

A COMPARISON OF MAJOR U.S. MARKET INDICES



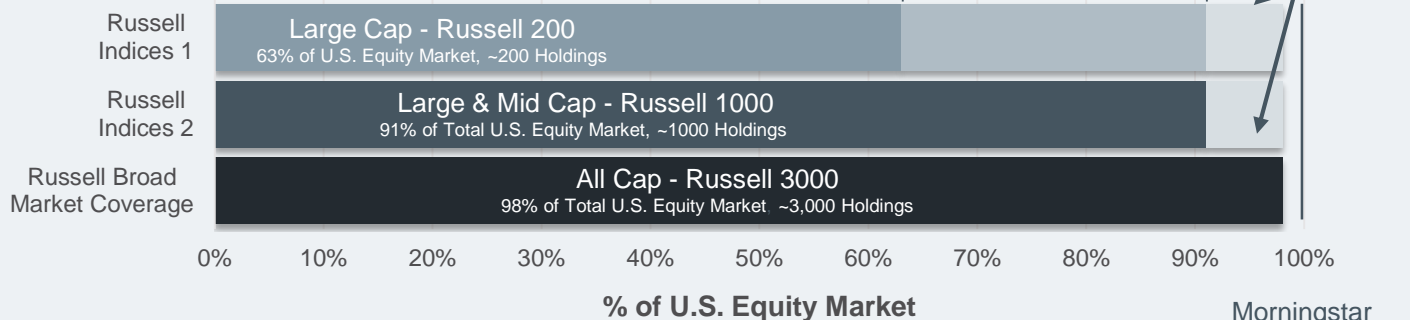
Every index begins with the effort to be an accurate barometer of a market. Each index provider, however, has its own construction methodology and its own unique gauge of a market. As a result, sections of the market can be constructed differently across the various index providers – as demonstrated below with the U.S. equity market.

Major U.S. Equity Market Cap Indices

Standard & Poor's (S&P) ¹



Russell ²



Morningstar ³



1. Source: Standard & Poor's, as of 12/31/15
 2. Source: Russell, as of 12/31/15
 3. Source: Morningstar, as of 12/31/15

U.S. Growth and Value Indices

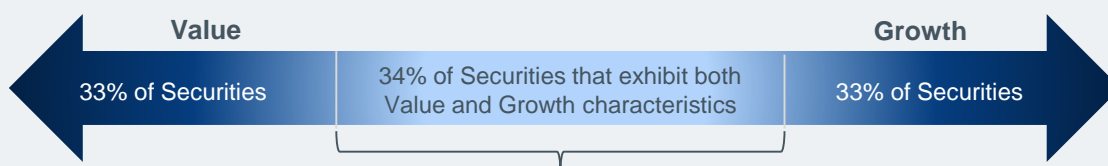
Indices that focus on style elements of the market like “growth” and “value” will differ across index providers as a result of the fundamental criteria used to identify style segmentations. Furthermore, each index methodology has a unique approach to weighting stocks into each indices respective style segment.

Standard and Poor's ¹

With S&P Style indices, the U.S. stock universe is ranked by growth and value metrics per the below.

| Value Factors | Growth Factors |
|------------------------------------|---|
| Earnings to price ratio | Three-Year Change in EPS over Price per Share |
| Momentum (12 month % price change) | Three-Year Sales per Share Growth Rate |
| Sale to Price Ratio | Book Value to Price Ratio |

S&P requires the top 33% of securities with the highest value scores and with the highest growth scores to be allocated exclusively to that category.



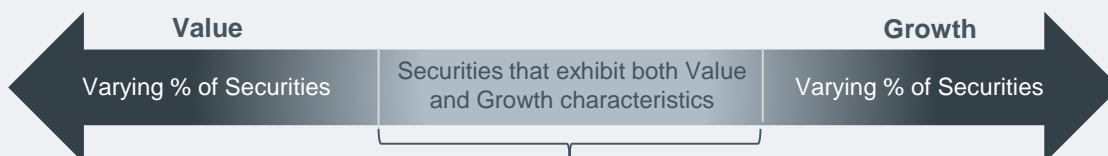
The middle 34% of stocks are deemed to exhibit both growth and value characteristics and are proportionately distributed to both indices based on the way in which they skew toward growth and value. When the growth and value style indices are combined at their market cap weight, there is no unintended overlap from a market cap perspective. For example, when the S&P 500 Growth and the S&P 500 Value are combined at the appropriate market cap weight, they become the S&P 500.

Russell ²

Russell also measures the U.S. stock universe by a set of growth and value metrics and then assigns a composite value score. This score determines whether a company is all growth, value, or a blend. Similar to S&P, stocks that have a blend of both growth and value are included in both Russell style indices.

| Value Factors | Growth Factors |
|---------------------|--|
| Book Value to Price | Forecasted IBES forecast for 2 year growth |
| | 5 Year sales per share growth |

In contrast to S&P, however, Russell does not set a pre-determined percentage on what is deemed all Value or all Growth. For instance, all growth could constitute a higher percentage of the market than all Value. Generally speaking, roughly 70% of stocks are classified as completely value or completely growth and the remaining 30% fall in the middle.



Stocks with a composite score in the middle are considered to be both growth and value and are market cap weighted according to their composite score to each style. For instance, a security that skews 75% to growth will be weighted 3 times more in the Growth index than Value. As a result, the Russell Growth and Value indices will have some securities overlap but when combined at their appropriate weights, do not overlap from a market cap perspective. As with S&P, Russell style indices like the Russell 1000 Growth and the Russell 1000 Value can be combined to create the Russell 1000 Index.

1. Source: Standard & Poor's, as of 12/31/15

2. Source: Russell, as of 12/31/15

3. Source: Morningstar, as of 12/31/15

Morningstar ³

Morningstar uses a Pure Style method of classification, deeming all stocks to be either Value, Blend, or Growth and not a combination of these styles. As a result, there is no security overlap in the indices.

With Morningstar indices, U.S. stocks are given growth and value scores based on five respective weighted measures:

| Value Factors | Growth Factors |
|-----------------------------------|---|
| Price-to-projected earnings (50%) | Long-term projected earnings growth (50%) |
| Price-to-book (12.5%) | Historical earning growth (12.5%) |
| Price-to-sales (12.5%) | Sales growth (12.5%) |
| Price-to-cash flow (12.5%) | Cash flow growth (12.5%) |
| Dividend yield (12.5%) | Book value growth (12.5%) |

The difference between a stock's growth and value score dictates whether it falls in value, core, or growth. Strongly negative scores become value, while strongly positive scores are deemed growth. Those in the middle are classified as core.

Typically value, core, and growth stocks each account for roughly 1/3rd of the U.S. stock market universe.

U.S. Stock Market Universe

| | | |
|-------------|------------|--------------|
| Large Value | Large Core | Large Growth |
| Mid Value | Mid Core | Mid Growth |
| Small Value | Small Core | Small Growth |

1. Source: Standard & Poor's, as of 12/31/15
2. Source: Russell, as of 12/31/15
3. Source: Morningstar, as of 12/31/15

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