

XQB

iShares Core High Quality Canadian Bond Index ETF

As of 06/30/2016

iShares[®]
by **BLACKROCK**[®]

Designed to replicate, to the extent possible, the performance of the FTSE TMX Canada Liquid Universe Capped Bond Index (the "Index"), net of expenses. The Index consists of a well-diversified selection of investment-grade, liquid bonds issued domestically in Canada and denominated in Canadian dollars and is comprised of approximately 60% government bonds and 40% corporate bonds

KEY FACTS

| | |
|--------------------------------------|--|
| Inception Date | 19/11/2009 |
| Benchmark | FTSE TMX Canada Liquid Universe Capped Bond Index™ |
| Stock Exchange | Toronto Stock Exchange |
| Distribution Frequency | Monthly |
| Listed Options | No |
| Eligible for Registered Plans | Yes |
| Program Eligibility | PACC/DRIP/SWP |
| Units Outstanding | 17,100,000 |
| Assets Under Management | \$364,850,261 |
| Number of Holdings | 336 |

KEY BENEFITS

- 1 Low cost portfolio of lower risk Canadian government and corporate bonds
- 2 Pays monthly cash distributions and diversifies stock portfolios
- 3 Designed to be a long-term core holding

GROWTH OF 10,000 CAD SINCE INCEPTION



Beginning Value = \$10,000.00; Date = 11/19/2009
Ending Value = \$13,009.16; 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) | 0.13 % |

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) | 1.25 |
| CANADA (GOVERNMENT OF) | 1.16 |
| CANADA (GOVERNMENT OF) | 1.06 |
| CANADA (GOVERNMENT OF) | 1.05 |
| CANADA (GOVERNMENT OF) | 1.04 |
| CANADA (GOVERNMENT OF) | 0.95 |
| TORONTO-DOMINION BANK RegS | 0.93 |
| CANADA (GOVERNMENT OF) | 0.93 |
| ONTARIO (PROVINCE OF) | 0.93 |
| ONTARIO PROVINCE OF | 0.90 |
| Total of Portfolio | 10.20 |

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 | 1.50 | 2.16 | 3.43 | 3.43 | 4.47 | 4.86 | 4.10 | N/A | 4.06 |
| Benchmark | 1.48 | 2.18 | 3.49 | 3.49 | 4.61 | 5.10 | 4.79 | N/A | 4.81 |

12 MONTH PERFORMANCE PERIODS (% CAD)

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------|------|------|-------|------|------|
| Fund | 3.38 | 7.51 | -1.53 | 2.76 | 6.84 |
| Benchmark | 3.50 | 7.64 | -0.68 | 3.63 | 8.85 |

All amounts given in Canadian dollars.

PORTFOLIO CHARACTERISTICS

| | |
|------------------------------------|----------|
| Weighted Average Yield To Maturity | 1.61 % |
| Effective Duration | 6.78 yrs |
| Weighted Average Maturity | 8.98 yrs |
| Weighted Average Coupon | 3.00 % |
| Distribution Yield | 2.60 % |
| Trailing 12-month Yield | 2.66 % |

MATURITY BREAKDOWN (%)



TOP ISSUERS

| | |
|------------------------------------|-------|
| CANADA (GOVERNMENT OF) | 22.17 |
| ONTARIO (PROVINCE OF) | 12.94 |
| CANADA HOUSING TRUST NO.1 | 9.56 |
| QUEBEC (PROVINCE OF) | 7.52 |
| ROYAL BANK OF CANADA | 6.45 |
| BANK OF NOVA SCOTIA | 4.73 |
| TORONTO-DOMINION BANK/THE | 4.58 |
| BANK OF MONTREAL | 3.62 |
| CANADIAN IMPERIAL BANK OF COMMERCE | 2.60 |
| BRITISH COLUMBIA (PROVINCE OF) | 2.30 |

SECTOR EXPOSURE (%)

| | |
|-------------------------|-------|
| Federal | 31.98 |
| Financial | 30.30 |
| Provincial | 27.71 |
| Infrastructure | 3.17 |
| Energy | 2.72 |
| Securitized | 1.90 |
| Industrial | 1.08 |
| Real Estate | 0.49 |
| Municipal | 0.44 |
| Cash and/or Derivatives | 0.21 |

Allocations are subject to change.

CREDIT RATINGS (%)



Want to learn more?

 www.iShares.ca

 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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