

# DIVERSIFY EQUITY RISK WITH AGG

As stock market volatility increases, portfolio diversification with core fixed income may be more important than ever.

**AGG** **iShares Core U.S. Aggregate Bond ETF<sup>1</sup>**  
Expense Ratio: 0.03%  
30-Day SEC Yield: 4.33%  
Effective Duration: 6.08 years

## Key takeaways



**Competitive performance** – AGG has outperformed 48% of the funds in the Intermediate Core Bond Morningstar category, which includes 385 funds, over the last 5 years, based on total return.<sup>2</sup>



**Low cost** – AGG is over 95% less expensive than the average funds in its Morningstar category (0.03% vs. 0.57%).<sup>3</sup>



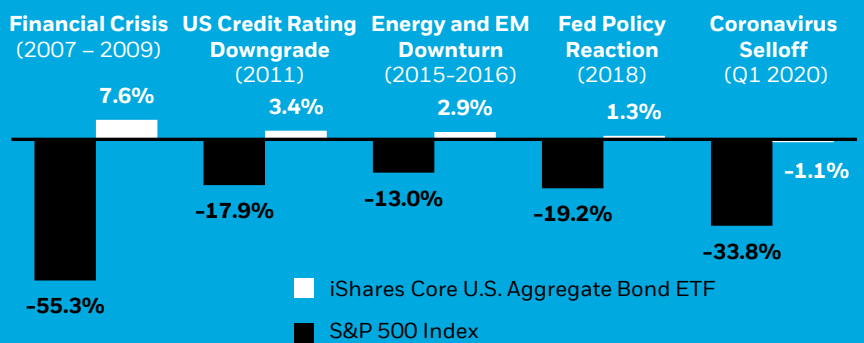
**Tax efficient** – AGG did not distribute capital gains in 2022 or in any of the past 7 years.<sup>4</sup>

## Use as ballast in a portfolio



Investment grade bonds have outperformed when there is a flight to quality, especially during periods of equity market volatility. The five largest declines in the S&P 500 Index since the global financial crisis all saw AGG post better returns.<sup>5</sup>

## AGG historically had better returns during stock market selloffs



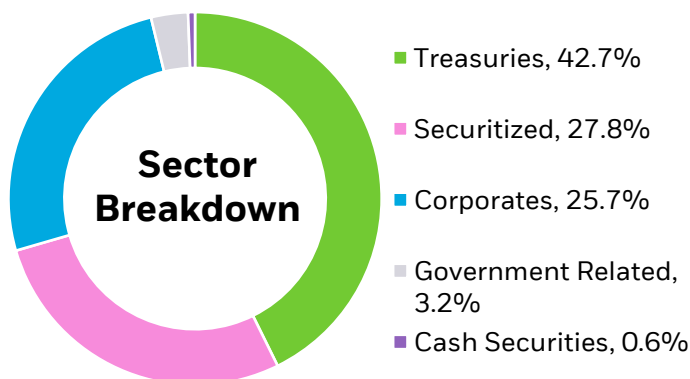
Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the performance shown. For most recent month-end performance see [www.iShares.com](http://www.iShares.com). For standardized performance, see the next page. Index returns are for illustrative purposes only. Indexes are unmanaged and one cannot invest directly in an index.

<sup>1</sup> BlackRock as of 3/31/2024. **Past performance does not guarantee future results.** <sup>2</sup> Morningstar, as of 3/31/2024. Comparison universe includes ETFs and mutual funds and uses total return which represents changes to the NAV and accounts for distributions from the funds (excluding any applicable sales charges). AGG outperformed 33% and 59% of peers on a 1 and 10 year basis which included 470 and 275 funds, respectively. Performance may be different for other time periods. **Past performance does not guarantee future results.** <sup>3</sup> Morningstar. AGG fee as of most current prospectus. Measured against the Morningstar Intermediate Core Bond category, inclusive of mutual funds and ETFs, as of 3/31/2024.

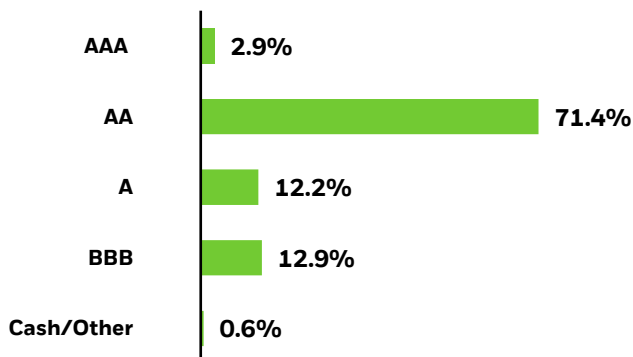
<sup>4</sup> BlackRock, Morningstar, as of 12/31/2023. See [www.iShares.com/tax](http://www.iShares.com/tax) for a complete list of funds that distributed capital gains in 2022. Past distributions not indicative of future distributions. <sup>5</sup> Morningstar, as of 3/31/2024. ETF performance uses NAV returns. Financial Crisis measured 10/10/07 – 3/9/09, US Credit Rating Downgrade measured 7/25/11 – 10/3/11, Energy and EM Downturn measured 7/21/15 – 2/11/16, Fed Policy Reaction measured 1/29/18 – 2/8/18, Coronavirus Selloff measured 2/19/20-3/23/20.

# How do investment grade core bonds diversify against equity risk?

With over 7,000 bonds covering five broad fixed income sectors, AGG allows investors comprehensive access to the U.S. investment grade bond market. Nearly 70% of the fund is allocated to high-quality, government-backed securities including U.S. Treasuries and agency mortgage-backed securities (MBS). The remaining 30% is spread among corporate bonds, non-corporate credit, and municipal securities, offering access to potentially higher yielding bonds.



## Credit quality breakdown



Rating and sector breakdown sourced from BlackRock Solutions, as of 3/31/2024. Subject to change. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security, the lower of the two ratings if only two agencies rate a security, and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time.

**Fees as of current prospectus. All other data as of 3/31/2024.**

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 Core U.S. Aggregate Bond ETF	09/22/2003	0.03%	4.33%	June 30, 2026	1.61%	1.59%	0.32%	0.29%	1.50%	1.50%	3.00%	3.00%

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Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Any applicable brokerage commissions will reduce returns. Beginning August 10, 2020, market price returns for BlackRock and iShares ETFs are calculated using the closing price and account for distributions from the fund. Prior to August 10, 2020, market price returns for BlackRock and iShares ETFs were calculated using the midpoint price and accounted for distributions from the fund. The midpoint is the average of the bid/ask prices at 4:00 PM ET (when NAV is normally determined for most ETFs). The returns shown do not represent the returns you would receive if you traded shares at other times. Performance shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without such waivers.

**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses and, if available, summary prospectuses, which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.BlackRock.com](http://www.BlackRock.com). Read the prospectus carefully before investing.**

**Investing involves risk, including possible loss of principal.**

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Diversification may not protect against market risk or loss of principal. Transactions in shares of ETFs will result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders. This information should not be relied upon as research, investment advice, or a recommendation regarding any products, strategies, or any security in particular. This material is strictly for illustrative, educational, or informational purposes and is subject to change. Prepared by BlackRock Investments, LLC.

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GELM-2300-APR24-Q-US