

## FUND OVERVIEW

The iShares 1-3 Year US Treasury Bond ETF seeks to track the performance of the FTSE US Treasury Select Index – JIT 1-3 Years in JPY Terms. The FTSE US Treasury Select Index – JIT 1-3 Years in JPY Terms is a market-capital weighted index that is comprised of US Treasuries with remaining maturities between 1 and 3 years.

Click [here](#) for more details about the underlying index.

## WHY 2620 ?

- 1 Exposure to short-term U.S. treasury bonds (at least 1 year, and less than 3 years) Use to diversify internationally and seek long-term asset building.
- 2 Listed on the Tokyo Stock Exchange as a U.S. equity fund dominated in JPY and tradable during market hours similar to a listed stock.
- 3 Is as an eligible fund under the growth framework of the NISA program.

## GROWTH OF HYPOTHETICAL 10,000 JPY SINCE INCEPTION



The Hypothetical Growth of ¥ 10,000 chart reflects a hypothetical ¥ 10,000 investment and assumes reinvestment of dividends before taxes. Fund expenses, including management fees and other expenses are deducted. The performance quoted represents past performance and does not guarantee future results.

## CUMULATIVE AND ANNUALISED PERFORMANCE

|           | Cumulative |         |        | Annualised |        |        |                 |
|-----------|------------|---------|--------|------------|--------|--------|-----------------|
|           | 1 Month    | 3 Month | YTD    | 1 Year     | 3 Year | 5 Year | Since Inception |
| Fund      | 3.39%      | 6.22%   | 10.75% | 19.89%     | 12.76% | -      | 11.72%          |
| Benchmark | 3.39%      | 6.25%   | 10.78% | 20.05%     | 12.95% | -      | 11.92%          |

## CALENDAR YEAR PERFORMANCE (% JPY)

|           | 2023   | 2022   | 2021   | 2020 | 2019 |
|-----------|--------|--------|--------|------|------|
| Fund      | 11.22% | 11.01% | 10.27% | -    | -    |
| Benchmark | 11.39% | 11.22% | 10.48% | -    | -    |

The fund performance shown above assumes reinvestment of distributions before taxes. Fund expenses, including management fees and other expense are deducted. Cumulative performance shows the aggregate return over the stated period. Annualized performance shows the compounded average yearly return over the stated period.

The investment results shown above reflect past performance and are not indicative of future performance. Investment results are not guaranteed. The fund's performance may diverge from that of the underlying index.

This document is provided for informational purposes only and does not constitute an offer or solicitation to purchase or sell units of the fund. This document is directed only at persons within Japan and not directed at nor is it intended for distribution to, or use by, persons in any jurisdiction in which the investment products are not authorized for distribution or in which the dissemination of information regarding the investment products is not permitted. Any quoted performance is not indicative of future results. BlackRock does not guarantee the performance of the fund. There are risks associated with investing, including the possible loss of principal. Before making any investment decisions, investors are advised to read the Fund prospectus carefully and make an appropriate decision considering their own circumstances.

## KEY FACTS

|                     |   |
|---------------------|---|
| Asset Class         | Fixed Income  |
| Ticker              | 2620  |
| ISIN                | JP3049120003  |
| SEDOL               | BJP5T38   |
| Product Type        | Foreign Fixed Income<br>ETF                                       |
| Fund Launch Date    | 14-Oct-2020   |
| Benchmark           | FTSE US Treasury Select JIT 1-3<br>Years in JPY Terms Index (JPY) |
| Number of Holdings  | 92  |
| Total Net Assets    | 18,244,763,890 JPY  |
| Trust Fee excl. tax | 0.140%  |
| Trust Fee incl. tax | 0.154%  |
| Units Outstanding   | 51,950,390  |
| Stock Exchange      | Tokyo Stock Exchange  |
| Domicile            | Japan   |
| Fund Base Currency  | Japanese Yen  |
| Trading Lot Size    | 10  |
| Trust Term          | Unlimited   |
| Record Date         | Ever year on Jan 11th,<br>Apr 11th, Jul 11th and<br>Oct 11th      |

\* Refer to page 3 for detailed fund expenses and fees

\* Number of holdings is exclusive of forwards and futures positions

## INDEX DESCRIPTION

The FTSE US Treasury Select Index – JIT 1-3 Years in JPY Terms, is a market-capital weighted index that is comprised of US Treasuries with remaining maturities between 1 and 3 years.

