

MEGA FORCE IN FOCUS: DIGITAL DISRUPTION & AI

iShares thematic ETFs seek to capture the long-term, transformative mega forces which are big, structural changes that affect investing now - and far in the future.

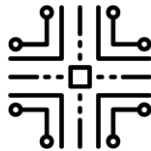
Digital disruption & AI is one such mega force. Artificial intelligence can automate laborious tasks, analyze huge sets of data and help generate fresh ideas. Digital disruption goes beyond AI.

Targeted exposure across AI value chain

ARTY combines a rules-based methodology with fundamental research to adapt to the evolving AI landscape, investing in four key areas of the AI value chain:



Generative AI



AI Data & Infrastructure



AI Software



AI Services

ARTY

iShares Future AI & Tech ETF

Expense Ratio: 0.47%

Index: Morningstar Global Artificial Intelligence Select Index

Holdings: 47

Inception Date: 6/26/2018

Source: BlackRock, as of 9/30/2024. Holdings are subject to change.

Companies are spending big to redesign their tech

Large Language Models (LLM) require many resources to be built, look at ChatGPT for example:

Data inputs needed for ChatGPT ¹	175 billion inputs
Estimated annual cost to power ChatGPT ²	\$250 million
GPUs required to build ChatGPT ³	20-30 thousand GPUs

36+ different generative AI tools across image, music, video, text, etc. are **already in the market⁴**

>80%

AI adoption is set to rise, as over 80% of enterprises will have used generative AI by 2026, up from <5% in 2023⁵

600,000x





Today's AI models require 600,000x more processing power than cutting-edge models from 10+ years ago⁶

\$7 trillion

AI could contribute \$7T to global GDP growth through 2030, potentially benefitting wide swaths of the economy⁷

On 8/12/2024 ARTY (formerly IRBO) began to track the Morningstar Global Artificial Intelligence Select Index and ceased to track the NYSE FactSet Global Robotics and Artificial Intelligence Index. **1** CNBC, "ChatGPT and generative AI are booming, but the costs can be extraordinary", 3/13/23. **2** Yahoo Finance, "ChatGPT cost a fortune to make with OpenAI's losses growing to \$540M last year, report says", 5/5/23 **3** FastCompany, "How OpenAI may keep enterprises from building their own AI models", 5/10/23. **4** Goldman Sachs, "Generative AI: Hype, or Truly Transformative", 7/5/23. **5** Gartner, "Gartner says more than 80% of enterprises will have used generative AI APIs or deployed generative AI-enabled applications by 2026", 10/11/23. Forward-looking estimates may not come to pass. **6** Georgetown Center for Security and Emerging Technology, "AI and Compute", Jan 2022. **7** Goldman Sachs, "Generative AI could raise global GDP by 7%", 4/5/23. Forward-looking estimates may not come to pass.

Stock Examples

Company	Subtheme	Description
Microsoft	Generative AI 	Developer of GPT-4-powered Copilot for Office 365 and scalable custom AI solutions via Azure OpenAI
Did you know? Generative AI could add \$20B per year to the overall semiconductor market by 2027. ¹		
NVIDIA	AI Data & Infrastructure 	Supplier of advanced GPUs, controlling 70%-95% of the AI chip market for training large language models like ChatGPT ²
Did you know? Data center spending may double in 5 years ³ , with hyperscale capacity doubling every 4 . ⁴		
SentinelOne	AI Software 	Provider of AI software for real-time threat detection, mitigation and response for devices, data and cloud systems
Did you know? AI cybersecurity tools can automate responses to critical alerts, accelerating triage by 55% . ⁵		
Capgemini	AI Services 	Provider of AI services like data analytics, machine learning and automation solutions to help enterprises enhance productivity
Did you know? 70% of consumers now prefer GenAI for shopping recommendations over traditional search. ⁶		

Source: **1** WSJ, "NVIDIA, Other Chip Companies Race to Cash In on ChatGPT Frenzy". 2/23/2023. Forward-looking estimates may not come to pass. **2** CNBC. "NVIDIA dominates the AI chip market, but there's more competition than ever", 6/2/2024. **3** Reuters. "Data centre boom reveals AI hype's physical limits", 7/4/2024. Forward-looking estimates may not come to pass. **4** Capgemini Research Institute, "Why consumers love generative AI", 6/7/2023. Forward-looking estimates may not come to pass. **5** IBM. "AI cybersecurity", accessed on 8/8/2024. **6** Capgemini Research Institute. "Why consumers love generative AI", 6/7/2023.

References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies. Holdings are subject to change. This is not meant as a guarantee of any future results or experience. For holdings information for the iShares funds, please visit iShares.com. Source: BlackRock as of 9/30/2024. Holdings are subject to change. Weight (%) in ARTY, as of 9/30/2024: Microsoft (2.84%), NVIDIA (5.60%), SentinelOne (1.61%), Capgemini (2.61%).

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 www.iShares.com or www.blackrock.com. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries.

Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market. Technology companies may be subject to severe competition and product obsolescence.

Technology companies may be subject to severe competition and product obsolescence. Technologies perceived to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology.

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