

XSQ

iShares Core Short Term High Quality Canadian Bond Index ETF

As of 06/30/2016

iShares®
by BLACKROCK®

Seeks to provide income by replicating, to the extent possible, the performance of the FTSE TMX Canada Liquid Short Term Capped Bond Index (the "Index"), net of expenses. The Index includes short duration (1-5 years), liquid government and liquid corporate bonds with a rating of at least A. The Index is comprised of approximately 60% government bonds and 40% corporate bonds.

KEY FACTS

Inception Date	15/07/2014
Benchmark	FTSE TMX Canada Liquid Short Term Capped Bond Index
Stock Exchange	Toronto Stock Exchange
Distribution Frequency	Monthly
Listed Options	No
Eligible for Registered Plans	Yes
Program Eligibility	DRIP
Units Outstanding	5,000,000
Assets Under Management	\$100,101,345
Number of Holdings	162

KEY BENEFITS

- 1 Low cost portfolio of lower risk Canadian government and corporate bonds with maturities from 1 to 5 years
- 2 Pays monthly cash distributions while mitigating interest rate risk and credit risk
- 3 Designed to be a long-term core holding

GROWTH OF 10,000 CAD SINCE INCEPTION



Beginning Value = \$10,000.00; Date = 7/15/2014
Ending Value = \$10,476.07; Date = 6/30/2016

These results in the above Growth of 10 000 chart are hypothetical and are intended for illustrative purposes only. See page 2 for important disclosures and more information about hypothetical results.

FEES AND CHARGES

Management Fee	0.12 %
Management Expense Ratio (MER)	0.14 %

Management Fee: The annual fee payable by the fund and/or any underlying ETF(s) to BlackRock Canada and/or its affiliates for acting as trustee and/or manager of the fund/ETF(s).

MER: As reported in the fund's most recent Annual Management Report of Fund Performance. MER includes all management fees and GST/HST paid by the fund for the period, and includes any fees paid in respect of the fund's holdings of other ETFs.

TOP HOLDINGS (%)

CANADA (GOVERNMENT OF)	2.62
CANADA (GOVERNMENT OF)	2.42
CANADA (GOVERNMENT OF)	2.01
CANADA (GOVERNMENT OF)	1.99
CANADA (GOVERNMENT OF)	1.99
CANADA (GOVERNMENT OF)	1.94
ONTARIO CANADA (PROVINCE OF)	1.89
CANADA (GOVERNMENT OF)	1.64
CANADA HOUSING TRUST NO 1	
144A	1.64
CANADA HOUSING TRUST NO.1	
144A	1.61
Total of Portfolio	19.75

Holdings are subject to change.

ANNUAL PERFORMANCE (% CAD)

	Cumulative				Annualized				
	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund	0.43	0.59	1.00	1.00	1.45	N/A	N/A	N/A	2.40
Benchmark	0.43	0.61	1.07	1.07	1.60	N/A	N/A	N/A	2.49

12 MONTH PERFORMANCE PERIODS (% CAD)

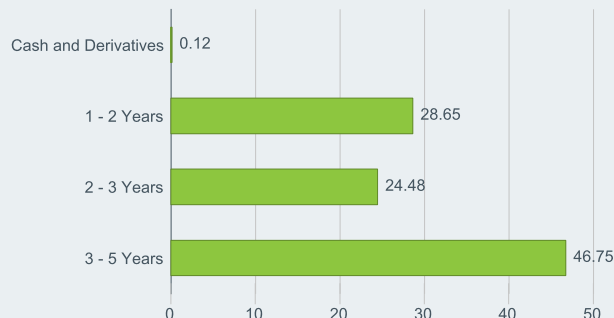
	2015	2014	2013	2012	2011
Fund	2.51	N/A	N/A	N/A	N/A
Benchmark	2.63	N/A	N/A	N/A	N/A

All amounts given in Canadian dollars.

PORTFOLIO CHARACTERISTICS

Weighted Average Yield To Maturity	1.07 %
Effective Duration	2.86 yrs
Weighted Average Maturity	2.98 yrs
Weighted Average Coupon	2.44 %
Distribution Yield	2.22 %
Trailing 12-month Yield	2.29 %

MATURITY BREAKDOWN (%)



TOP ISSUERS

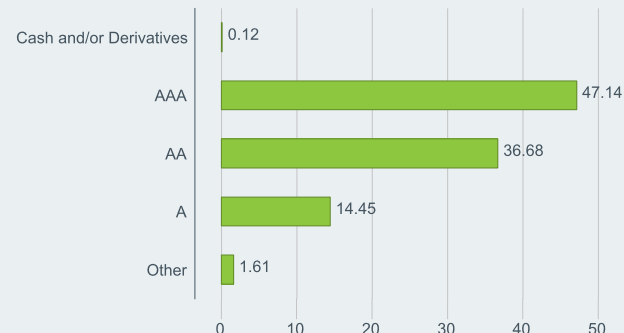
CANADA (GOVERNMENT OF)	27.53
CANADA HOUSING TRUST NO.1	16.04
ONTARIO (PROVINCE OF)	8.02
ROYAL BANK OF CANADA	7.95
BANK OF NOVA SCOTIA	6.77
TORONTO-DOMINION BANK/THE	4.47
BANK OF MONTREAL	4.41
QUEBEC (PROVINCE OF)	3.71
CANADIAN IMPERIAL BANK OF COMMERCE	3.62
HSBC BANK CANADA	2.23

SECTOR EXPOSURE (%)

Federal	44.12
Financial	36.08
Provincial	15.40
Securitized	2.53
Infrastructure	0.69
Industrial	0.52
Municipal	0.44
Cash and/or Derivatives	0.12
Real Estate	0.10

Allocations are subject to change.

CREDIT RATINGS (%)



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1-866 iSHARES (1-866-474-2737)

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The above results are hypothetical and are intended for illustrative purposes only. The Hypothetical Growth of \$10,000 chart reflects a hypothetical \$10,000 investment and assumes reinvestment of dividends and capital gains. Fund expenses, including management fees and other expenses, were deducted.

Unlike an actual performance record, hypothetical results do not represent actual performance and are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk. There are frequently differences, including material differences, between hypothetical performance results and the actual results subsequently achieved by any particular fund. Since trades have not actually been executed, hypothetical results cannot account for the impact of certain market risks such as lack of liquidity. There are numerous other factors related to the markets in general or the implementation of any specific investment strategy, which cannot be fully accounted for in the preparation of hypothetical results and all of which can adversely affect actual results.

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