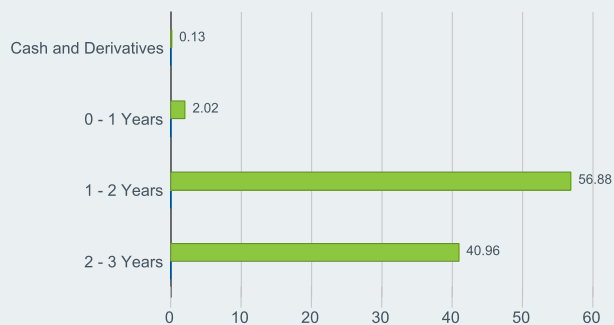
## TOP 10 HOLDINGS (%)

|   |      |
|---|------|
| USD CASH  | 2.88 |
| TREASURY NOTE (20LD)                                  | 1.94 |
| UNITED STATES TREASURY NOTE/<br>BOND 2.25% 2025/11/15 | 1.79 |
| TREASURY NOTE   | 1.75 |
| TREASURY NOTE   | 1.73 |
| TREASURY NOTE   | 1.71 |
| TREASURY NOTE   | 1.68 |
| UNITED STATES TREASURY NOTE/<br>BOND 1.5% 2026/08/15  | 1.64 |
| TREASURY NOTE   | 1.64 |
| TREASURY NOTE   | 1.63 |

\* Holdings are subject to change.

\* The data source for Holdings data is sourced in-house.

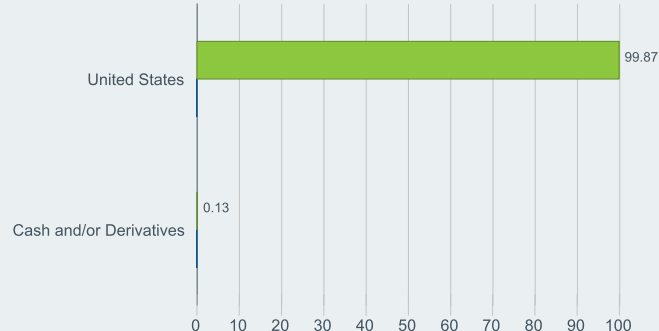
## MATURITY BREAKDOWN (%)



\* Maturity breakdown weightings are subject to change.

\* The data source for Maturity Breakdown data is sourced in-house

## GEOGRAPHIC BREAKDOWN (%)



\* Geography Breakdown weightings are subject to change. The data source for Geographic Breakdown is sourced in-house.

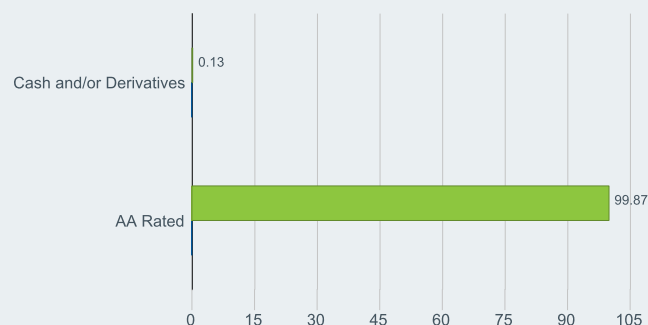
## PORTFOLIO CHARACTERISTICS

|                           |          |
|---------------------------|----------|
| Weighted Average Maturity | 1.91 yrs |
| Effective Duration        | 1.82 yrs |

\* Weighted Average Maturity is the average length of time to the repayment of principal for the securities in the fund. This metric considers the likelihood that bonds will be called or prepaid before the scheduled maturity date.

\* Effective Duration measures the responsiveness of a portfolio's price to change in interest rates. This calculation adjusts for changes in a bond's projected cash flows as a result of interest rate changes, considering the likelihood that bonds will be called or prepaid before the scheduled maturity date, and is based on proprietary BlackRock models. Where appropriate, Effective Duration has been adjusted for impacts associated with leverage, hedging transactions, and non-bond holdings, including derivatives.

## CREDIT RATINGS (%)



\* Credit rating breakdown weightings are 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.

