

ISHRINTL

iShares International Rotation Model

Model Start Date: 10/6/2005

Model Objective

The purpose of the iShares International Rotation Model is to identify major themes in the market, have exposure to those funds controlled by demand and eliminate exposure to those funds controlled by supply. The Model is designed to hone in on the strongest ETFs from the inventory listed above and will attempt to capture the strongest trends and avoid the weakest trends. The iShares International Rotation Model inventory of funds provides a diversity of investments that is generally advantageous to trend-based tactical rotation strategies.

Relative Strength Methodology

The most adaptive tool we have found to identify the strongest trends from the weakest within an investable universe is Point & Figure Relative Strength. Our Relative Strength calculation is designed to target long term themes of outperformance, while also remaining responsive enough to allow for rotation when market trends necessitate. In short, Relative Strength attempts to minimize exposure to underperforming positions, while letting profitable positions run. Most importantly, this systematic and rules-based approach eliminates the subjective or "emotional" trades, as the calculation is derived from price data alone.

Systematic Portfolio Rules

- Over 30 international iShares ETFs are considered, including the iShares Dow Jones U.S. ETF (IYY) as the US representative.
- The Portfolio stays 100% invested at all times in five positions.
- International iShares ETFs are compared to each other to determine inclusion. The concept is based on a relative strength matrix of the Model universe.
- Once a member of the Portfolio, to be replaced, the ETF must fall significantly out of favor versus the field.
- When a position is sold, the proceeds move into the strongest relative strength ETF not currently in the Portfolio using a replacement methodology.
- When a position within the Model either falls below 13% of the Portfolio or rises above 27% of the Portfolio, the Model will re-balance and all of the holdings will then be equally weighted.

Model Inventory

| SYMBOL | ETF NAME | SYMBOL | ETF NAME |
|--------|--|--------|---|
| AAXJ | iShares MSCI All Country Asia ex Japan ETF | EWQ | iShares MSCI France ETF |
| EEM | iShares MSCI Emerging Markets ETF | EWU | iShares MSCI United Kingdom ETF |
| EIS | iShares MSCI Israel Capped ETF | EWZ | iShares MSCI Brazil Capped ETF |
| EPP | iShares MSCI Pacific ex Japan ETF | ILF | iShares Latin America 40 ETF |
| EWA | iShares MSCI Australia ETF | IYY | iShares Dow Jones U.S. ETF |
| EWG | iShares MSCI Germany ETF | EEMS | iShares MSCI Emerging Markets Small-Cap ETF |
| EWJ | iShares MSCI Japan ETF | ENZL | iShares MSCI New Zealand Capped ETF |
| EWM | iShares MSCI Malaysia ETF | ECH | iShares MSCI Chile Capped ETF |
| EWP | iShares MSCI Spain Capped ETF | EIDO | iShares MSCI Indonesia ETF |
| EWT | iShares MSCI Taiwan ETF | EPOL | iShares MSCI Poland Capped ETF |
| EWY | iShares MSCI South Korea Capped ETF | ERUS | iShares MSCI Russia Capped ETF |
| EZU | iShares MSCI Eurozone ETF | EWD | iShares MSCI Sweden ETF |
| IEV | iShares Europe ETF | EWI | iShares MSCI Italy Capped ETF |
| JPXN | iShares JPX-Nikkei 400 ETF | EWL | iShares MSCI Switzerland Capped ETF |
| TUR | iShares MSCI Turkey ETF | EWO | iShares MSCI Austria Capped ETF |
| BKF | iShares MSCI BRIC ETF | EWS | iShares MSCI Singapore ETF |
| EFA | iShares MSCI EAFE ETF | EWW | iShares MSCI Mexico Capped ETF |
| EPHE | iShares MSCI Philippines ETF | EZA | iShares MSCI South Africa ETF |
| EPU | iShares MSCI All Peru Capped ETF | FXI | iShares China Large-Cap ETF |
| EWC | iShares MSCI Canada ETF | INDY | iShares India 50 ETF |
| EWH | iShares MSCI Hong Kong ETF | THD | iShares MSCI Thailand Capped ETF |
| EWK | iShares MSCI Belgium Capped ETF | | |
| EWN | iShares MSCI Netherlands ETF | | |

