

BLACKROCK®

**The brand power
of the world's #1 ETF provider**

**Marketing the iShares value proposition to
facilitate your customer relation**

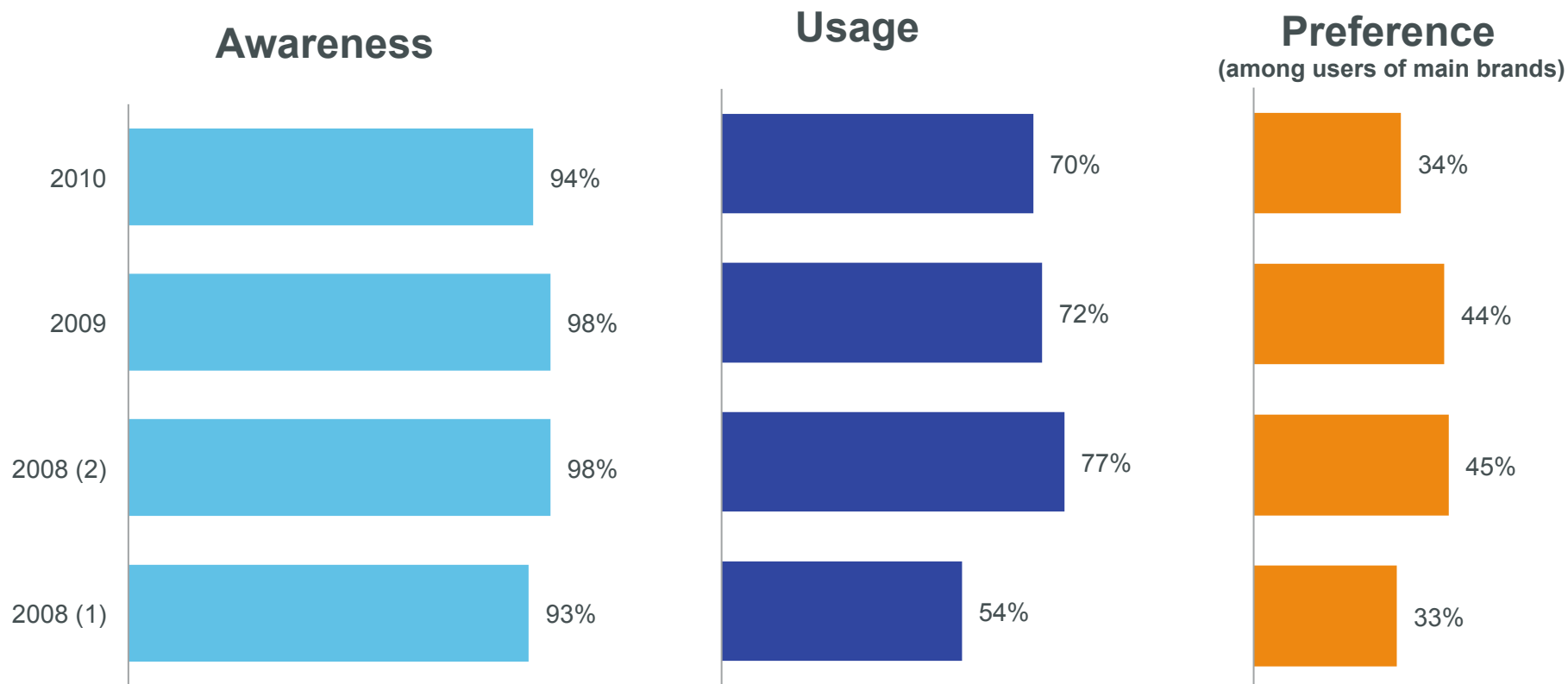
October 06th 2011, ETPDay Geneva
Chris Gurtner, iShares Marketing

FOR PROFESSIONAL CLIENTS / QUALIFIED INVESTORS ONLY

Summary

- **In Switzerland, iShares is market leader on top of mind awareness:**
 - 1st mention / top of mind brand awareness = 43%
 - Spontaneous awareness (top of mind + other ranking mention) = 73%
 - Total spontaneous + prompted iShares brand awareness in Switzerland = 97%
 - (Source: iShares brand study Jan. 2011)
- **Brand association across ETF categories:**
 - iShares primarily known for its equity ETFs = 61% of respondents aware
 - Fixed income awareness = 28%
 - Property ETFs = 11%
- **Brand preference:**
 - iShares is leading in terms of brand preference = 34% of Swiss respondents

Summary: Tracking iShares awareness, usage, preference 2008-2010



Base: All Switzerland respondents aware of ETFs (n=120)

Source: Q6 I'd like to move on to think about ETF providers. Can you tell me the names of all the ETF providers that you can think of that provide ETFs? Q8c And of those providers mentioned, which, if any, have you used in the past 12 months? : Q8d And assuming they have the exposure/product range you want, which single ETF provider would you say is your preferred choice? *NB: Usage question wording changed in 2009-10

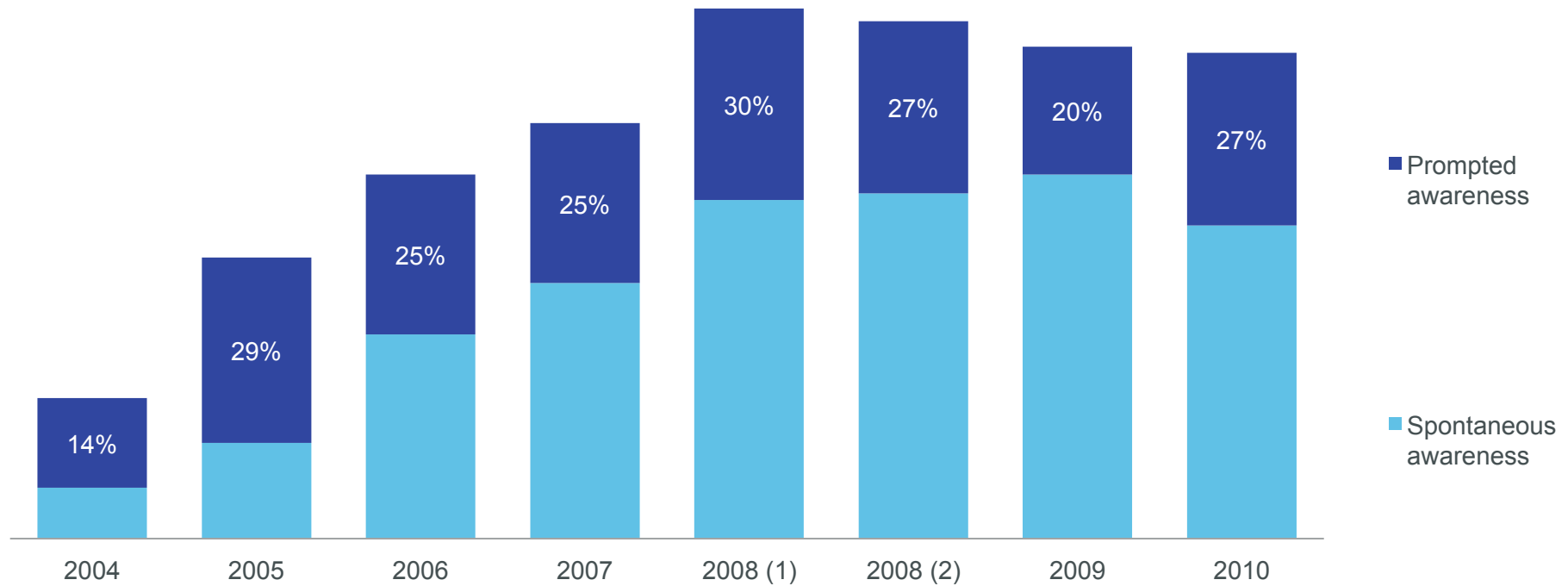
Measuring the Impact of Advertising

Awareness and imagery

Summary: Advertising

- **More people have seen iShares advertising than any other brand**
- **One half spontaneously recall seeing ads, more than three-quarters after prompting**
- **Awareness of all brands' advertising is substantially higher in the Wealth segment than the Institutional**
- **It is clear the advertising is having an impact on key measures. Those who recall the advertising are more likely to**
 - Prefer iShares
 - Use iShares in the future
 - Recommend iShares
 - Rate iShares significantly higher on brand imagery attributes