\* The data source for Credit Rating Breakdown data is sourced in-house.

## FUND DISTRIBUTIONS

| Record Date | Distribution per share (JPY) |
|-------------|------------------------------|
| 11-Apr-2024 | 2.1000                       |
| 11-Jan-2024 | 2.7000                       |
| 11-Oct-2023 | 1.8000                       |
| 11-Jul-2023 | 1.9000                       |
| 11-Apr-2023 | 1.2000                       |

The distribution data shows the dividend amount before taxes on a per unit basis.

The distribution amount is determined on the record dates. As a general rule the entire amount of distributable income from the trust assets are distributed after deducting expenses however there may be cases where part or all of the distributable income is reserved for future distributions.

Past distributions are not indicative of future distributions. There is no guarantee that distributions will be paid

## Fund Expenses and Fees

### Trading Costs (when trading on the exchange)

Trading commissions will vary depending on the broker. Please contact your broker for further details.

### Fees on Creations (when creating units through an Authorized Participant)

Commissions (including consumption taxes, etc.) to be determined by each individual Authorized Participant may be charged for creating units of the ETF. Please contact the Authorized Participant for further details.

### Fund Level Creation Fee (primary market)

A fee as determined by the management company to be the amount equivalent to execution costs will be charged on the NAV calculated one business day following the day the creation order is accepted.

### Fund Level Redemption Fee (primary market)

A fee as determined by the management company to be the amount equivalent to execution costs will be charged on the NAV calculated one business day following the day the redemption order is accepted.

### Fees on Redemptions (when redeeming units through an Authorized Participant)

Commissions (including consumption taxes, etc.) to be determined by each individual Authorized Participant may be charged for redeeming or repurchasing units of the ETF. Please contact the Authorized Participant for further details.

### Fund Management Fee (Trust Fee)

A fund management fee will be charged on the fund's total net assets at an annual rate of 0.154% (0.14% excluding taxes). The management fee (trust fee) is paid out of fund assets at the fund's book close dates and or at the termination of the trust.

### Other Fees and Expenses

Listing fees and costs associated with index licensing are capped at an annual rate of 0.0242% (0.022% excluding taxes) of the fund's total net assets. This cost is paid out of fund assets at the fund's book close dates and or at the termination of the trust. Trading costs and other miscellaneous expenses are paid out of the fund at the end of the fund's book close dates, at the termination of the trust and or as costs arise. If the fund participates in securities lending, at minimum 50% of the proceeds will be attributed to the fund at the end of the fund's book close dates and or when the proceeds are realized. The maximum fee levels for total other fees and expenses cannot be disclosed as the total fee may fluctuate based on fund performance and other factors.

\*Refer to the "Fund Expenses and Fees" section of the fund prospectus for further details.

## Investment Risks

### Fluctuations of the NAV

The NAV of the fund is affected by fluctuations in the prices of the investment securities held by the fund. All profits and losses arising from investment management of the fund are attributable to the investor. Accordingly, the principal invested and profits arising from these investments are not guaranteed. Investors may incur a loss and the principal invested may fall below par as the result of a decline in the NAV. Investment trusts are different from bank deposits.

### Interest Rate Risk

The fund invests in US treasury bonds. The price of bonds decreases when interest rates increase which may be led on by political, economical, social or other factors. Accordingly, the performance of the fund is affected by fluctuations in interest rates.

### Credit Risk

The fund invests in US treasury bonds. Default may occur due to the financial conditions of the issuers in which the fund invests deteriorates. In the case of default, the price of bonds will decrease, and the performance of the fund will be negatively affected. The value of bonds in the fund may fluctuate due to changes in the bonds ratings.

### Exchange Rate Risk

The fund invests in assets denominated in foreign currencies and does not hedge against exchange rate fluctuations. Thus fluctuations in the exchange rate will impact the investment performance of the fund.

### Country Risk

The fund invests in US treasury bonds. The price of bonds may fluctuate due to changes to the political and economic situation, as well as changes to currency or capital regulations and other factors in the country in which the fund invests.

### Derivative Transaction Risk

The fund may use derivative transactions such as futures and options for the purpose of efficient management of the fund and to protect the fund from fluctuations in securities prices, interest and FX rates. There are costs associated with derivative transactions which will affect the performance of the fund. In addition, derivative transactions will not necessarily be used, and there is no guarantee that a specific outcome can be achieved even if derivative transactions are used.

