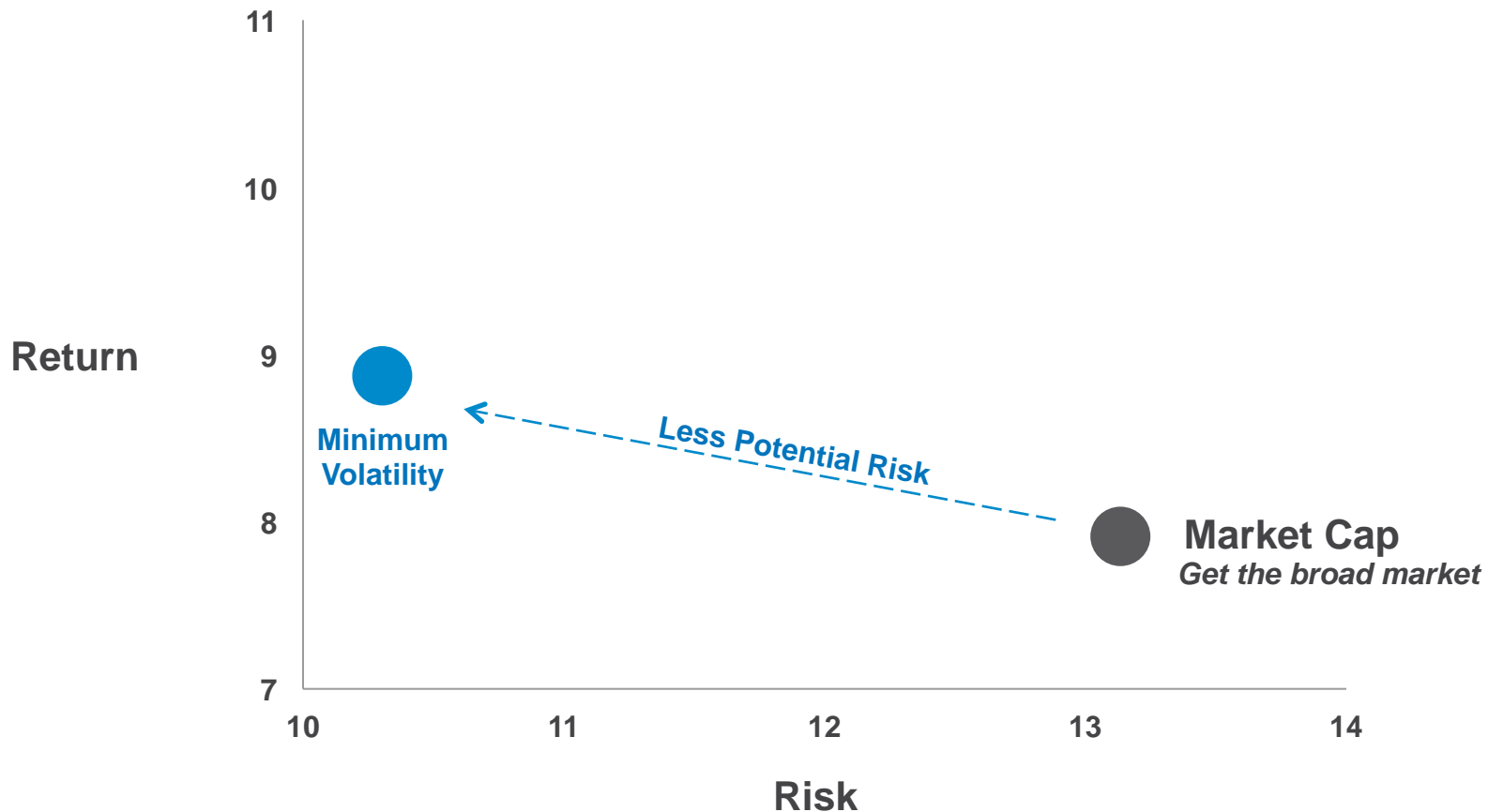


Size



Minimum Volatility Strategies to Reduce Risk

What if Investors Are Looking for More?

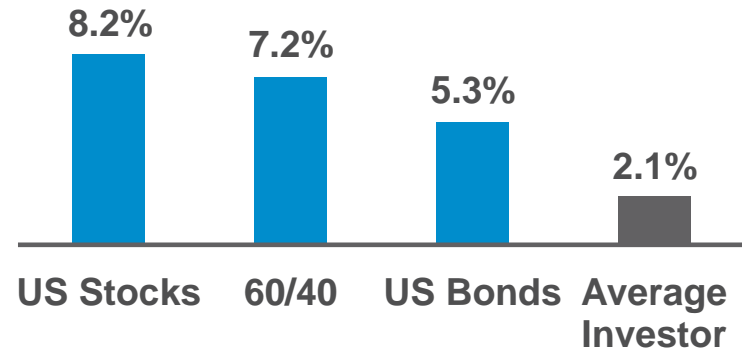


Source: Morningstar as of 6/30/2016 Based on historical rolling 1 year returns of S&P 500 and MSCI USA Minimum Volatility Indexes from 7/1/2001-6/30/2016
Minimum volatility strategies may help reduce losses during declining markets while still experiencing gains during rising markets. There is no guarantee that such outcomes will be achieved. Index returns are for illustrative purposes only and do not represent actual iShares Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. 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. 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. This analysis contains back-tested index data. For additional information, see the Appendix.

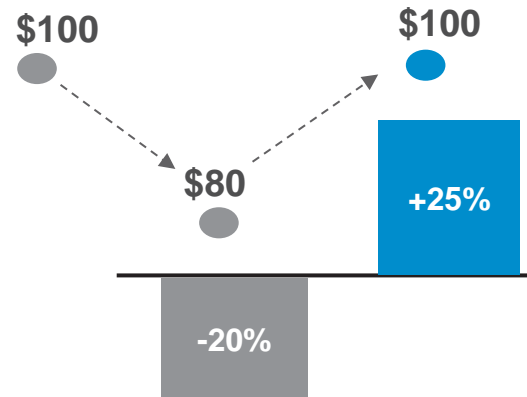
Why Minimum Volatility Makes Sense

- 1 Behavioral reasons**
Keep your clients invested

Annualized returns (1996-2015)