DISCLOSURE

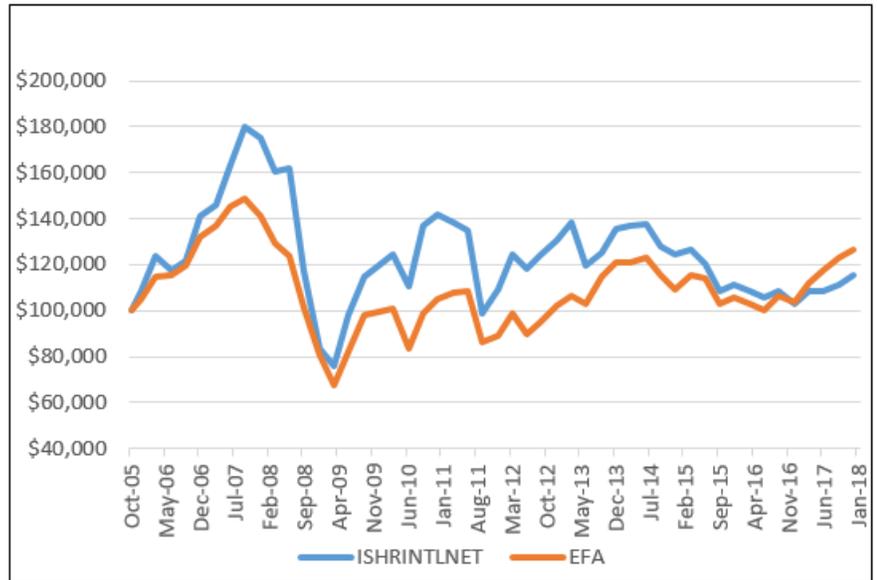
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ETF Model Returns*

| ISHARES INTERNATIONAL ROTATION MODEL | | | |
|--------------------------------------|--------|--------|-----------------------|
| DATE | NET | GROSS | ISHARES MSCI EAFE ETF |
| 2011 | -23.31 | -22.15 | -14.93 |
| 3/31/2012 | 14.05 | 14.48 | 10.82 |
| 6/30/2012 | -4.71 | -4.35 | -8.98 |
| 9/30/2012 | 5.33 | 5.73 | 6.08 |
| 12/31/2012 | 4.60 | 5.00 | 7.28 |
| 2012 | 19.75 | 21.56 | 14.80 |
| 3/31/2013 | 6.12 | 6.52 | 3.73 |
| 6/30/2013 | -13.76 | -13.44 | -2.85 |
| 9/30/2013 | 4.86 | 5.26 | 11.38 |
| 12/31/2013 | 8.17 | 8.57 | 5.13 |
| 2013 | 3.80 | 5.37 | 18.00 |
| 3/31/2014 | 0.99 | 1.37 | 0.16 |
| 6/30/2014 | 0.52 | 0.90 | 1.74 |
| 9/30/2014 | -6.74 | -6.30 | -6.22 |
| 12/31/2014 | -2.80 | -2.53 | -5.12 |
| 2014 | -7.97 | -6.58 | -9.32 |
| 3/31/2015 | 1.75 | 2.12 | 5.47 |
| 6/30/2015 | -5.08 | -4.71 | -1.06 |
| 9/30/2015 | -9.73 | -9.40 | -9.72 |
| 12/31/2015 | 2.37 | 2.76 | 2.44 |
| 2015 | -10.75 | -9.40 | 3.48 |
| 3/31/2016 | -2.64 | -2.28 | -2.66 |
| 6/30/2016 | -2.58 | -2.21 | -2.34 |
| 9/30/2016 | 2.61 | 3.00 | 5.93 |
| 12/30/2016 | -5.13 | -4.78 | -2.37 |
| 2016 | -7.66 | -6.28 | -1.69 |
| 3/31/2017 | 5.58 | 5.98 | 7.90 |
| 6/30/2017 | 0.06 | 0.43 | 4.67 |
| 9/29/2017 | 2.60 | 2.99 | 5.03 |
| 12/29/2017 | 3.97 | 4.36 | 2.67 |
| 2017 | 12.71 | 14.41 | 21.79 |

Hypothetical Growth of \$100k

10/6/2005 - 12/29/2017



*Model inception is 10/6/2005. Performance data after model inception date is model data. Please see disclosures for important information on model data.

| SYMBOL | DATE RANGE CUMULATIVE RETURN | ANN. 1 YEAR | ANN. 3 YEAR | ANN. 5 YEAR | CUMULATIVE | STD DEV |
|-------------|------------------------------|-------------|-------------|-------------|------------|---------|
| ISHRINTLNET | 10/6/2005 - 12/29/2017 | 12.71 | -2.43 | -2.36 | 15.65 | 10.27 |
| ISHRINTL | 10/6/2005 - 12/29/2017 | 14.41 | -0.96 | -0.89 | 39.02 | 10.28 |
| EFA | 10/6/2005 - 12/29/2017 | 21.79 | 4.94 | 4.34 | 26.50 | 11.55 |

**Model inception date is 10/6/2005. The Model's net numbers reflect a theoretical annual management fee of 1.5%, deducted quarterly. This is not a fee charged by Dorsey Wright. Actual management fees may vary. Neither the returns for the Model nor the benchmark include the reinvestment of dividends. Past performance is not indicative of future results. Potential for profits accompanied by possibility of loss.

DISCLOSURE

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