### Securities Lending Risk

Lending of securities involves counterparty risks such as counterparty defaults due to bankruptcy, etc. The fund may suffer losses as a result of such defaults.

### Difference in NAV and Trading Price

The trading price of the fund fluctuates continuously throughout trading hours based on market supply and demand, rules and regulations of the exchange, differences in trading time zones and or trading venues of the underlying assets. As a result, the trading price may deviate from the fund's NAV.

\*Refer to the "Investment Risks" section of the fund prospectus for further details.

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## SUSTAINABILITY CHARACTERISTICS

Sustainability Characteristics can help investors integrate non-financial, sustainability considerations into their investment process. These metrics enable investors to evaluate funds based on their environmental, social, and governance (ESG) risks and opportunities. This analysis can provide insight into the effective management and long-term financial prospects of a fund.

The metrics below have been provided for transparency and informational purposes only. The existence of an ESG rating is not indicative of how or whether ESG factors will be integrated into a fund. The metrics are based on MSCI ESG Fund Ratings and, unless otherwise stated in fund documentation and included within a fund's investment objective, do not change a fund's investment objective or constrain the fund's investable universe, and there is no indication that an ESG or Impact focused investment strategy or exclusionary screens will be adopted by a fund. For more information regarding a fund's investment strategy, please see the fund's prospectus.

|  |                                |  |         |
|--|--------------------------------|--|---------|
| MSCI ESG Fund Rating (AAA-CCC)           | A                              | MSCI ESG Quality Score (0-10)                                | 5.86    |
| MSCI ESG Quality Score - Peer Percentile | 89.29%                         | MSCI ESG % Coverage  | 100.00% |
| Fund Lipper Global Classification        | Bond USD Government Short Term | MSCI Weighted Average Carbon Intensity (Tons CO2E/\$M SALES) | -       |
| Funds in Peer Group                      | 56                             |  |         |

All data is from MSCI ESG Fund Ratings as of **21 Apr 2024**, based on holdings as of **31 Mar 2024**. As such, the fund's sustainable characteristics may differ from MSCI ESG Fund Ratings from time to time.

To be included in MSCI ESG Fund Ratings, 65% (or 50% for bond funds and money market funds) of the fund's gross weight must come from securities with ESG coverage by MSCI ESG Research (certain cash positions and other asset types deemed not relevant for ESG analysis by MSCI are removed prior to calculating a fund's gross weight; the absolute values of short positions are included but treated as uncovered), the fund's holdings date must be less than one year old, and the fund must have at least ten securities.

### ESG GLOSSARY:

**MSCI ESG Fund Rating (AAA-CCC):** The MSCI ESG Rating is calculated as a direct mapping of ESG Quality Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

**MSCI ESG Quality Score - Peer Percentile:** The fund's ESG Percentile compared to its Lipper peer group.

**Fund Lipper Global Classification:** The fund peer group as defined by the Lipper Global Classification.

**Funds in Peer Group:** The number of funds from the relevant Lipper Global Classification peer group that are also in ESG coverage.

**MSCI ESG Quality Score (0-10):** The MSCI ESG Quality Score (0 - 10) for funds is calculated using the weighted average of the ESG scores of fund holdings. MSCI rates underlying holdings according to their exposure to industry specific ESG risks and their ability to manage those risks relative to peers.

**MSCI ESG % Coverage:** Percentage of the fund's holdings for which the MSCI ESG ratings data is available. The MSCI ESG Fund Rating, MSCI ESG Quality Score and MSCI ESG Quality Score – Peer Percentile metrics are displayed for funds with at least 65% coverage (or 50% for bond funds and money market funds).

**MSCI Weighted Average Carbon Intensity (Tons CO2E/\$M SALES):** Measures a fund's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the fund's holdings. This allows for comparisons between funds of different sizes.

**MSCI Weighted Average Carbon Intensity % Coverage:** Percentage of the fund's holdings for which MSCI Carbon Intensity data is available. The MSCI Weighted Average Carbon Intensity metric is displayed for funds with any coverage. Funds with low coverage may not fully represent the fund's carbon characteristics given the lack of coverage.

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