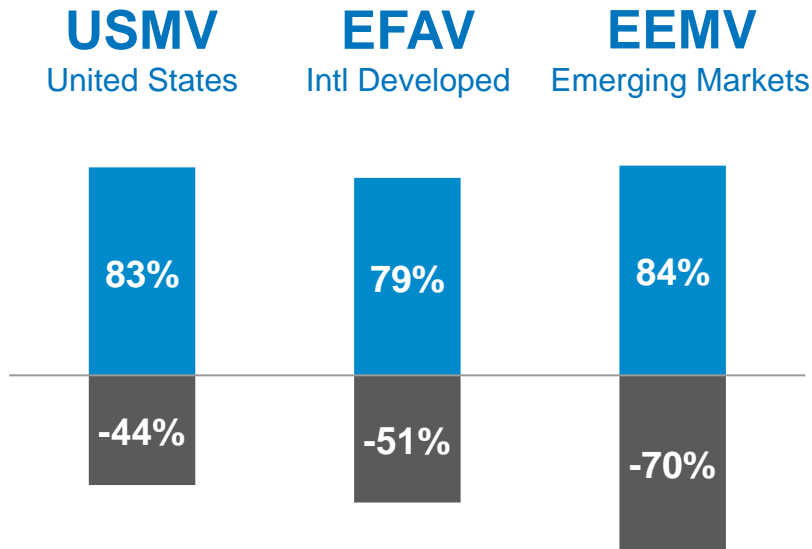
- 2 Math reasons**
Losing less can lead to winning more



Sources: BlackRock; Morningstar; Informa Investment Solutions; Dalbar. Returns based on performance between 1/1/1996-12/31/2015. Asset classes represented by the following indexes: US Stocks = S&P 500, 60/40 = balanced portfolio with 60% invested in the S&P 500 Index and 40% invested in the Barclays U.S. Aggregate Bond Index and rebalanced annually, US Bonds = Barclays U.S. Aggregate Bond Index, Average Investor = Dalbar's average asset allocation investor return, which uses data from the Investment Company Institute (ICI), Standard & Poor's and Barclays Index Products to compare mutual fund investor returns to an appropriate set of benchmarks. The study utilizes mutual fund sales, redemptions and exchanges each month as the measure of investor behavior. These behaviors reflect the "average investor." Based on this behavior, the analysis calculates the "average investor return" for various periods. **Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.** Hypothetical example for illustrative purpose

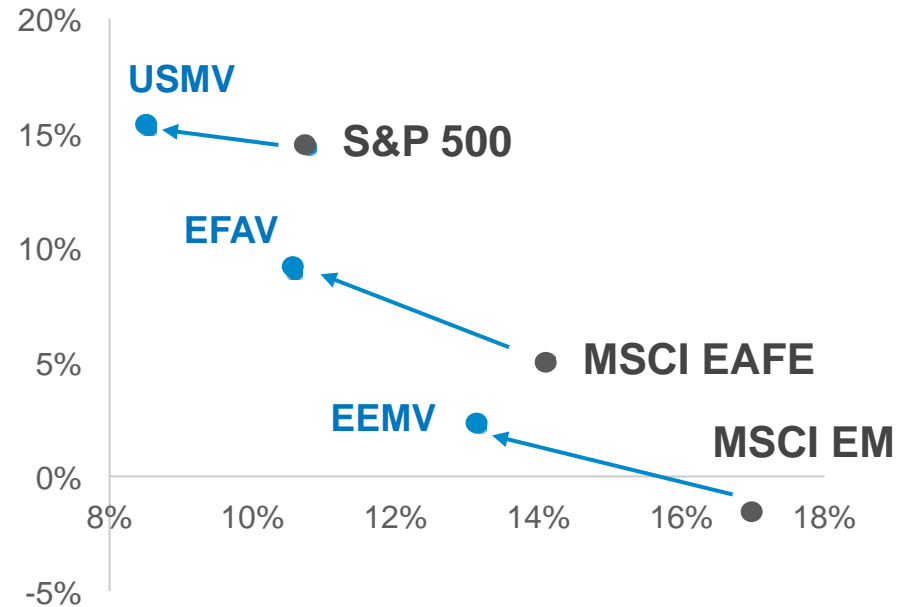
Min Vol ETFs Have Captured More Upside than Downside

Upside/Downside Capture Since November 2011



Source: Morningstar. Based on respective iShares Minimum Volatility ETF monthly performance between 11/1/11–6/30/16. **Past performance does not guarantee future results. For standardized performance, please see the end of this document.**

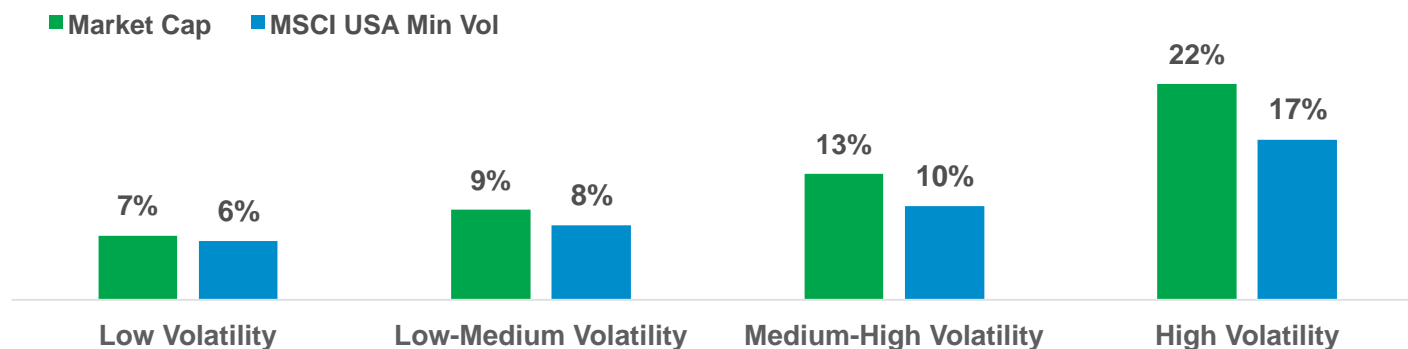
Annualized Risk / Return Since November 2011



Source: Morningstar as of 6/30/2016. Based on performance between 11/1/11 – 6/30/16. Annualized risk represented by standard deviation which measures how dispersed returns are around the average. A higher standard deviation indicates that returns are spread out over a larger range of values and thus, more volatile. **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. For standardized performance, please see the end of this document.**

Min Vol Rewards Longer Holder Periods and Reduces Risk When Most Needed

Higher Volatility, More Risk Reduction Annualized Risk Sorted by Volatility Regime**