iShares Advertising Awareness Tracking 2004-2010

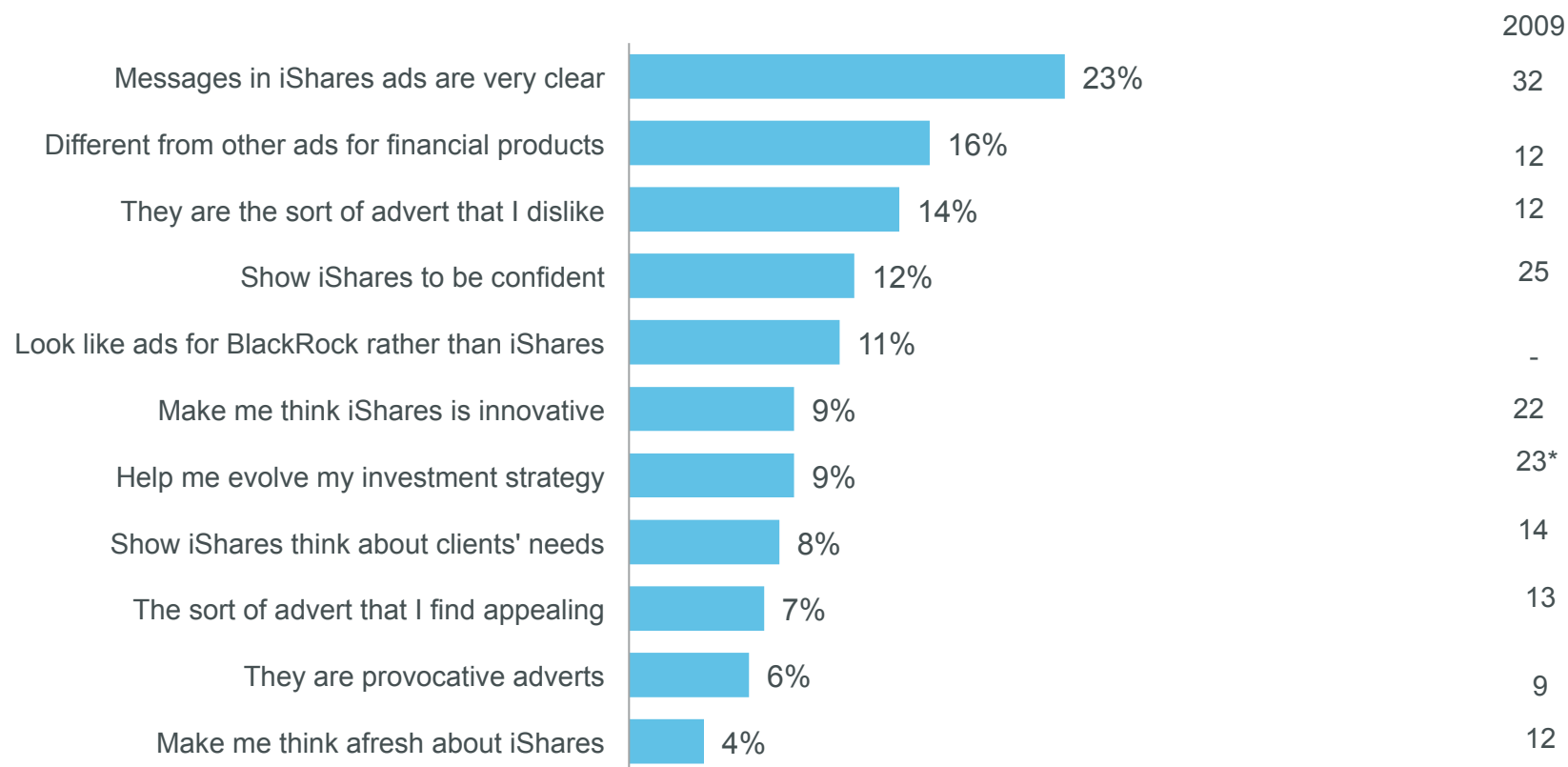


Base: All Switzerland respondents aware of ETFs (n=116)

Source: Q7 What ETF providers do you remember seeing or hearing any advertising for recently?

Q11 I'd now like you to think about advertising again. For which of these ETF providers have you recently seen or heard advertising?

iShares advertising imagery

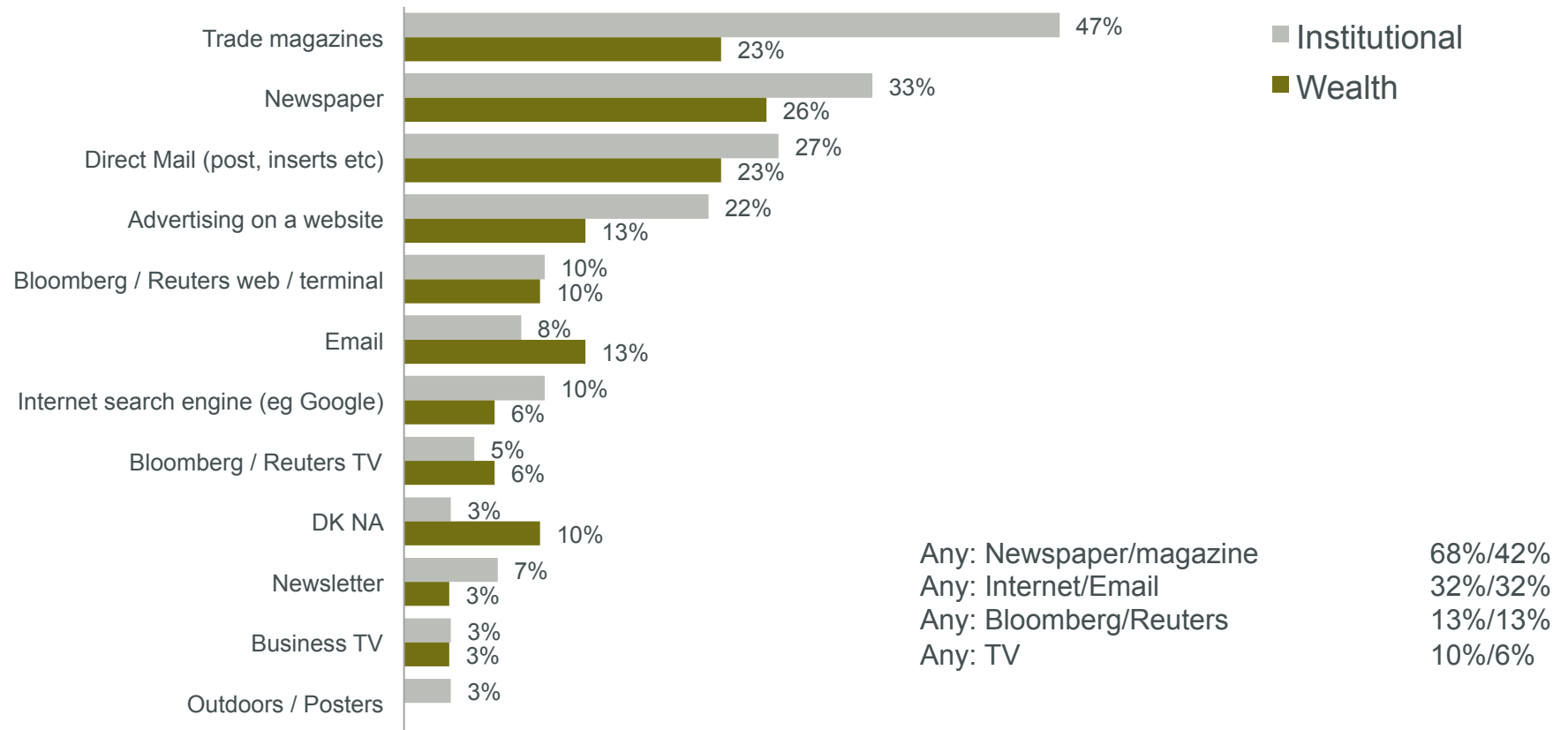


Base: All Switzerland respondents after viewing iShares advertising (n=125)

*NB: Wording change. In 2009 the statement was "Helps me open up more investment strategies."

