

Amendment No. 3 dated June 30, 2017 to the prospectus of the iShares Funds dated March 29, 2017, as amended by Amendment No. 1 dated May 19, 2017 and Amendment No. 2 dated June 13, 2017 (the “**Prospectus**”).



This Amendment No. 3 amends the Prospectus in respect of the exchange-traded fund listed below (the “**iShares Fund**”):

iShares MSCI Brazil Index ETF (“XBZ”)

This Amendment No. 3 to the Prospectus provides certain additional information relating to the iShares Fund. The Prospectus should be read subject to this additional information. In all other respects, the disclosure in the Prospectus is not revised.

All capitalized terms not defined herein have the respective meanings set out in the Prospectus.

SUMMARY OF AMENDMENTS

Termination of XBZ

BlackRock Canada has determined to terminate the iShares Fund effective on or about September 27, 2017 (the “**Termination Date**”). At such time, all references to XBZ will be deemed to be removed from the Prospectus. BlackRock Canada expects that the Units of the iShares Fund will cease trading on the TSX and be delisted from the TSX on or about September 20, 2017. In connection with the termination, the assets of the iShares Fund will be liquidated. As soon as practicable following the Termination Date, the liquidation proceeds will be distributed, after paying or providing for all liabilities and obligations of the iShares Fund, *pro rata* among Unitholders of record of the iShares Fund on the Termination Date. Following the termination and distributions described above with respect to the iShares Fund, the iShares Fund will be dissolved.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides a purchaser with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides a purchaser of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

Notwithstanding the foregoing, a purchaser of Units will not have the right to withdraw from an agreement to purchase the Units after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order is relying on the Prospectus Delivery Decision. See “Exemptions and Approvals” in the Prospectus. However, a purchaser of Units will, in the applicable provinces of Canada, retain the purchaser’s right under securities legislation to rescind the purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser’s province or territory. Any remedies under securities legislation that a

purchaser of Units may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, BlackRock Canada has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in this prospectus under a decision pursuant to National Policy 11-203 - *Process for Exemptive Relief Applications in Multiple Jurisdictions*. See "Exemptions and Approvals" in the Prospectus. As such, purchasers of Units will not be able to rely on the inclusion of an underwriter's certificate in this prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that signed an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

CERTIFICATE OF THE iSHARES FUND, THE TRUSTEE AND THE MANAGER
ON BEHALF OF

iShares MSCI Brazil Index ETF

The prospectus dated March 29, 2017, as amended by Amendment No. 1 dated May 19, 2017 and Amendment No. 2 dated June 13, 2017, and as further amended by this Amendment No. 3, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus dated March 29, 2017, as amended by Amendment No. 1 dated May 19, 2017 and Amendment No. 2 dated June 13, 2017, and as further amended by this Amendment No. 3, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

Dated the 30th day of June, 2017.

BLACKROCK ASSET MANAGEMENT CANADA LIMITED,
as Trustee and Manager of the iShares Funds

(SIGNED) MARCIA MOFFAT
Chief Executive Officer

(SIGNED) KEVIN PERRY
Chief Financial Officer

On behalf of the Board of Directors of
BlackRock Asset Management Canada Limited

(SIGNED) WARREN COLLIER
Director

(SIGNED) LEE WANIE
Director

Amendment No. 2 dated June 13, 2017 to the prospectus of the iShares Funds dated March 29, 2017, as amended by Amendment No. 1 dated May 19, 2017 (the “**Prospectus**”).



This Amendment No. 2 amends the Prospectus in respect of the exchange-traded funds listed below (collectively, the **iShares Funds**):

iShares Core Canadian Universe Bond Index ETF (“XBB”)

(formerly iShares Canadian Universe Bond Index ETF)

iShares Core Canadian Short Term Bond Index ETF (“XSB”)

(formerly iShares Canadian Short Term Bond Index ETF)

iShares Short Term High Quality Canadian Bond Index ETF (“XSQ”)

(formerly iShares Core Short Term High Quality Canadian Bond Index ETF)

iShares S&P/TSX Composite High Dividend Index ETF (“XEI”)

(formerly iShares Core S&P/TSX Composite High Dividend Index ETF)

This Amendment No. 2 to the Prospectus provides certain additional information relating to the iShares Funds. The Prospectus should be read subject to this additional information. In all other respects, the disclosure in the Prospectus is not revised.

All capitalized terms not defined herein have the respective meanings set out in the Prospectus.

SUMMARY OF AMENDMENTS

Name Changes to the iShares Funds

Effective June 13, 2017, the name of each iShares Funds has been changed as set forth below and the Master Declaration of Trust has been amended to reflect such name changes.

Former Names	New Names
iShares Canadian Universe Bond Index ETF	iShares Core Canadian Universe Bond Index ETF
iShares Canadian Short Term Bond Index ETF	iShares Core Canadian Short Term Bond Index ETF
iShares Core Short Term High Quality Canadian Bond Index ETF	iShares Short Term High Quality Canadian Bond Index ETF
iShares Core S&P/TSX Composite High Dividend Index ETF	iShares S&P/TSX Composite High Dividend Index ETF

All changes described above are subject to receipt of any required regulatory or other approvals.