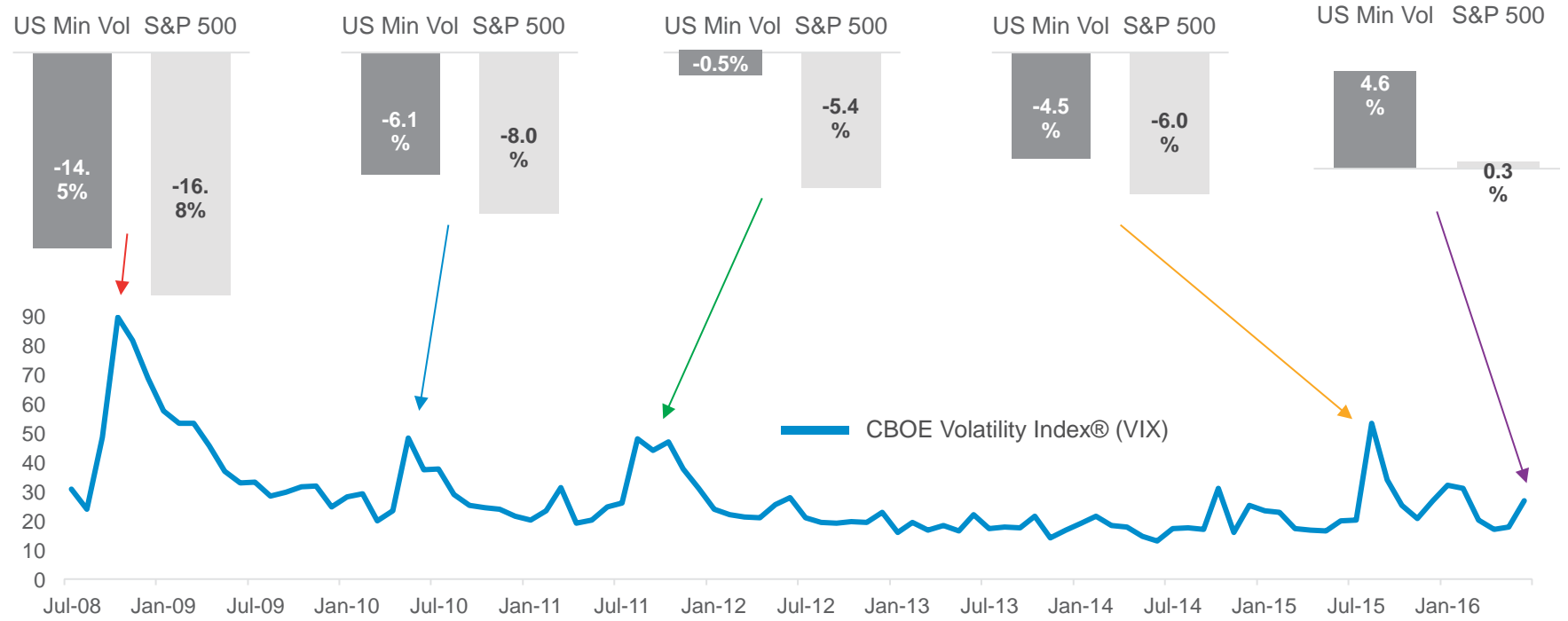


Holding Period*	# of Down Markets	% of Down Markets Min Vol Outperforms
3 Months	63	83%
6 Months	54	91%
1 Year	42	90%
2 Years	35	97%
3 Years	35	100%

Source: *MSCI, Blackrock.com. Holding periods are computed using rolling 3 month, 6 month, 1 year, 2 year, and 3 year returns. Based on back-tested index returns of the MSCI Minimum USA Volatility Index from 1/1/2001-6/30/16, relative to the S&P 500 Index. ** MSCI and BlackRock, analysis compares the MSCI USA Index with the MSCI USA MinVol index from 1/1/2001-3/31/2016. Monthly returns have been sorted equally by volatility as measured by the VIX. **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. Index returns are for illustrative purposes only. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. For more information, see appendix.**

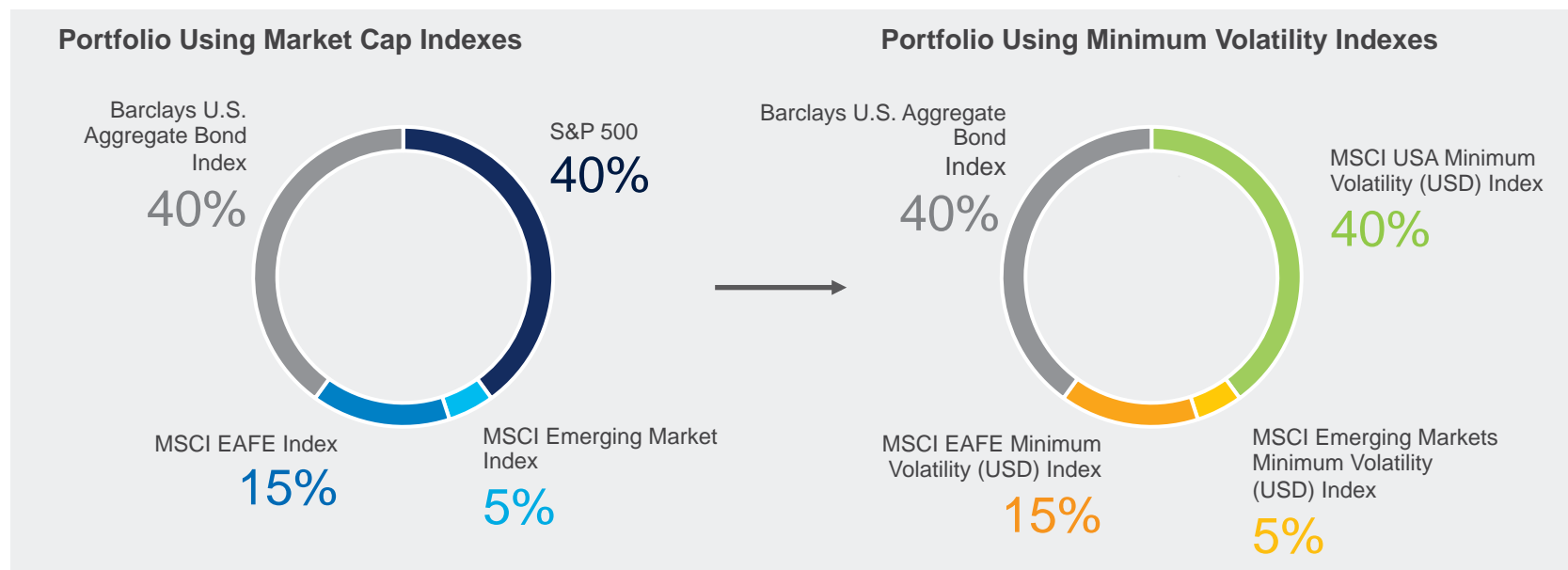
Min Vol Has Outperformed During Periods of High Volatility