Source: Q15 Please tell me how much you agree or disagree with each statement regarding the iShares advertising you have just seen.

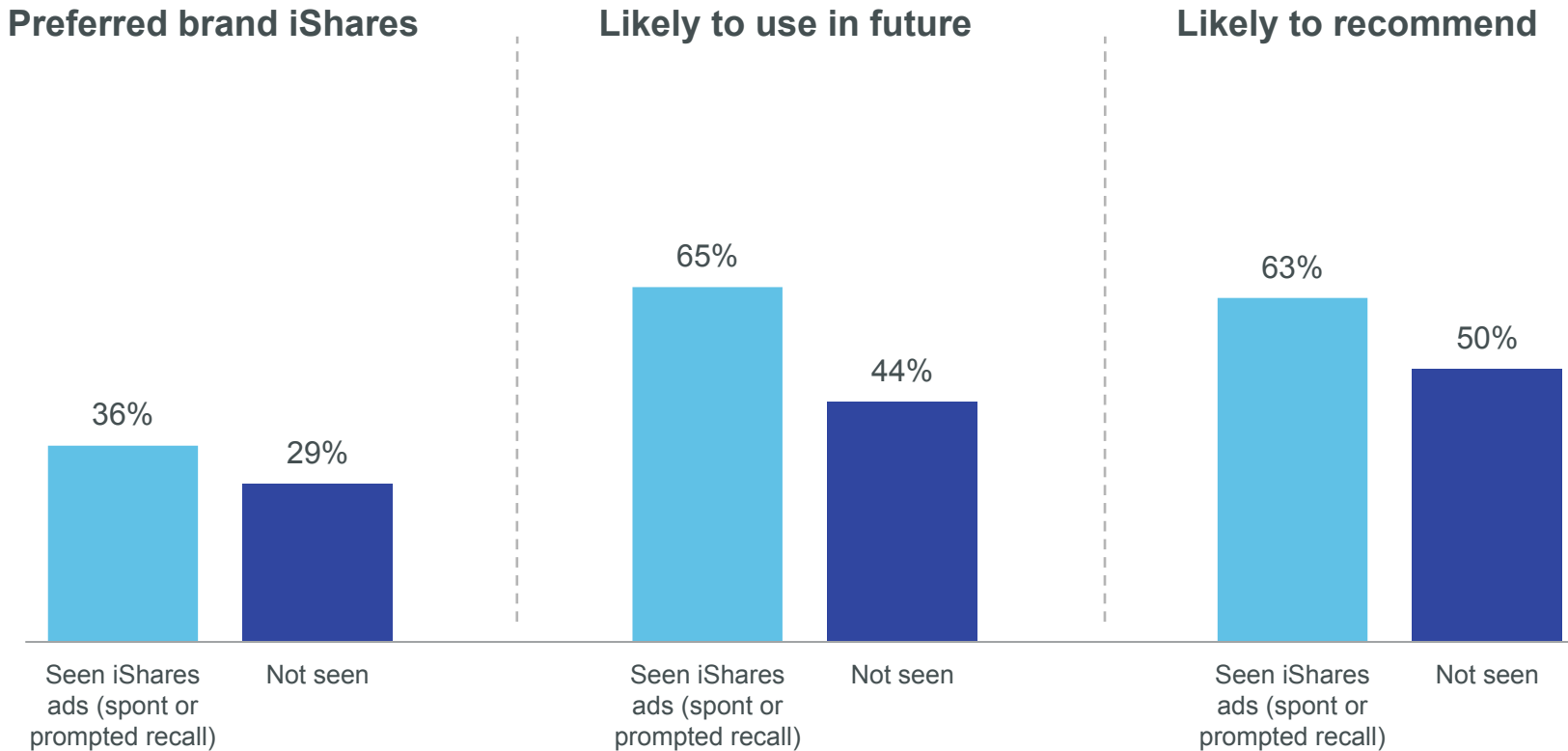
Where iShares advertising seen Institutional vs. Wealth



Base: All Italy respondents seeing iShares advertising (n=91) Institutional (n=60) Wealth (n=31)
 Source: Q12 Where did you see or hear advertising for _____ (ETF provider)?

Advertising Effectiveness: key measures

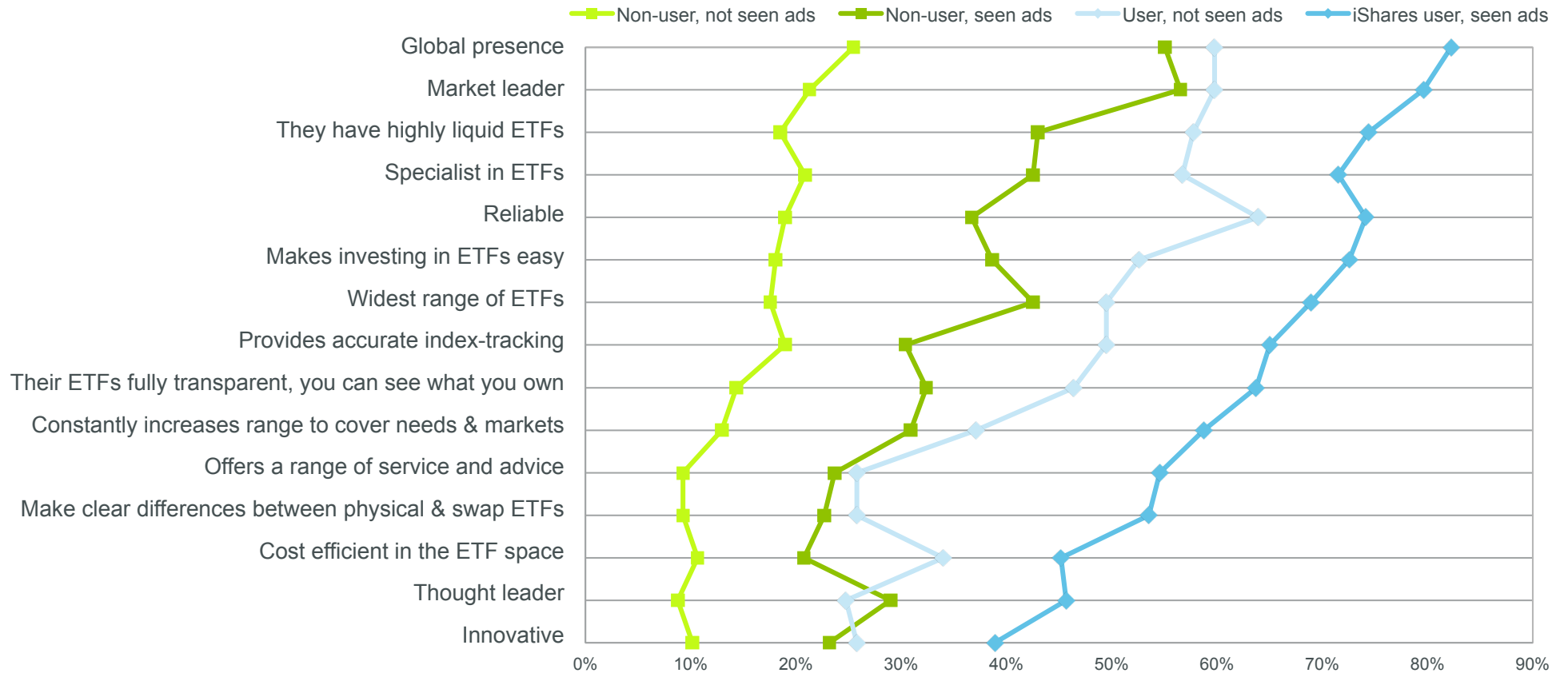
Those who recall seeing iShares ads are more likely to use iShares in the future and to recommend iShares than those who haven't seen the ads. They are also slightly more likely to prefer iShares.



