

WHAT CAN BOND ETFs DO FOR YOU?

Diversify your equities

Bonds can provide income and capital preservation for investors, but they may also add valuable diversification and risk reduction benefits when part of an equity portfolio.

Is your portfolio really diversified?

The diversification benefits that bonds can provide take on an important role in highly volatile markets.

Investing in bond funds that have significant allocations to riskier sectors like high yield bonds can come at the cost of increased correlations with equities. Broad market **bond ETFs** can offer low correlation relative to stocks, which can help reduce overall risk in a portfolio.

Simple and low-cost, **ETFs** are single trade solutions to invest in bonds across a wide-ranging set of market sectors and industries.

Bond building blocks to help diversify your portfolio

	AGG	IUSB	LQD
	iShares Core U.S. Aggregate Bond ETF	iShares Core Total USD Bond Market ETF	iShares iBoxx \$ Investment Grade Corporate Bond ETF
Correlation to Equities	-0.14	0.09	0.42
3-Year Return	4.76%	4.29%	4.91%
3-Year Risk	3.20%	3.14%	6.40%

Source: BlackRock as of 3/31/20. Correlation to equities is based on the 3-year correlation with the S&P 500 Index. Risk and Return based on 3-year annualized NAV return and standard deviation. Correlation measures how two securities move in relation to each other. Correlation ranges between +1 and -1. A correlation of +1 indicates returns moved in tandem, -1 indicates returns moved in opposite directions, and 0 indicates no correlation. **Past performance 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. For standardized performance, click [here](#).**

Bond ETFs to help diversify equities

U.S. FIXED INCOME

AGG

iShares Core U.S. Aggregate Bond ETF provides investors access to 5,000+

USD FIXED INCOME

IUSB

iShares Core Total USD Bond Market ETF provides investors comprehensive

U.S. FIXED INCOME

LQD

iShares iBoxx \$ Investment Grade Corporate Bond ETF provides exposure

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Expense ratio 0.04%*

including potentially higher yielding bonds.

Expense ratio 0.06%*

Expense ratio 0.15%

See all broad market bond ETFs >

GET STARTED

Core bonds: Know what you own

RELATED LINKS

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Diversify equities with AGG >

What is index investing? >

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- View all
- Build sustainable portfolios
- Get your core in shape
- Invest with bond ETFs
- Access factor-based strategies
- Find income with ETFs
- Invest in the future with megatrends
- Diversify internationally
- Evolve your sector exposure

MARKET INSIGHTS

- View all
- ETF & industry trends
- Income
- International
- Sectors

EDUCATION

- What is an ETF?
- ETFs vs. Mutual Funds
- How to buy ETFs
- ETF ecosystem
- What is index investing?
- What is bond indexing?
- What is smart beta?
- What is sustainable investing?

RESOURCES

- Build a diversified portfolio
- Customize bond ladders
- Analyze factor exposures
- View all tools
- Financial & legal
- View all documents
- iShares tax center
- Tax documents
- Capital gains distributions
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* BlackRock Fund Advisors ("BFA"), the investment adviser to the Funds and an affiliate of BlackRock Investments, LLC, has contractually agreed to waive a portion of its management fees through 6/30/2026 for AGG and 2/29/2024 for IUSB. Gross expense ratios are 0.05% and 0.07% respectively.

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 the iShares Fund and BlackRock Fund prospectus pages. 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.

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.

Transactions in shares of ETFs may result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders.

Diversification and asset allocation may not protect against market risk or loss of principal.

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