<p>October 2008: Post Lehman Bankruptcy Filing</p> <p>VIX 89.5</p>	<p>May 2010: Flash Crash</p> <p>VIX 48.2</p>	<p>August 2011: U.S. Debt Downgrade</p> <p>VIX 48.0</p>	<p>August 2015: Yuan Devaluation</p> <p>VIX 53.3</p>	<p>June 2016: Brexit</p> <p>VIX 26.7</p>
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Source: Bloomberg, as of 6/30/16. The CBOE Volatility Index® (VIX®) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. VIX Index Level reflects the highest intraday level reached that month. **Index returns are for illustrative purposes only and do not represent actual iShares Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

Seek to Reduce Volatility with Minimum Volatility Funds at the Core



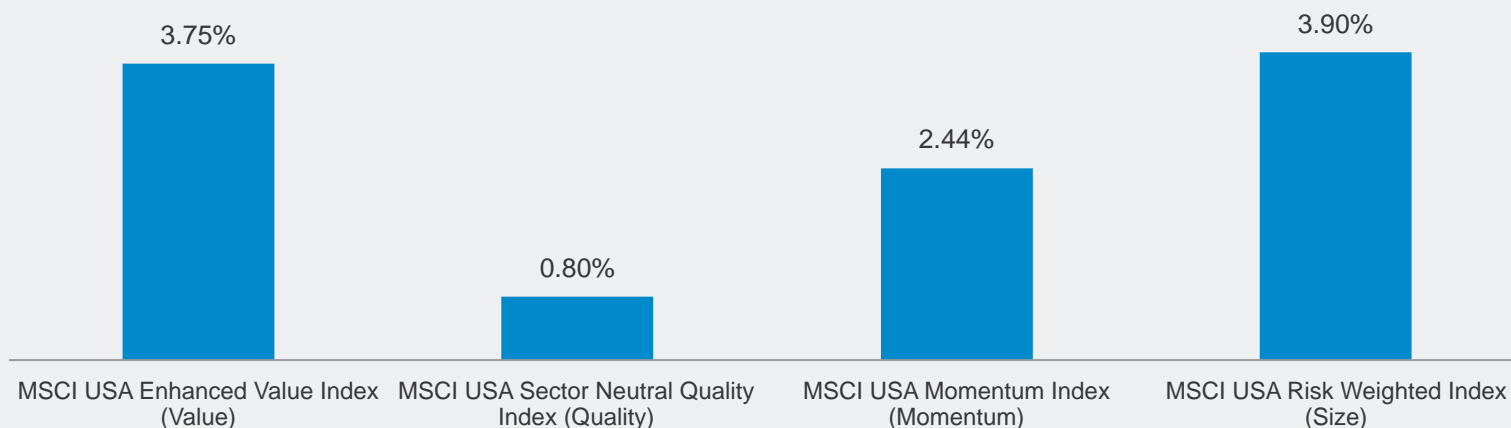
Reflects Period: 12/1/2009 – 6/30/2016 (Since Index Inception)	Market Cap Portfolio	Portfolio With Min Vol Indexes
Annualized Return %	7.3	8.7
Annualized Standard Deviation %	9.7	7.1
Sharpe Ratio	1.1	1.7

Source: BlackRock, Morningstar, as of 12/1/2009 – 6/30/2016. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Not a recommendation; no guarantee that any strategy will be effective. This illustration is not a complete analysis of every material fact respecting any strategy, and does not include commissions, tax implications or other transaction costs, which may significantly affect the economic consequences of a given strategy.

Seek to Enhance Returns

Over the long term, factor weighted indexes have outperformed

Average Rolling 3 Year Excess Return vs. MSCI USA

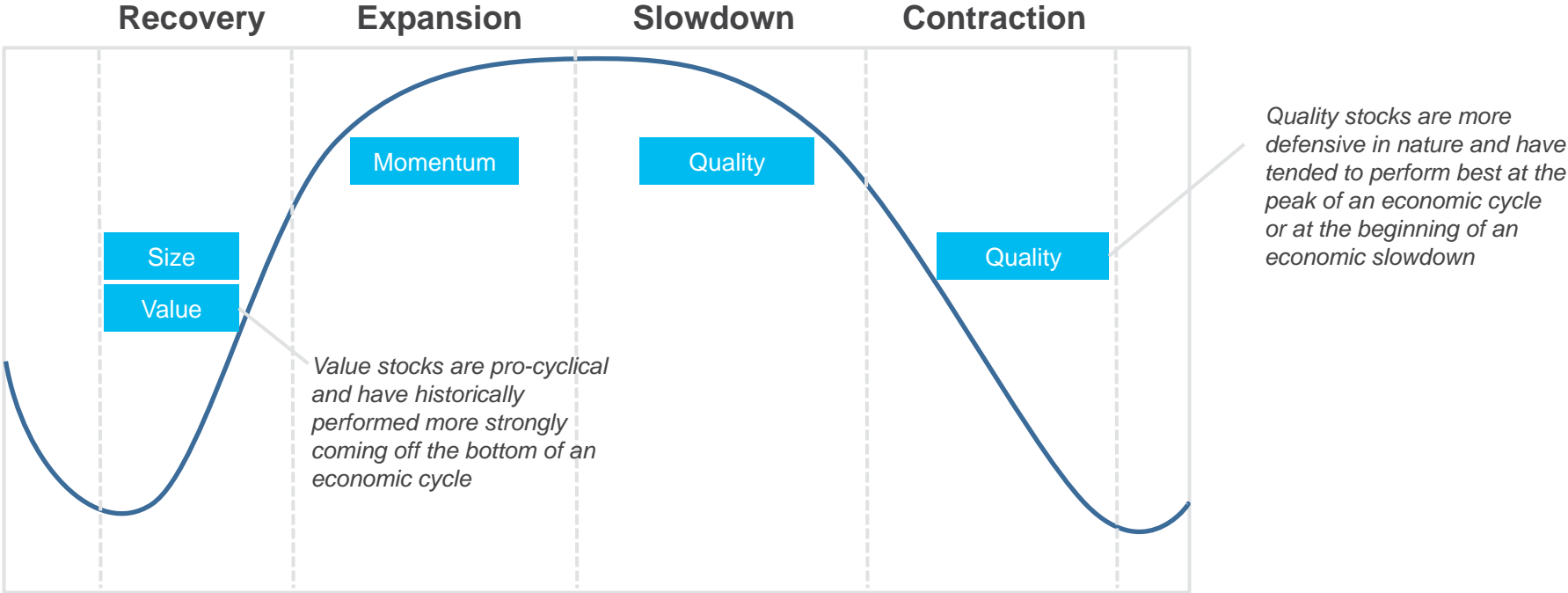


Rolling 3Y	MSCI USA Enhanced Value Index	MSCI USA SN Quality Index	MSCI USA Momentum Index	MSCI USA Risk Weighted Index
Average Excess	3.75%	0.80%	2.44%	3.90%
Average Annualized Std. Deviation	16.63%	13.66%	15.06%	13.38%
Minimum Excess R3YReturn	-4.04%	-2.50%	-5.94%	-2.00%
Min Period Ending	8/31/2012	1/31/2006	6/30/2011	5/28/2010
Maximum Excess R3Y Return	12.03%	4.26%	9.32%	15.87%
Max Period Ending	12/31/2002	2/28/2002	9/30/2002	3/31/2003