Base: All respondents using ETFs and recalling seeing iShares ads (n=84) Not recalling iShares ads (n=21)
Source: Q10 How likely would you be to trade with each of the following providers? Q10a, How likely are you to recommend ETFs to clients/colleagues from each of the following providers in the next 12 months? Q8e And assuming they have the exposure/product range you want, which single ETF provider would you say is your preferred choice?

Brand Association 2010: Understanding the effect of advertising among *users* and *non-users* of iShares

The advertising is having a clear effect on both existing users of iShares and non-users. Those who have seen the ads are rating iShares significantly higher across all attributes.



Base: All SNUGIFA respondents aware of ETFs; iShares users who have seen iShares advertising (n=383) iShares users who have NOT seen iShares advertising (n=97) Non-users who have seen iShares advertising (n=207) Non-users who have NOT seen iShares advertising (n=216) Source: Q9 I'm going to read out a list of attributes that can be associated with ETF providers. For each of these attributes I want you to indicate which, if any, of the following ETF providers this attribute is applicable to.

Understanding the Current ETF Market

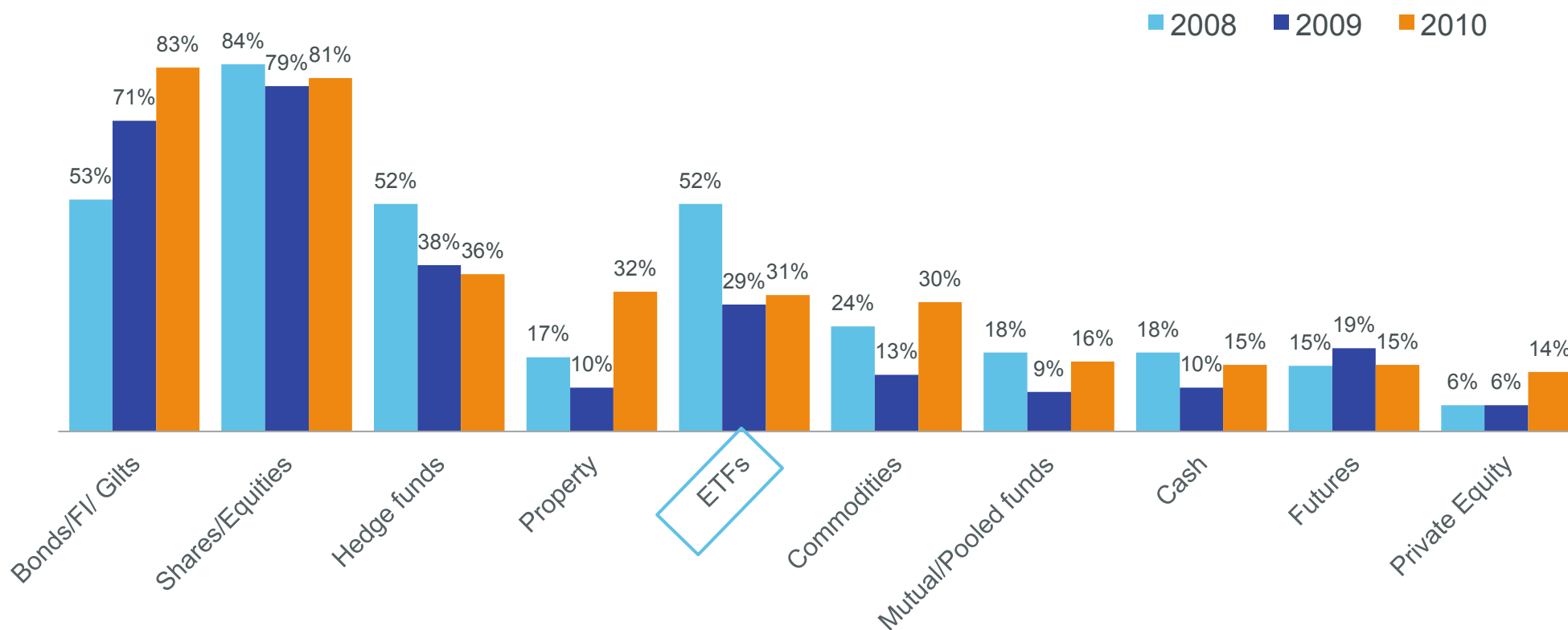
Category awareness, usage, future prospects

Summary: Understanding the Current ETF Market

- **Awareness of ETFs as an investment instrument has remained steady at 31%; a long way below the peak of 52% in 2008**
 - Bonds and fixed income have increased sharply from 71% to 83%, taking it above Equities for the first time
 - No difference in awareness of ETFs among the Wealth and Institutional segments
- **Among current users of ETFs the data suggests that there has been progress in 2010 in the proportion of AUM currently held in ETFs**
- **And significant progress in the proportion of assets managed passively against an index**
 - Though neither measure takes into account size of portfolio
 - The majority of ETFs are currently held for strategic, both satellite and core asset allocation, rather than tactical purposes
- **Attitudes towards ETFs show an increase in the number who believe the reputation of the provider is increasingly important**
 - Those in the Institutional segment are the most likely to agree
 - One quarter would like to know more about the differences between the types of ETPs available
- **Consistently positive outlook for future usage of the ETF category (although slightly less positive than in previous years)**
 - 31% believe their usage will grow in the next six months
 - 41% believe their usage will grow in the next eighteen months
 - Wealth much more positive in their outlook than Institutional

Category growth: spontaneous mentions of competitive product set

Awareness of ETFs as an investment instrument is at 31% a long way off the peak of 52% in 2008. ETFs are now ranked fifth. Bonds/fixed income have increased in top of mind awareness in 2010 and is now ranked first. Property and Commodities also up strongly.