SUMMARY OF CERTAIN CHANGES TO PROSPECTUS DISCLOSURE

The following amendments are made to the Prospectus:

Each reference in the Prospectus to “iShares Canadian Universe Bond Index ETF”, “iShares Canadian Short Term Bond Index ETF”, “iShares Core Short Term High Quality Canadian Bond Index ETF” and “iShares Core S&P/TSX Composite High Dividend Index ETF” is deleted and replaced with “iShares Core Canadian Universe Bond Index ETF”, “iShares Core Canadian Short Term Bond Index ETF”, “iShares Short Term High Quality Canadian Bond Index ETF” and “iShares S&P/TSX Composite High Dividend Index ETF”, respectively.

Overview of the Legal Structure of the iShares Funds

In the section of the Prospectus entitled “**OVERVIEW OF THE LEGAL STRUCTURE OF THE iSHARES FUNDS**”, the disclosure in the table on page 34 under the heading “**Former Legal Names of Certain iShares Funds**” relating to the iShares Funds is removed and replaced with the following:

Former Legal Name	Current Legal Name
iShares Canadian Universe Bond Index ETF	iShares Core Canadian Universe Bond Index ETF
iShares Canadian Short Term Bond Index ETF	iShares Core Canadian Short Term Bond Index ETF
iShares Core Short Term High Quality Canadian Bond Index ETF	iShares Short Term High Quality Canadian Bond Index ETF
iShares Core S&P/TSX Composite High Dividend Index ETF	iShares S&P/TSX Composite High Dividend Index ETF

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides a purchaser with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides a purchaser of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

Notwithstanding the foregoing, a purchaser of Units will not have the right to withdraw from an agreement to purchase the Units after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order is relying on the Prospectus Delivery Decision. See “Exemptions and Approvals” in the Prospectus. However, a purchaser of Units will, in the applicable provinces of Canada, retain the purchaser’s right under securities legislation to rescind the purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser’s province or territory. Any remedies under securities legislation that a purchaser of Units may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, BlackRock Canada has obtained exemptive relief from the requirement in securities legislation to include an underwriter’s certificate in this prospectus under a decision pursuant to National Policy 11-203 - *Process for Exemptive Relief Applications in Multiple Jurisdictions*. See “Exemptions and Approvals” in the Prospectus. As such, purchasers of Units will not be able to rely on the inclusion of an underwriter’s certificate in this prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that signed an underwriter’s certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

CERTIFICATE OF THE iSHARES FUNDS, THE TRUSTEE AND THE MANAGER

ON BEHALF OF

iShares Core Canadian Universe Bond Index ETF iShares Short Term High Quality Canadian Bond Index ETF
iShares Core Canadian Short Term Bond Index ETF iShares S&P/TSX Composite High Dividend Index ETF

The prospectus dated March 29, 2017, as amended by Amendment No. 1 dated May 19, 2017, and as further amended by this Amendment No. 2, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus dated March 29, 2017, as amended by Amendment No. 1 dated May 19, 2017, and as further amended by this Amendment No. 2, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

Dated the 13th day of June, 2017.

**BLACKROCK ASSET MANAGEMENT CANADA LIMITED,
as Trustee and Manager of the iShares Funds**

(SIGNED) MARCIA MOFFAT
Chief Executive Officer

(SIGNED) KEVIN PERRY
Chief Financial Officer

**On behalf of the Board of Directors of
BlackRock Asset Management Canada Limited**

(SIGNED) WARREN COLLIER
Director

(SIGNED) LEE WANIE
Director

Amendment No. 1 dated May 19, 2017 to the prospectus dated March 29, 2017 (the “**Prospectus**”).



This Amendment No. 1 amends the Prospectus in respect of the exchange-traded funds listed below (collectively, the “**iShares Funds**”).

iShares Canadian Universe Bond Index ETF (“XBB”)

iShares Canadian Short Term Bond Index ETF (“XSB”)

iShares Core Canadian Short Term Corporate + Maple Bond Index ETF (“XSH”)

This Amendment No. 1 to the Prospectus provides certain additional information relating to the iShares Funds. The Prospectus should be read subject to this additional information. In all other respects, the disclosure in the Prospectus is not revised.

All capitalized terms not defined herein have the respective meanings set out in the Prospectus.

AMENDMENTS:

Reductions in Annual Management Fees

This Amendment No. 1 updates disclosure in the Prospectus of the annual management fee payable by each of the iShares Funds to BlackRock Canada. To give effect to this update, the disclosure in the Prospectus is amended to reflect that the annual management fee payable by each of the iShares Funds is reduced to 0.09% of such iShares Fund’s Net Asset Value.

