

iShares U.S. Preferred Stock ETF

Fund Description

The iShares U.S. Preferred Stock ETF seeks to track the investment results of an index composed of U.S. preferred stocks.

Index Description

The S&P U.S. Preferred Stock Index measures the performance of a selected group of preferred stocks listed on the New York Stock Exchange, the American Stock Exchange and the Nasdaq Stock Market, Inc. The index includes preferred stocks with a market capitalization over \$100 million that meet minimum price, trading volume and other requirements determined by the Index Provider. Preferred stock is a class of equity security which pays a specified dividend that must be paid before any dividends can be paid to common stock holders, and which takes precedence over common stock in the event of the company's liquidation.

Fund Performance History

As of September 30, 2013

	Quarter	1 Year	3 Year	5 Year	10 Years	Since Fund Inception
Fund	-2.21%	0.63%	4.61%	14.64%	n/a	2.94%
Index	-2.16%	1.14%	5.49%	16.45%	n/a	3.29%
After Tax Held	n/a	-1.31%	2.83%	12.33%	n/a	0.93%
After Tax Sold	n/a	0.79%	3.20%	11.11%	n/a	1.72%
Market Price Returns	-2.08%	0.56%	4.60%	14.31%	n/a	2.93%

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 calling toll-free 1-800-iShares (1-800-474-2737) or by visiting www.iShares.com.

After Tax Held Returns represent return after taxes on distributions. Assumes shares have not been sold. After Tax Sold Returns represent the return after taxes on distributions and the sale of fund shares. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most iShares Funds), and do not represent the returns you would receive if you traded shares at other times.

Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

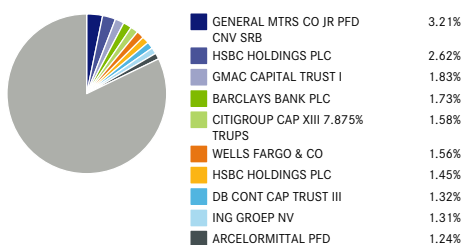
Fund Details

Ticker	PFF
Inception Date	03/26/07
Management Fees	0.48%
Acquired Fund Fees & Expenses [†]	0.00%
Total Annual Fund Operating Expenses	0.48%
IOPV Ticker	PFF.IV
CUSIP	464288687
Stock Exchange	NYSE Arca
Net Assets	\$9.35 Billion
# of Holdings	318
Beta vs S&P 500	0.90

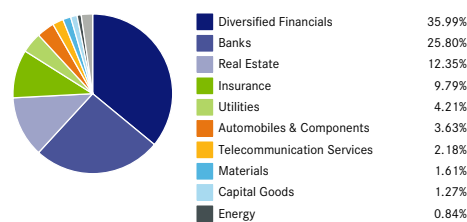
Beta is a measure of an investment's volatility relative to the market or an asset class. A beta above 1 is more volatile than the market, while a beta below 1 is less volatile. For stocks, the market is usually taken to be the S&P 500 index. Beta is sometimes referred to as systematic risk.

[†] "Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies or other pooled investment vehicles. Acquired Fund Fees and Expenses are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

Top Ten Holdings

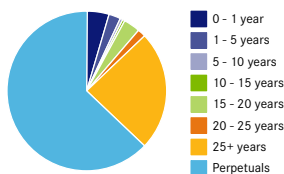


Sector Breakdown



Holdings are subject to change.

Maturity Breakdown



Credit Ratings

S&P/Moody's	S&P	Moody's
AAA/Aaa	0.06%	0.00%
AA+/Aa1	0.00%	0.00%
AA/Aa2	0.00%	0.00%
AA-/Aa3	0.00%	0.00%
A+/A1	0.00%	0.00%
A/A2	0.00%	0.00%
A-/A3	1.16%	1.49%
BBB+/Baa1	5.24%	3.44%
BBB/Baa2	5.26%	2.99%
BBB-/Baa3	3.13%	4.25%
BB+/Ba1	2.83%	3.73%
BB/Ba2	2.05%	1.16%
BB-/Ba3	0.00%	0.60%
B+/B1	0.92%	1.96%
B/B2	0.30%	0.30%
B-/B3	0.07%	0.00%
CCC+/Caa1	0.00%	0.00%
CCC/Caa2	0.00%	0.07%
CCC-/Caa3	0.07%	0.00%
CC/Ca	0.00%	0.00%
C/C	0.00%	0.00%
Not Rated	5.81%	5.86%
Other	73.09%	74.13%

Ratings are measured on a scale that generally ranges from AAA (S&P highest) or Aaa (Moody's highest) to D (S&P lowest) or C (Moody's lowest).

Agency and Government consists of securities that are issued by the U.S. Treasury or U.S. Government Agencies and are not rated by S&P or Moody's.

"Other" includes interest accrued but not yet received.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

Investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, narrowly focused investments typically exhibit higher volatility. Preferred stocks are not necessarily correlated with securities markets generally. Rising interest rates may cause the value of the Fund's investments to decline significantly. Payment of dividends is not guaranteed. Removal of stocks from the index due to maturity, redemption, call features or conversion may cause a decrease in the yield of the index and the Fund.

Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

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Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting www.iShares.com. Read the prospectus carefully before investing.

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Not FDIC Insured • No bank guarantee • May lose value

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