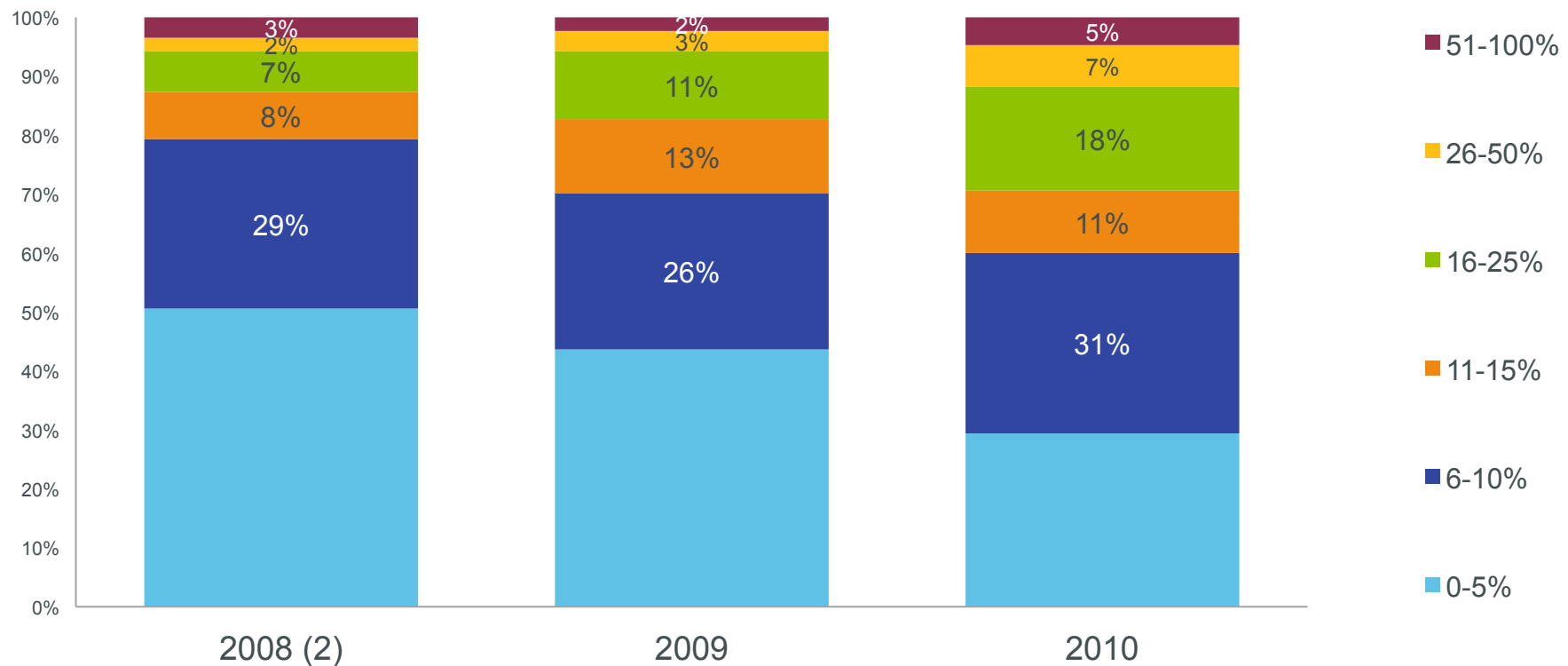
Base: All Switzerland respondents (n=125)

Source: Q1a Please tell me all the investment instruments you are aware of? TOP 10 MENTIONS

Proportion of firm's AUM currently in ETFs Among current users of ETFs

Although this does not take into account size of portfolios, the data suggests an increasing proportions of firms' AUM currently held in ETFs.

In 2010, 71% claimed ETFs account for more than 5% of their portfolios compared to only 49% in 2008.

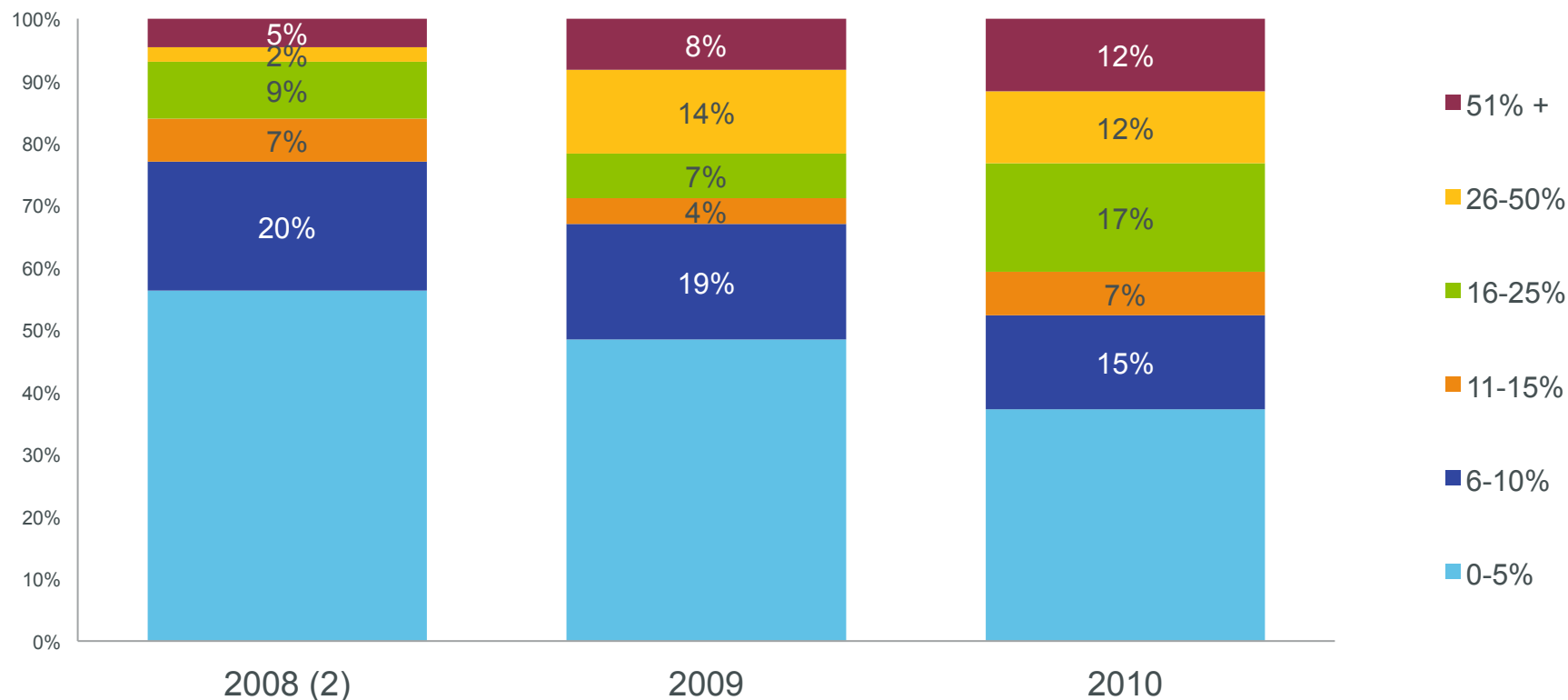


Base: All Switzerland respondents using ETFs excluding traders and 'Don't knows' (n=85)
Source: Q4b Approximately what proportion of your firm's assets under management (AUM) currently are in ETFs?

Proportion of assets managed passively against an index Among current users of ETFs