Source: Morningstar, MSCI. Based on back-tested index from Dec 1998 – Mar 2016, relative to the MSCI USA Index. 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. Enhanced Value corresponds to the MSCI USA Enhanced Value Index, SN Quality corresponds to the MSCI USA Sector Neutral Quality Index, Momentum corresponds to MSCI USA Momentum Index, and Size corresponds to the MSCI USA Risk Weighted Index.

Index returns are for illustrative purposes only. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. For more information, see appendix.

Factors Fluctuate with the Global Business Cycle



For illustrative purposes only.

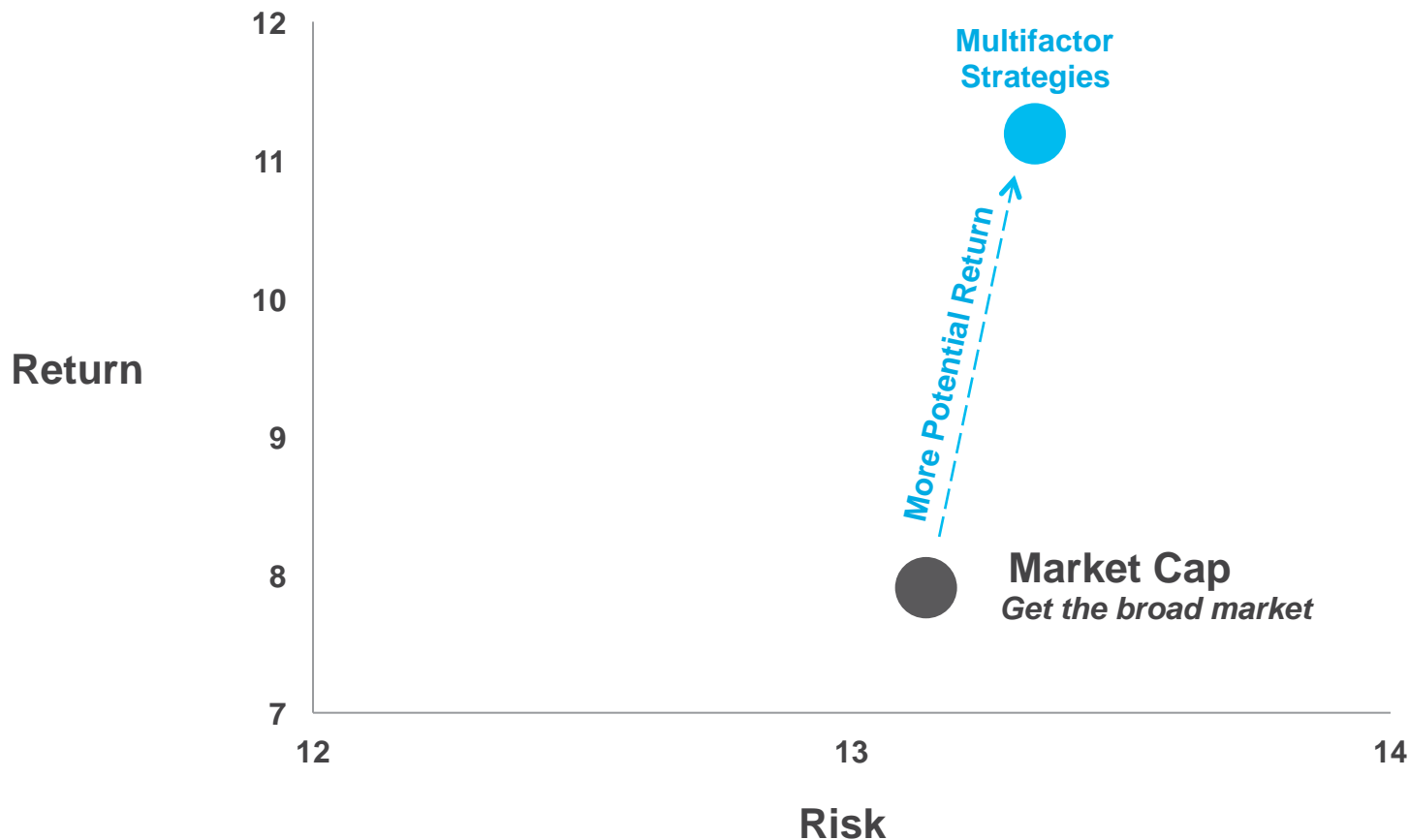
Low correlations

Individual factors generally have low or negative correlations to each other and have historically performed differently at different stages of the economic cycle based on specific drivers of risk and return.

MSCI USA Factor Indexes: Correlations of Excess Returns

	MSCI USA Sector Neutral Quality Index	MSCI USA Enhanced Value Index	MSCI USA Risk Weighted Index	MSCI USA Momentum Index
MSCI USA Sector Neutral Quality Index	1.000			
MSCI USA Enhanced Value Index	-0.421	1.000		
MSCI USA Risk Weighted Index	0.004	0.443	1.000	
MSCI USA Momentum Index	0.158	-0.173	-0.029	1.000

