

iShares Managed Futures Index Fund

FUND SUMMARY

The iShares Managed Futures Index Fund (TSX: CMF) seeks to track the performance of the Guggenheim Managed Futures Index, before fees and expenses. CMF will provide investment exposure to a diverse set of U.S. traded commodity, currency, equity, and fixed income futures contracts. The strategy employs an established systematic model that seeks to profit from price trends and draws upon the best practices for trend-following, risk management, and portfolio construction.

THE FORWARD AGREEMENT STRUCTURE

The Fund utilizes a Forward Agreement structure with a Canadian chartered bank or an affiliate thereof in order to provide exposure to the performance of its applicable index. Amounts equal to the income and/or capital gains generated by the portfolio of the index (interest and/or foreign income) will be paid to Unitholders of the ETF primarily as return of capital distributions and as distributions of capital gains. Depending upon the application of a proposed measure in the 2013 Federal Budget relating to any extension or replacement of the Forward Agreement following the Budget date, such distributions may be treated as ordinary income.

THE ISHARES MANAGED FUTURES INDEX FUND IS DESIGNED TO PROVIDE INVESTORS THE POTENTIAL FOR:

- Broad diversification across global liquid futures markets
- Reducing overall portfolio volatility
- Enhancing overall portfolio returns in most economic environments

FUTURES CONTRACT SELECTION AND ROLL

Within the futures series of each index component, contracts are selected and rolled to maintain the greatest possible liquidity and minimize impact of contango.

Commodities: Contracts are rolled into the next most liquid futures contract on a monthly or bi-monthly cycle, depending on the commodity

Currencies: The front-month contracts are rolled the second Wednesday in March, June, September, and December

Equities: The front-month contracts are rolled the Wednesday prior

PROFILE

Ticker Symbol	CMF
Exchange	TSX
Fund Inception Date	2/13/12
Distribution Schedule (if any)	Annual, if any
Management Fees	0.95 %

INDEX CHARACTERISTICS

as of 12/31/12

Investment Strategy	Long/Flat/Short Futures
Rebalance Schedule	Monthly
Underlying Index	Guggenheim Managed Futures Index

iShares Managed Futures Index Fund

Guggenheim Managed Futures Index

The iShares Managed Futures Index Fund ("CMF") seeks to capitalize on price trends of a diverse set of commodity, currency, equity, and fixed income futures contracts through a systematic trend-following strategy. The Fund tracks the performance of the Guggenheim Managed Futures Index (the "Index") and offers investors the potential for downside protection, true asset class diversification, and a hedge against inflation.

ENHANCED INDEX STRATEGY: FOCUSED ON MANAGING RISK

1. DIVERSIFICATION

Index is diversified across a universe of 30 commodity and financial futures contracts with long, flat, and short exposure based on a disciplined, rules-based strategy which selects individual contracts based on the trends in current state of the markets.

2. STRATEGY FOCUSED ON RISK MANAGEMENT

Using a risk-based approach, the Index avoids concentration in any particular futures group and looks to benefit by reducing exposure during trending but volatile markets. Risk is controlled at the component level with two primary objectives: (1) to target an equal risk level of each component and (2) to ensure that the risk of each component is limited. The Index does not use leverage.

3. PORTFOLIO TRANSPARENCY

Fully transparent investment strategy with portfolio holdings posted and updated on a daily basis.

4. CONTRACT ROLL OPTIMIZER

The Index roll strategy seeks to minimize the negative impact of contango, and maximizes the positive impact of backwardation by selecting the contract with the most attractive expected roll return along the forward curve.

- Commodities contracts are rolled monthly or bi-monthly cycle, depending on the commodity;
- Currencies contracts are rolled the March, June, September, and December;
- Equities contracts are rolled March, June, September, and December;
- Fixed Income contracts are rolled February, May, August, and November

5. CANADIAN DOLLAR HEDGING

As the contracts traded in the Index are denominated in U.S. dollars, the Fund utilizes a U.S. dollar hedging strategy to reduce overall volatility from foreign exchange rate fluctuations.

ABOUT THE INDEX PROVIDER

Guggenheim Investments ("Guggenheim") represents the investment management division of Guggenheim Partners, LLC. Guggenheim has a long, distinguished history of serving institutional investors, ultra-high-net-worth individuals, family offices and financial advisors. Guggenheim offers clients a wide range of differentiated capabilities built on a commitment to investment excellence. Each Guggenheim's investment teams brings a unique expertise and point of view about what drives asset and market behaviour, and what drives risk and reward. Guggenheim's clients have valued their traditions of independence, thought leadership, purposeful innovation and nimbleness.

iShares® Funds are managed by BlackRock Investments Canada Inc. Commissions, management fees and expenses all may be associated with investing in iShares Funds. Please read the relevant prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or operational charges or income taxes payable by any securityholder that would have reduced returns. The funds are not guaranteed, their values change frequently and past performance may not be repeated. Tax, investment and all other decisions should be made, as appropriate, only with guidance from a qualified professional.

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