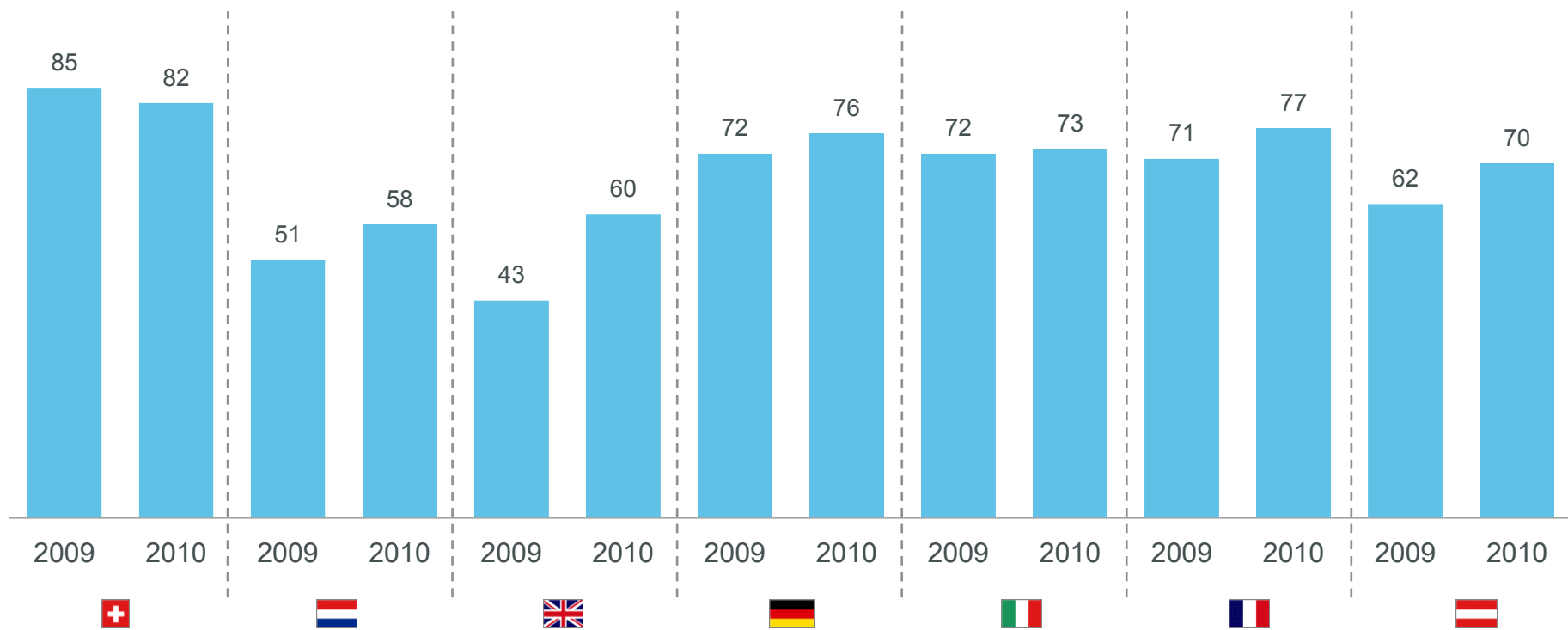
Although this does not take into account size of investment, the results suggest an increase in the proportion of assets managed passively against an index.

In 2010, 63% claimed ETFs account for more than 5% of their portfolios compared to only 44% in 2008.



Base: All Switzerland respondents using ETFs excluding traders (n=96)
Source: Q4c What % of your assets are managed passively against an index?

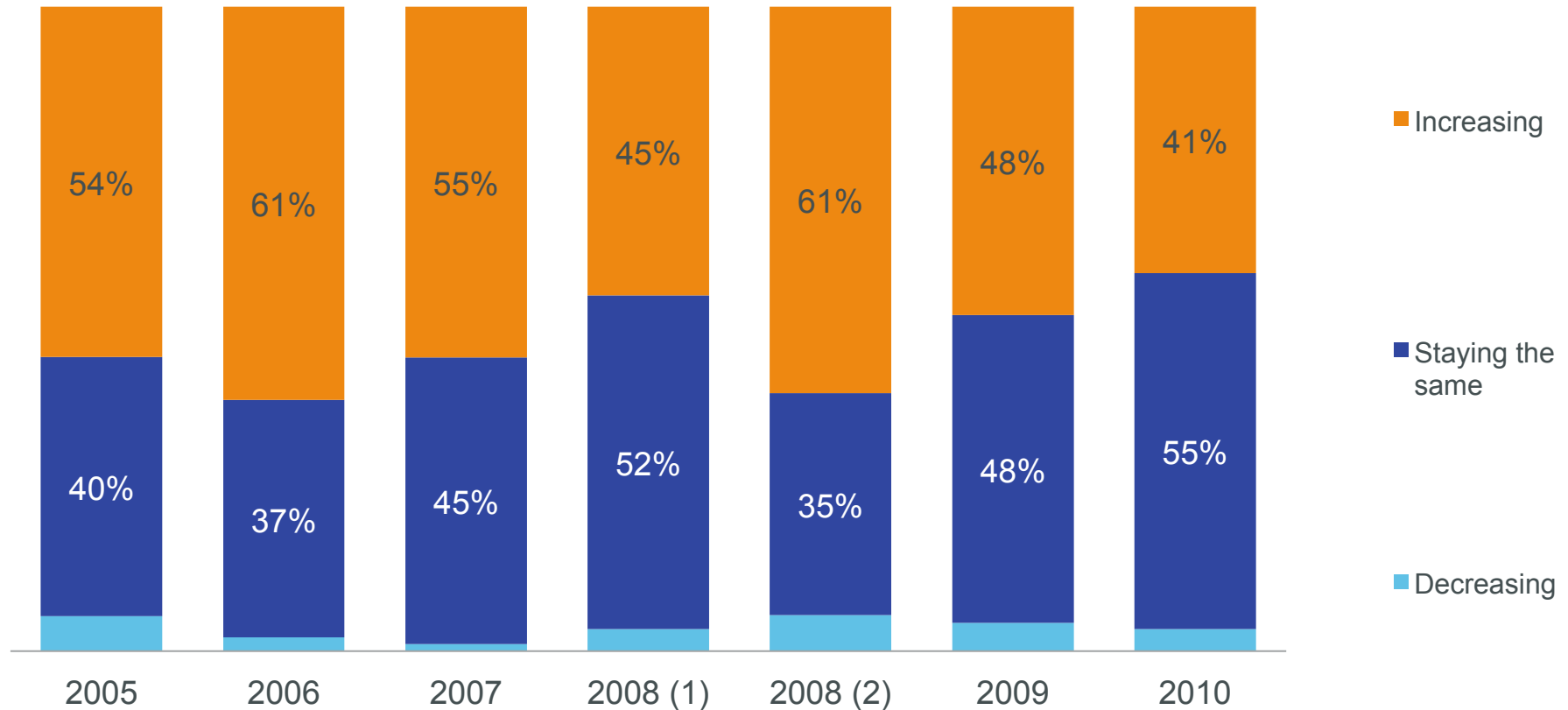
ETF Usage (Institutional investors): 2009-2010



Base: All SNUGIFA respondents aware of ETFs (n=796)
 Source: iShares institutional investors usage survey 2010

Future usage of ETFs in the next 18 months Tracking

Very positive outlook for the industry with four out of ten expecting their usage of ETFs to go up in the next 18 months.