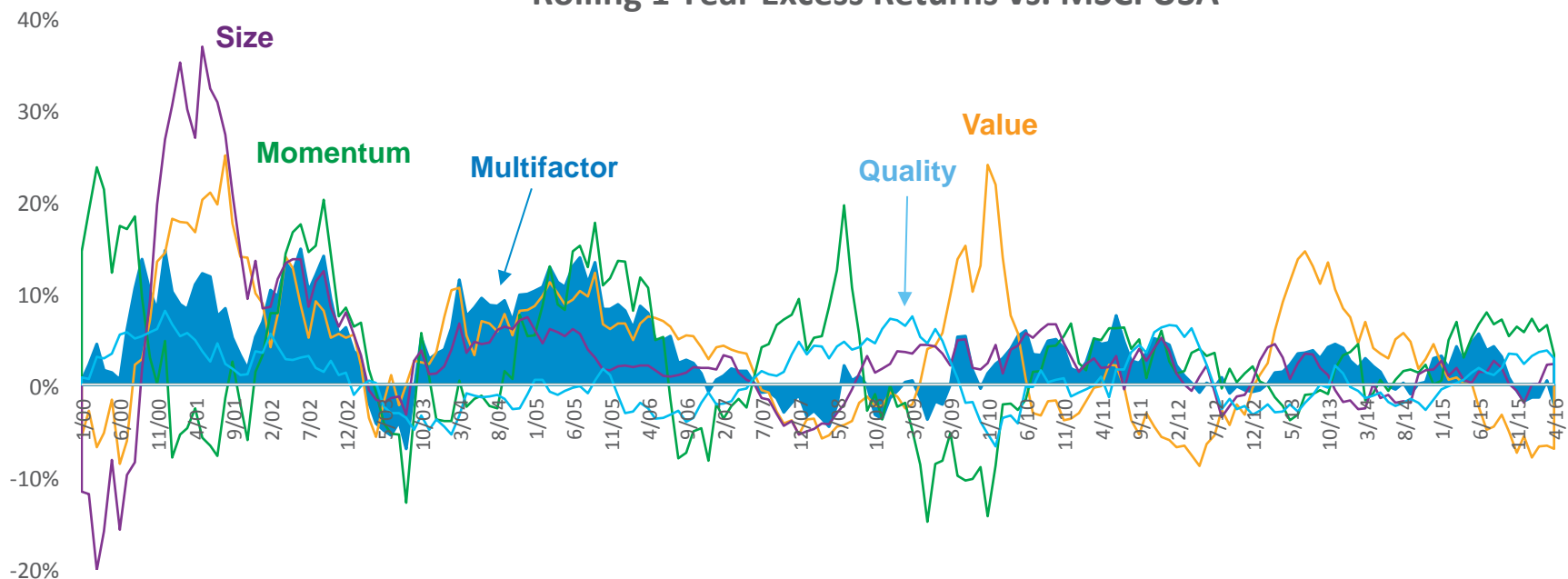
What if Investors Are Looking for More?



Source: Morningstar as of 6/30/2016 Based on historical rolling 1 year returns of S&P 500 and MSCI USA Minimum Volatility Indexes from 7/1/2001-6/30/2016
Minimum volatility strategies may help reduce losses during declining markets while still experiencing gains during rising markets. There is no guarantee that such outcomes will be achieved. Index returns are for illustrative purposes only and do not represent actual iShares Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. 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. 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. This analysis contains back-tested index data. For additional information, see the Appendix.

Diversity of Multifactor has improved consistency in outcome

Rolling 1 Year Excess Returns vs. MSCI USA



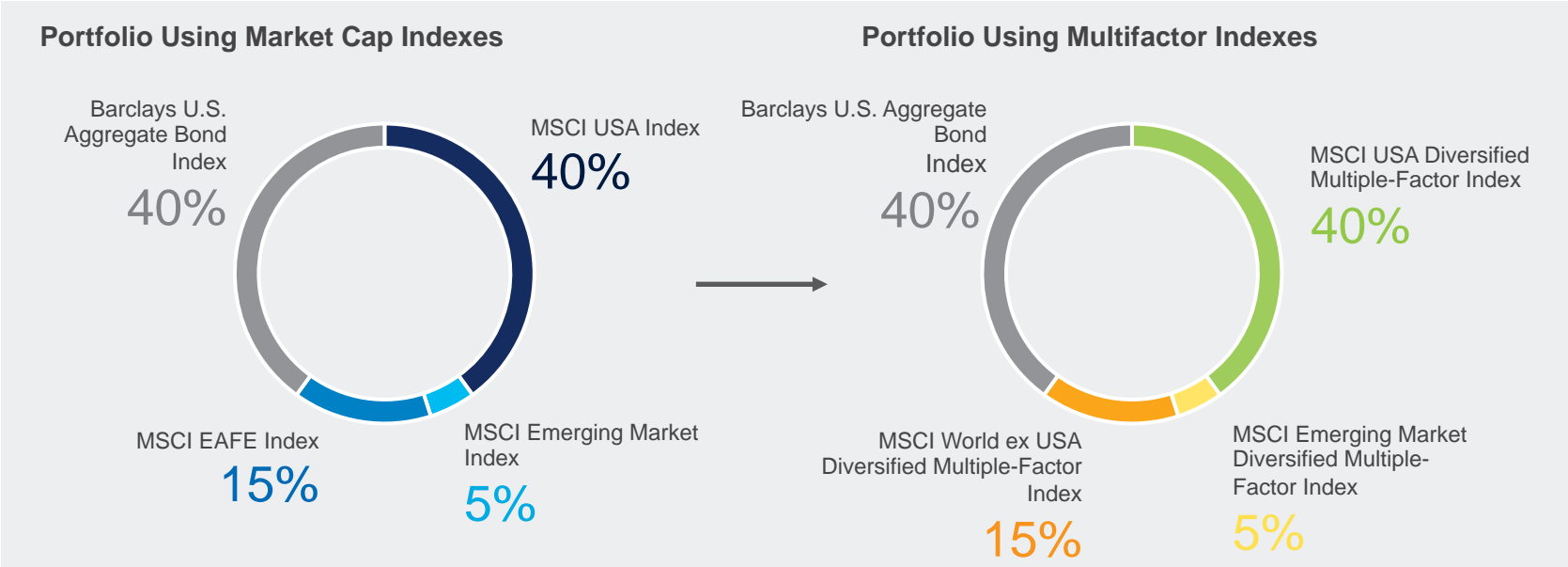
	Multifactor	Value	Momentum	Size	Quality
Total # Periods	197	197	197	197	197
% Monthly Periods outperform USA	77%	63%	64%	76%	54%
Max Drawdown of Excess Returns	-8.9%	-13.1%	-23.7%	-19.9%	-9.4%
Max Drawdown Duration (months)	5	20	54	11	8

Source: MSCI. Based on back-tested index data from Jan 2000 – Apr 2016, relative to the MSCI USA Index. Rolling 1 year data with a 1 month step. **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.**

Multifactor corresponds to the MSCI USA Diversified Multiple-factor Index, Value corresponds to the MSCI USA Enhanced Value Index, Quality corresponds to the MSCI USA Sector Neutral Quality Index, Momentum corresponds to MSCI USA Momentum Index, and Size corresponds to the MSCI USA Risk Weighted Index.

Index returns are for illustrative purposes only. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. For more information, see appendix.

