

# HYDB

**Seek outperformance in high yield through systematic insights at a low cost**

## Rethinking the way we invest in High Yield

HYDB leverages active insights embedded into an index through a systematic, transparent, and repeatable process.

By focusing on issuers with healthy balance sheets and attractive valuations, HYDB seeks to participate in more market upside and less market downside.

**HYDB** iShares High Yield Systematic Bond ETF  
Expense ratio: 0.35%

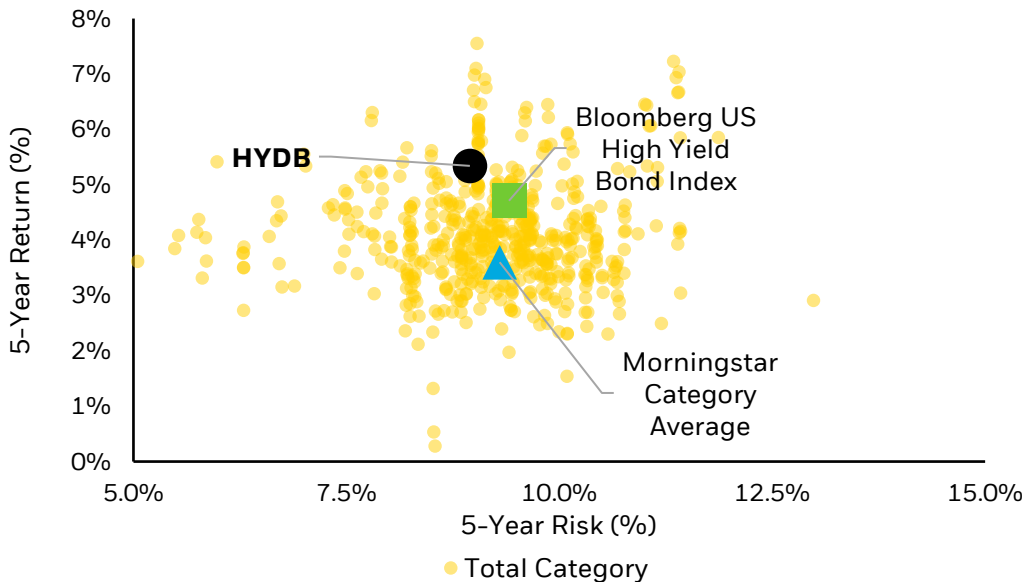
**5-Year Total Return Rank:** 68/563 funds (12th percentile) in the Morningstar High Yield Bond category<sup>2</sup>

**30-Day SEC Yield:** 6.70%

**Eff. Duration:** 3.25 yrs

All above data as of 9/30/2024.

## HYDB vs. Morningstar peer group<sup>1</sup>



**88%**

**TOP DECILE PERFORMANCE**

HYDB has outperformed 88% of its peers on a 5-year basis.<sup>2</sup>

**0.35%**

**BOTTOM DECILE FEES**

HYDB's expense ratio is lower than 95% of its peers, and 0.54% less than the average fund in the category.<sup>3</sup>

**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.**

<sup>1</sup> Source: Data for Bloomberg Barclays US High Yield Bond Index and Morningstar Corporate Bond Fund Category Average as reported by Morningstar as of 9/30/2024. Data for HYDB is provided by BlackRock as of 9/30/2024. Universe includes all index funds, ETFs, and mutual funds with 5 years of performance using total return. Risk, represented by standard deviation, 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. <sup>2</sup> Morningstar as of 9/30/2024. Universe includes all index funds, ETFs, and mutual funds in the High Yield Bond category. HYDB outperformed 88% of funds (12th percentile) over the 5-year period, ranked 68/563 in the High Yield Bond category. Total return represents changes to the NAV and accounts for distributions from the funds (excluding any applicable sales charges). **Past performance does not guarantee future results.** Other time periods may have different results. <sup>3</sup> Morningstar as of 9/30/2024. Average expense ratio in the High Yield Bond category is 0.90%. Universe includes all index funds, ETFs, and mutual funds, based on average prospectus net expense ratios.

[iShares.com/HYDB](http://iShares.com/HYDB)

# HYDB's index in action

Seeks to avoid riskier securities while targeting higher quality and undervalued bonds

## Screen on Quality

Screens out bonds based on Quality metrics in an effort to **avoid risky securities and minimize potential drawdowns**



## Tilt toward Value

Tilts toward bonds based on Value with attractive default-adjusted spreads to seek **enhanced income potential and total returns**



## Align to Market

Aligns portfolio with broad market in an effort to **limit unintended risks and minimize turnover**



## Notable exclusion Diamond Sports Grp (DSPORT)

**What?** DSPORT was screened out of HYDB's index in Q2 2020 because BlackRock's probability of default estimate for the issuer moved above an acceptable level of risk.

**Why?** DSPORT's probability of default was elevated in early 2020 due to deteriorating sentiment and fundamental signals. This was exacerbated by the COVID-19 shock, which had a meaningful impact on the issuer's revenue and earnings.

For illustrative purposes only. Based on the methodology of the BlackRock High Yield Systematic Bond Index.

Notable exclusion is selected to illustrate the investment process as of the most recent rebalance (12/29/23). Securities shown for illustrative purposes only and should not be construed as recommendation to buy, hold or sell. There is no guarantee that any securities remain in or out of the fund. For current fund holdings, see [www.iShares.com](http://www.iShares.com).

HYDB Standardized Performance as of 9/30/2024	1 Year	5 Year	10 Year	Since Inception (07/11/2017)
Fund NAV Total Return	17.15%	5.24%	--	5.58%
Fund Market Price Total Return	17.52%	5.34%	--	5.60%
BlackRock High Yield Systematic Bond Index	17.83%	5.87%	--	5.95%

*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. Performance data current to the most recent month end may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com).*

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 p.m. ET (when NAV is normally determined for most ETFs). The returns shown do not represent the returns you would receive if you trades shares at other times.

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 or, if available, the 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.

Index performance is for illustrative purposes only. Index performance does 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.

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. Non-investment grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

Diversification may not protect against market risk or loss of principal. Buying and selling shares of ETFs may result in brokerage commissions.

There can be no assurance that performance will be enhanced or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

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