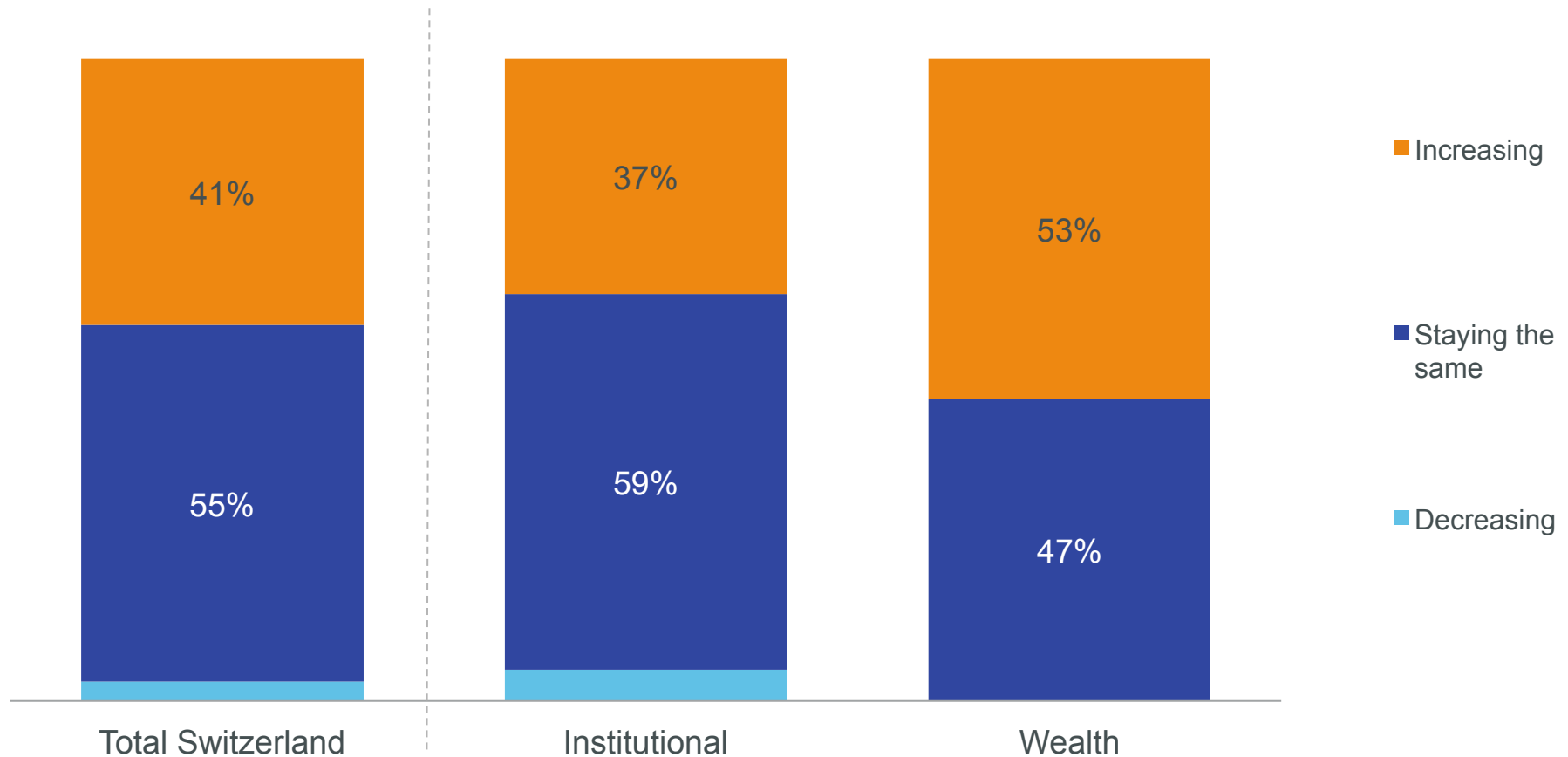


Base: All Switzerland respondents aware of ETFs (n=120)

Source: Q17 And within the next 18 months do you see your use of ETFs increasing, staying the same or declining? NB: Question not asked in 2004. Don't know' responses excluded.

Switzerland: Future usage of ETFs in the next 18 months by sub-group Institutional vs. Wealth

Those in the Wealth segment are the most bullish about increasing their usage of ETFs in the next 18 months.



Base: All Switzerland respondents aware of ETFs (n=120) Institutional (n=85) Wealth (n=35)

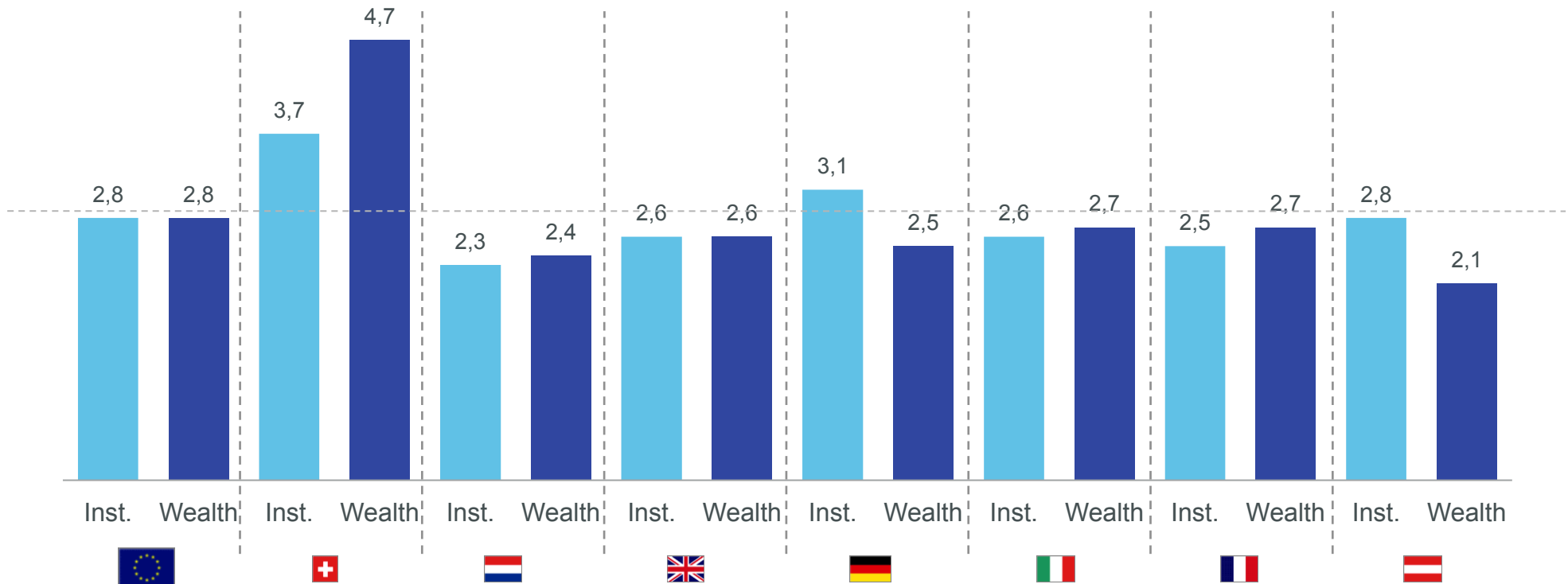
Source: Q17 And within the next 18 months do you see your use of ETFs increasing, staying the same or declining? NB: Question not asked in 2004. Don't know' responses excluded.

Future Needs

What would investors like to see more of?

Brand repertoires highest in the most developed markets, Switzerland and Germany

Switzerland stands out among the region as having larger brand repertoires than elsewhere.



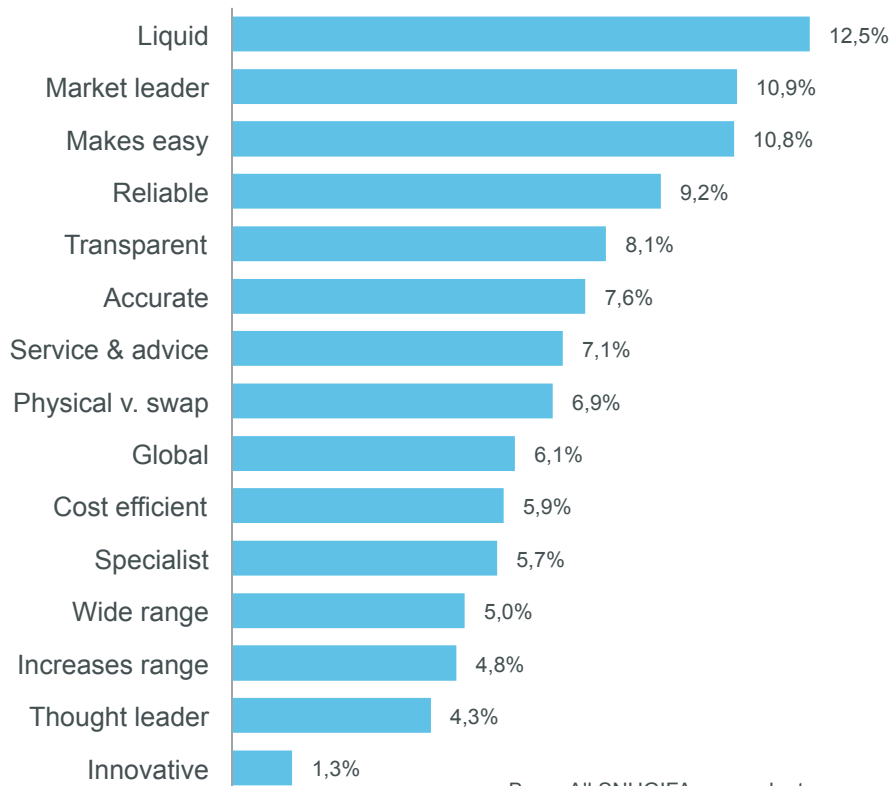
Base: All SNUGIFA respondents aware of ETFs (n=796)
 Source: iShares institutional investors usage survey 2010