Seek More From Your Beta with Multifactor Exposures



Reflects Period: 7/1/2006 – 6/30/2016 (10-Year)	Market Cap Portfolio	Portfolio With Multifactor Indexes
Annualized Return %	5.9	6.8
Annualized Standard Deviation %	9.9	10.2
Sharpe Ratio	0.5	0.6

Source: BlackRock, Morningstar, as of 7/1/2006 – 6/30/2016. **Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Analysis based on back-test 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. For more information, see Appendix. Not a recommendation; no guarantee that any strategy will be effective. This illustration is not a complete analysis of every material fact respecting any strategy, and does not include commissions, tax implications or other transaction costs, which may significantly affect the economic consequences of a given strategy.**

Appendix

Hypothetical performance and backtesting

Backtested performance is NOT an indicator of future actual results. The results reflect performance of a strategy not historically offered to investors and do NOT represent returns that any investor actually attained. Backtested results are calculated by the retroactive application of a model constructed on the basis of historical data and based on assumptions integral to the model which may or may not be testable and are subject to losses.

General assumptions include: BlackRock would have been able to purchase the securities recommended by the model and the markets were sufficiently liquid to permit all trading. Changes in these assumptions may have a material impact on the backtested returns presented. Certain assumptions have been made for modeling purposes and are unlikely to be realized. No representations and warranties are made as to the reasonableness of the assumptions. This information is provided for illustrative purposes only.

Backtested performance is developed with the benefit of hindsight and has inherent limitations. Specifically, backtested results do not reflect actual trading or the effect of material economic and market factors on the decision-making process. Since trades have not actually been executed, results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity, and may not reflect the impact that certain economic or market factors may have had on the decision-making process. Further, backtesting allows the security selection methodology to be adjusted until past returns are maximized. Actual performance may differ significantly from backtested performance.

Backtested results are adjusted to reflect the reinvestment of dividends and other income and, except where otherwise indicated, are presented gross-of fees and do not include the effect of backtested transaction costs, management fees, performance fees or expenses, if applicable. No cash balance or cash flow is included in the calculation.

Appendix: Multifactor and Min Vol Investing suite—Index Information

- ▶ This analysis contains back-tested index data.
- ▶ Index returns are for illustrative purposes only and do not represent any actual fund performance.
- ▶ Index performance returns do not reflect any management fees, transaction costs or expenses.
- ▶ Indexes are unmanaged and one cannot invest directly in an index.
- ▶ Past performance does not guarantee future results.
- ▶ 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.
- ▶ Hypothetical data results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and cannot account for risk factors that may affect the actual fund performance.
- ▶ The actual performance of the fund may vary significantly from the hypothetical index performance due to transaction costs, liquidity or other market factors.

Index Name	Index Launch Date	Index Back tested period	iShares ETF Benchmarked to Index
MSCI USA Minimum Volatility Index	June 2, 2008	1/1/01-6/2/08	iShares Edge MSCI Min Vol USA ETF (USMV)
MSCI USA Diversified Multifactor Index	February 17, 2015	1/1/01-2/17/15	iShares Edge MSCI Multifactor USA ETF (LRGF)
MSCI World ex USA Diversified Multifactor Index	February 17, 2015	1/1/01-2/17/15	iShares Edge MSCI Multifactor Intl ETF (INTF)
MSCI EM Minimum Volatility	December 1, 2009	1/1/01-12/1/09	iShares Edge MSCI Min Vol Emerging Markets ETF (EEMV)
MSCI EM Diversified Multifactor Index	February 17, 2015	1/1/01-2/17/15	iShares Edge MSCI Multifactor Emerging Markets ETF
MSCI EAFE Minimum Volatility	December 1, 2009	1/1/01-12/1/09	iShares Edge MSCI Min Vol EAFE ETF
MSCI USA Enhanced Value	December 12, 2014	1/1/01-12/12/14	iShares Edge MSCI USA Value Factor ETF
MSCI USA Momentum	February 15, 2013	1/1/01-2/15/13	iShares Edge MSCI USA Momentum Factor ETF
MSCI USA Sector Neutral Quality	December 12, 2014	1/1/01-12/12/14	iShares Edge MSCI USA Quality Factor ETF
MSCI USA Risk Weighted	June 28, 2011	1/1/01-6/28/11	iShares Edge MSCI USA Size Factor ETF

Standardized Index and Fund Performance as of 6/30/16

Index Name	1 year	5 years	10 years	Since Jan. 1, 2001	Index Launch Date:
MSCI EAFE Minimum Vol (USD) NR USD	3.89	7.23	5.94	7.71	June 2, 2008
MSCI EM Diversified Multi-Factor NR USD	-12.44	-1.95	6.90	13.09	December 1, 2009
MSCI EM Minimum Vol (USD) NR USD	-9.15	0.89	8.08	11.94	February 17, 2015
MSCI USA Diversified Multi-Factor GR USD	-0.64	12.36	8.17	8.03	February 17, 2015
MSCI USA Enhanced Value GR USD	-4.51	10.86	7.45	8.06	December 1, 2009
MSCI USA Minimum Volatility (USD) GR USD	17.33	14.77	9.80	7.34	February 17, 2015
MSCI USA Momentum GR USD	8.34	14.57	8.55	7.28	December 12, 2014
MSCI USA Risk Weighted GR USD	6.49	12.90	8.89	8.32	February 15, 2013
MSCI USA Sector Neutral Quality GR USD	5.37	12.49	8.99	5.75	December 12, 2014
MSCI World EX USA Div Multi-Factor NR USD	-7.06	4.17	4.77	8.38	June 28, 2011

