

RIDE ON MOMENTUM

GET EXPOSURE TO RECENT MARKET OUTPERFORMERS

iShares MSCI World ex Australia Momentum ETF

Fund description

The iShares MSCI World ex Australia Momentum ETF (**IMTM**) provides exposure to large and mid-cap developed international stocks that are outperforming and decreased exposure to those that are underperforming. It is the first ever momentum factor ETF in Australia. IMTM aims to track the performance of the MSCI World ex Australia Momentum Index.

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital growth
- using the product for a major allocation of their portfolio or less
- and with a minimum investment timeframe of 5 years
- and with high to very high risk/return profile

Benefits of investing in IMTM



Follow the uptrend

Exposure to developed market stocks with upward trending prices that have historically outperformed their peers over time.¹



40+ years of Factor Investing

BlackRock began using factors for tactical asset allocations as early as 1977 and launched single factor ETFs in 2011.



Tap into the business cycle

Gain exposure to a factor that tends to perform best during economic expansions and periods where trends have formed in markets.

Fund details

Ticker	IMTM
Currency	AUD
Exchange	CBOE Australia
Distribution frequency	Semi-Annual
Inception date	14 February 2024
Asset class	Equity
Benchmark	MSCI World ex Australia Momentum Index
Management fee	0.25%
Fund data	Fact sheet and data

Fund features

1

Daily liquidity: Just like individual shares, IMTM can be bought and sold on exchange

2

Transparency: Daily transparency of the portfolio holdings, performance and characteristics

3

Cost-effective: An annual management fee of just 0.25%

¹ Source: MSCI as of Dec. 31, 2023. See page 2.

There is no guarantee that a positive investment outcome will be achieved. While the investment approach described herein seeks to control risk, risk cannot be eliminated.

Material differences may exist between momentum stocks and compared, such as sectors, countries or markets covered. Past performance is not a reliable indicator of future performance.

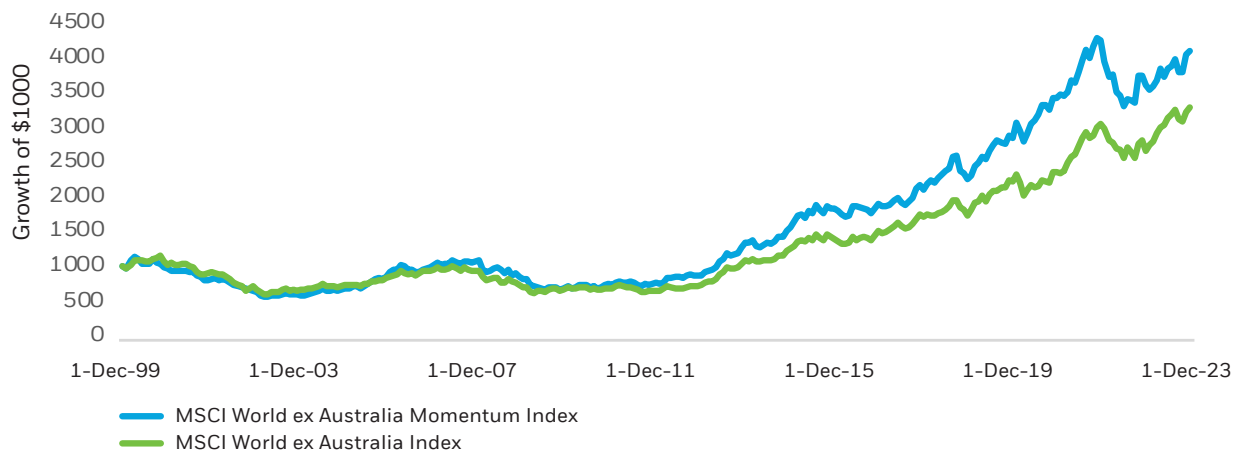
Momentum investing explained

Momentum takes into consideration the relative **risk-adjusted performance of each stock over the past six months and twelve months**. While we do not have a crystal ball, we think that targeting these two time periods better captures the momentum factor.

Unlike other factor exposures offered by iShares in Australia, the MSCI World ex Australia Momentum Index does not apply sector constraints. Academic research² has found momentum at the security level, industry/sector level, and at the asset class level; therefore, when capturing momentum in a portfolio, it is important not to constrain sectors.

Momentum is commonly known as the “chameleon” factor, taking the form of the most recent trends in markets.

Figure 1: Long-term outperformance of global momentum



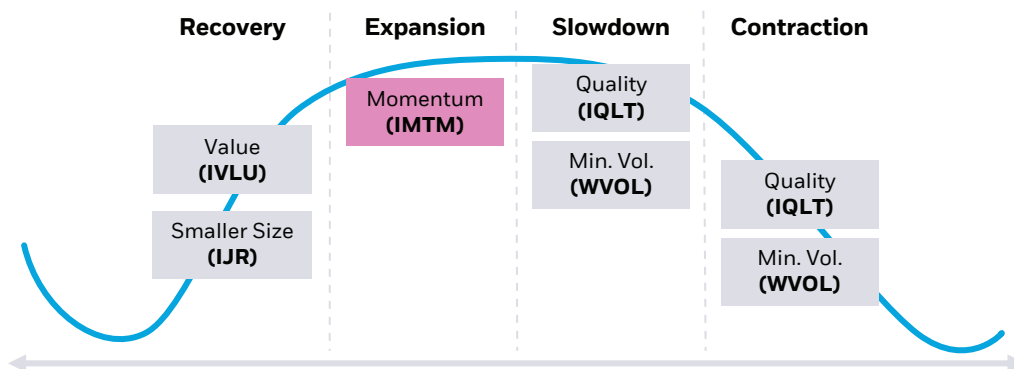
Source: MSCI as of Dec. 31, 2023.

Past performance is not a reliable indicator of future 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.

Using factors in two ways

1. A portfolio allocation to a factor exposure to pursue greater expected returns or manage the overall level of expected risk in a portfolio. Figure 1 above shows the long-term persistent outperformance of the MSCI World ex Australia Momentum Index compared to the market weighed index.
2. For a tactical allocation within the business cycle. Investors tend to have a preference for momentum during economic expansion. There is also a preference to look to momentum when trends have formed in the market (figure 2).

Figure 2: When factors tend to outperform in the cycle



Australian listed iShares ETF ticker codes shown for each factor. All exposures except for Size (US equity) are Developed World ex Australia Index.

² “Do Industries Explain Momentum” by Moskowitz and Grinblatt (1999) and “Understanding the Nature of the Risks and the Sources of the Rewards to Momentum Investing” by Grundy and Martin (2001).

Want to know more?

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ISH8102-14.02.24

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