Key drivers of *preference* and *recommendation* for iShares

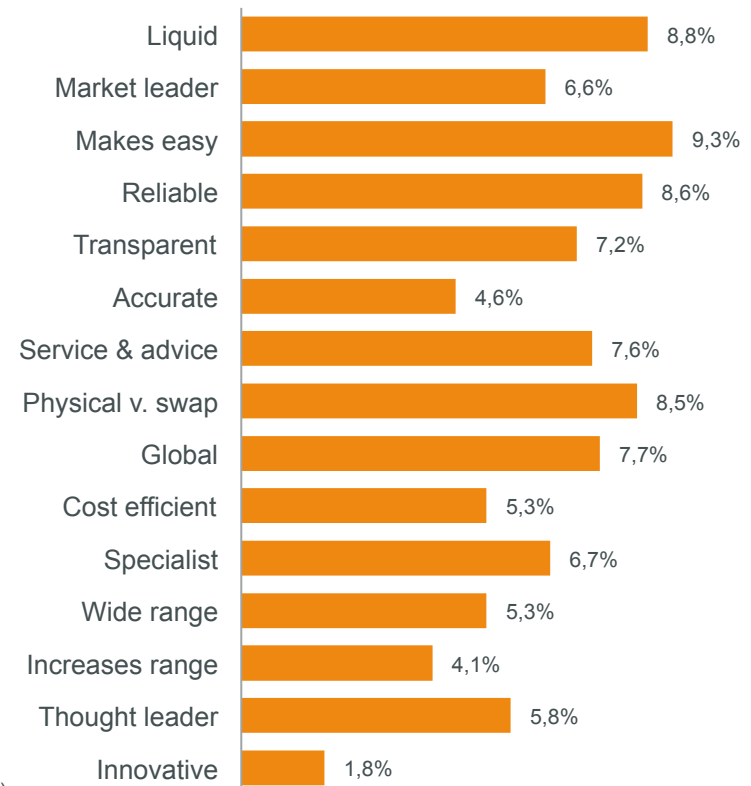
Liquidity is the main driver of brand *preference* while *'innovation'* is the least important driver.

'Makes investing easy' is the most important driver of recommendation. *'Reliable'* and *'make clear differences between physical and swap based ETFs'* are thee next most important drivers. Certain brand attributes such as *'global'*, *'specialist'* and *'thought leader'* are comparatively more important as drivers of recommendation than preference.

Preference



Recommendation



Base: All SNUGIFA respondents aware of ETFs (n=796)
Source: iShares institutional investors usage survey 2010

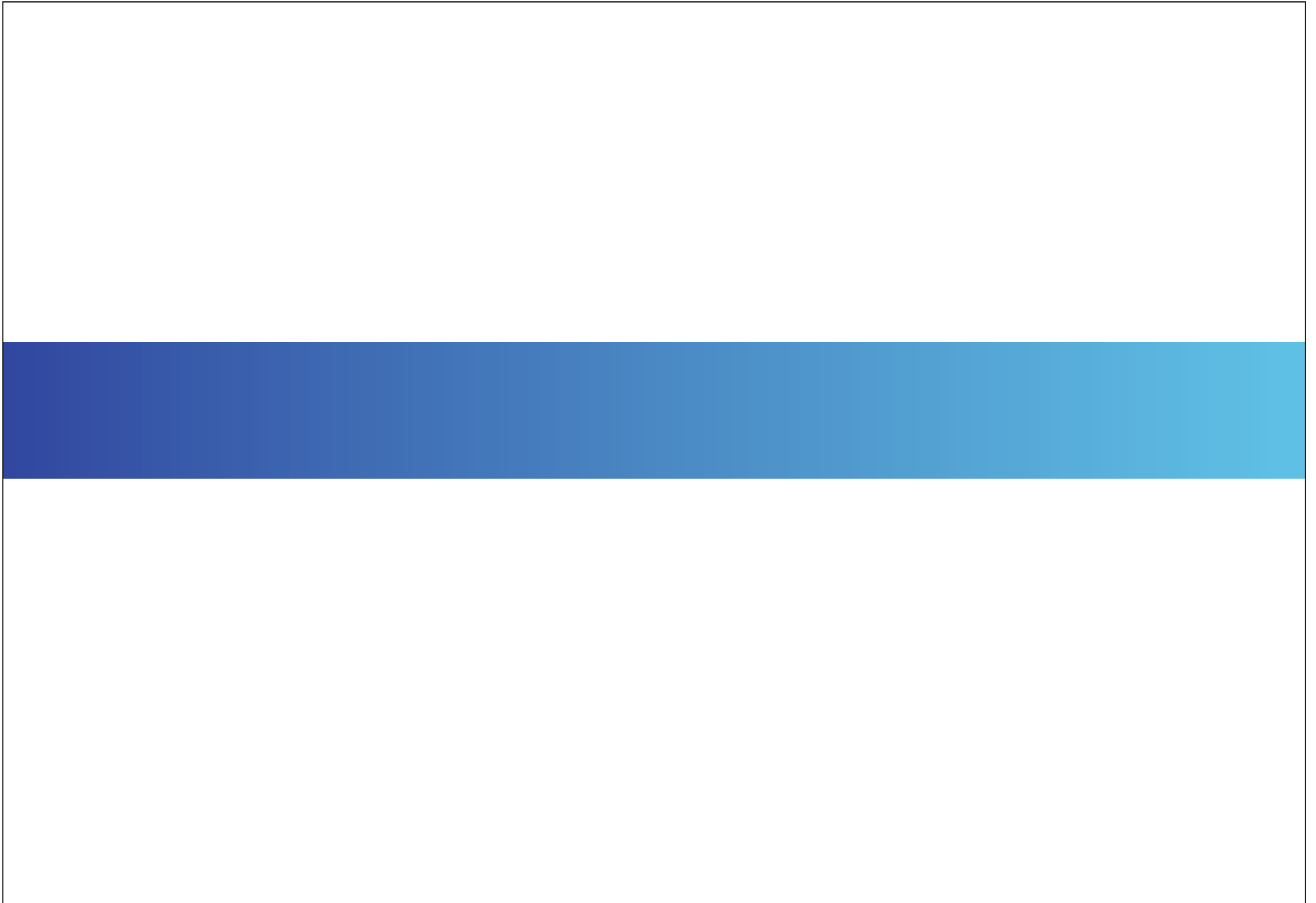
What do investors expect to see/ what would they like to see more of?

	Total	Institutional	Wealth
	(n=125)	(n=90)	(n=35)
Greater transparency	22%	18%	34%
Access to more products / markets	12%	11%	14%
Want consolidation / fewer suppliers / products	12%	12%	11%
Expect to see continued growth in ETF market (and own use)	11%	12%	9%
A wider variety of ETFs / markets available	9%	7%	14%
More information on ETFs / better explanations	6%	4%	9%
Would like better products generally	6%	4%	9%
Would like greater liquidity	3%	2%	6%

Base: All Switzerland respondents (n=125)

Source: Q18 Finally, thinking generally, how do you see the ETF industry developing in the future? Is there anything you would like to see more of from ETF providers?

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