All Data as of 6/30/16

Fund Name	Fund Inception Date	Gross Expense Ratio	30-Day SEC Yield (With / Without Waiver)	Contractual Fee Waiver Expiration (If Applicable)	1-Year Returns		5-Year Returns		10-Year Returns		Since Inception	
					NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares Edge MSCI Min Vol EAFE ETF (EFAV)	10/18/2011	0.33%	2.74% / 2.63%	November 30, 2016	3.84%	4.30%	--	--	--	--	9.09%	9.20%
iShares Edge MSCI Min Vol Emerging Markets ETF (EEMV)	10/18/2011	0.69%	2.37% / 1.94%	December 31, 2018	-9.12%	-8.21%	--	--	--	--	3.43%	3.60%
iShares Edge MSCI Min Vol USA ETF (USMV)	10/18/2011	0.15%	2.08%	--	17.14%	17.17%	--	--	--	--	16.00%	16.00%
iShares Edge MSCI Multifactor USA ETF (LRGF)	4/28/2015	0.35%	1.95%	--	-0.96%	-0.88%	--	--	--	--	-1.64%	-1.61%
iShares Edge MSCI Multifactor Intl ETF (INTF)	4/28/2015	0.45%	2.40%	--	-7.37%	-7.48%	--	--	--	--	-8.19%	-7.66%
iShares Edge MSCI USA Quality Factor ETF (QUAL)	7/16/2013	0.15%	1.98%	--	6.58%	6.61%	--	--	--	--	11.60%	11.61%
iShares Edge MSCI USA Value Factor ETF (VLUE)	4/16/2013	0.15%	2.41%	--	-3.43%	-3.43%	--	--	--	--	8.79%	8.79%
iShares Edge MSCI USA Size Factor ETF (SIZE)	4/16/2013	0.15%	1.82%	--	6.38%	6.40%	--	--	--	--	11.84%	11.87%
iShares Edge MSCI USA Momentum Factor ETF (MTUM)	4/16/2013	0.15%	1.62%	--	8.18%	8.15%	--	--	--	--	14.37%	14.38%
iShares Edge MSCI Multifactor Emerging Markets ETF (EMGF)	12/8/2015	0.70%	1.93% / 1.80%	December 31, 2016	--	--	--	--	--	--	5.05%	4.63%

Source: BlackRock as of 6/30/16.

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Index methodology is available upon request.

Back tested data is calculated by individual index providers and used in analysis until live index data is available. This analysis uses backtested data from MSCI Inc.

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Index disclosures (as of September 30, 2016)

This analysis contains back-tested index data

- ▶ Index returns are for illustrative purposes only and do not represent any actual fund performance
- ▶ Index performance returns do not reflect any management fees, transaction costs or expenses
- ▶ Indexes are unmanaged and one cannot invest directly in an index
- ▶ Past performance does not guarantee future results
- ▶ 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
- ▶ Hypothetical data results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and cannot account for risk factors that may affect the actual fund performance
- ▶ Actual performance of the fund may vary significantly from hypothetical index performance due to transaction costs, liquidity or other market factors

Index name	Index launch date	Dates of back-tested returns	1-year ann. returns	5-year ann. returns	10-year ann. returns
MSCI USA Diversified Multi-Factor Index	2/17/15	11/30/98-2/16/15	11.15%	17.35%	8.27%
MSCI World Momentum Index	12/11/13	11/28/75-12/11/13	10.28%	9.95%	3.93%
MSCI World Equal Weighted Index	1/22/08	11/28/75-1/22/08	3.46%	8.93%	4.81%
MSCI World Enhanced Value Index	08/11/14	11/28/97-08/11/14	3.82%	6.94%	2.15%
MSCI World Sector Neutral Quality Index	08/11/14	11/30/98-08/11/14	9.00%	8.98%	4.98%

Index methodology is available at www.msci.com.

Minimum Volatility index and fund performance (as of September 30, 2016)

Index Name	Index Inception Date	Dates of Back-Tested Returns	1-Year	5-Year	10-Year
MSCI ACWI Minimum Volatility (USD) Index	11/30/2009	6/30/2000-11/30/2009	16.98%	12.09%	7.87%
MSCI EAFE Minimum Volatility (USD) Index	12/1/2009	6/30/2000-12/1/2009	11.80%	9.85%	6.13%
MSCI Emerging Markets Minimum Volatility (USD) Index	12/1/2009	6/30/2000-12/1/2009	11.60%	5.63%	8.31%
MSCI Emerging Markets Index	1/1/2001	6/30/2000-1/1/2001	17.14%	3.39%	4.28%
MSCI USA Minimum Volatility (USD) Index	6/2/2008	6/30/2000-6/2/2008	17.40%	15.97%	9.10%

Fund Name	Fund Inception Date	Gross Expense Ratio	30 Day SEC Yield (With/Without Waiver)	Contractual Fee Waiver Expiration (If Applicable)	1-Year Returns		5-Year Returns		10-Year Returns		Returns Since Inception	
					NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
iShares Edge MSCI Min Vol Global ETF	10/18/2011	0.33%	2.42% / 2.30%	December 31, 2018	16.54%	16.49%	--	--	--	--	11.16%	11.22%
iShares Edge MSCI Min Vol EAFE ETF	10/18/2011	0.33%	2.73% / 2.63%	November 30, 2016	11.32%	11.20%	--	--	--	--	9.07%	9.12%
iShares Edge MSCI Min Vol Emerging Markets ETF	10/18/2011	0.69%	2.84% / 2.41%	December 31, 2018	10.89%	11.32%	--	--	--	--	4.20%	4.37%
iShares MSCI Emerging Markets ETF	10/18/2011	0.69%	1.73%	--	16.15%	16.91%	2.52%	3.39%	3.39%	3.50%	11.10%	11.16%
iShares Edge MSCI Min Vol USA ETF	10/18/2011	0.15%	2.21%	--	17.26%	17.29%	--	--	--	--	14.85%	14.85%

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Back tested data is calculated by individual index providers and used in analysis until live index data is available. This analysis uses backtested data from MSCI Inc.

Index and Fund performance (as of September 30, 2016)

Index Name	Index Inception Date	Dates of Back-Tested Returns	1-Year	5-Year	10-Year
MSCI USA Sector Neutral Quality Index	12/12/2014	11/30/98-12/12/14	13.94%	15.60%	8.75%
MSCI USA Enhanced Value Index	12/12/2014	11/28/97-12/12/14	12.04%	17.47%	7.49%
MSCI USA Risk Weighted Index	6/28/2011	12/31/74-6/28/11	15.15%	16.52%	8.71%
MSCI USA Momentum Index	2/15/2013	12/31/74-2/15/13	14.94%	17.95%	8.97%

Ticker	Fund Name	Fund Inception Date	Gross Expense Ratio	30 Day SEC Yield (With/Without Waiver)	Contractual Fee Waiver Expiration (If Applicable)	1-Year Returns		5-Year Returns		10-Year Returns		Since Inception	
						NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price	NAV	Mkt Price
QUAL	iShares Edge MSCI USA Quality Factor ETF	7/16/2013	0.15%	1.97%	--	13.81%	13.86%	--	--	--	--	11.57%	11.56%
VLUE	iShares Edge MSCI USA Value Factor ETF	4/16/2013	0.15%	2.36%	--	11.86%	11.83%	--	--	--	--	10.14%	10.13%
SIZE	iShares Edge MSCI USA Size Factor ETF	4/16/2013	0.15%	1.82%	--	15.07%	15.19%	--	--	--	--	11.79%	11.80%
MTUM	iShares Edge MSCI USA Momentum Factor ETF	4/16/2013	0.15%	1.68%	--	14.79%	14.84%	--	--	--	--	13.79%	13.79%

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