In the sections of the Prospectus entitled “**SUMMARY OF FEES AND EXPENSES**” and “**FEES AND EXPENSES**”, the portion of the table on pages 19 and 63, respectively, relating to the iShares Funds is removed and replaced with the following disclosure:

<u>iShares Fund</u>	<u>Annual Management Fee</u> ⁽¹⁾
XBB	0.09% ⁽¹⁾
XSB	0.09% ⁽¹⁾
XSH	0.09% ⁽¹⁾

⁽¹⁾ Effective May 19, 2017.

CERTIFICATE OF THE iSHARES FUNDS, TRUSTEE AND THE MANAGER

ON BEHALF OF

iShares Canadian Universe Bond Index ETF
iShares Core Canadian Short Term Corporate + Maple
Bond Index ETF

iShares Canadian Short Term Bond Index ETF

The prospectus dated March 29, 2017 and this Amendment No. 1, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus dated March 29, 2017, as amended by this Amendment No. 1, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

Dated the 19th day of May, 2017.

BLACKROCK ASSET MANAGEMENT CANADA LIMITED
as Trustee and Manager of the iShares Funds

(Signed) MARCIA MOFFAT
Chief Executive Officer

(Signed) KEVIN PERRY
Chief Financial Officer

On behalf of the Board of Directors of
BlackRock Asset Management Canada Limited

(Signed) WARREN COLLIER
Director

(Signed) LEE WANIE
Director

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Continuous Offering

March 29, 2017



This prospectus qualifies the distribution of units (“Units”) of the exchange-traded funds listed below (the “iShares® Funds”), each of which was created under the laws of the Province of Ontario by BlackRock Asset Management Canada Limited (“BlackRock Canada”). BlackRock Canada is the trustee, manager and portfolio advisor of the iShares Funds and is responsible for the day-to-day administration of the iShares Funds. See “Organization and Management Details of the iShares Funds – Trustee, Manager and Portfolio Advisor of the iShares Funds”. The iShares Funds are organized as trusts and unitholders of the iShares Funds are not shareholders of a corporation.

iShares Canadian Equity Funds

iShares Canadian Growth Index ETF (“XCG”)
iShares S&P/TSX SmallCap Index ETF (“XCS”)
iShares Canadian Value Index ETF (“XCV”)
iShares Canadian Select Dividend Index ETF (“XDV”)
iShares S&P/TSX Capped Energy Index ETF (“XEG”)
iShares Core S&P/TSX Composite High Dividend Index ETF (“XEI”)
iShares Jantzi Social Index ETF (“XEN”)
iShares S&P/TSX Capped Financials Index ETF (“XFN”)
iShares Core S&P/TSX Capped Composite Index ETF (“XIC”)
iShares S&P/TSX Capped Information Technology Index ETF (“XIT”)
iShares S&P/TSX 60 Index ETF (“XIU”)
iShares S&P/TSX Capped Materials Index ETF (“XMA”)
iShares S&P/TSX Completion Index ETF (“XMD”)
iShares S&P/TSX Capped REIT Index ETF (“XRE”)
iShares S&P/TSX Capped Consumer Staples Index ETF (“XST”)
iShares S&P/TSX Capped Utilities Index ETF (“XUT”)

iShares Canadian Fixed Income Funds

iShares Canadian Universe Bond Index ETF (“XBB”)
iShares Canadian Corporate Bond Index ETF (“XCB”)
iShares Floating Rate Index ETF (“XFR”)
iShares Canadian Government Bond Index ETF (“XGB”)
iShares Canadian HYBRID Corporate Bond Index ETF (“XHB”)
iShares Core Canadian Long Term Bond Index ETF (“XLB”)
iShares Canadian Real Return Bond Index ETF (“XRB”)
iShares Canadian Short Term Bond Index ETF (“XSB”)
iShares Core Canadian Short Term Corporate + Maple Bond Index ETF (“XSH”)
iShares Core Short Term High Quality Canadian Bond Index ETF (“XSQ”)

iShares International Equity Funds

iShares Core MSCI All Country World ex Canada Index ETF (“XAW”)
iShares MSCI Brazil Index ETF (“XBZ”)
iShares China Index ETF (“XCH”)
iShares Core MSCI Emerging Markets IMI Index ETF (“XEC”)
iShares Core MSCI EAFE IMI Index ETF (“XEF”)
iShares MSCI Emerging Markets Index ETF (“XEM”)
iShares MSCI Europe IMI Index ETF (“XEU”)
iShares U.S. High Dividend Equity Index ETF (“XHU”)

iShares India Index ETF (“XID”)
iShares S&P U.S. Mid-Cap Index ETF (“XMC”)
iShares Core S&P 500 Index ETF (“XUS”)
iShares Core S&P U.S. Total Market Index ETF (“XUU”)
iShares MSCI World Index ETF (“XWD”)

iShares International Mining Sector Funds

iShares S&P/TSX Global Base Metals Index ETF (“XBM”)
iShares S&P/TSX Global Gold Index ETF (“XGD”)

iShares Currency Hedged International Equity Funds

iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged) (“XCD”)
iShares MSCI Europe IMI Index ETF (CAD-Hedged) (“XEH”)
iShares Core MSCI EAFE IMI Index ETF (CAD-Hedged) (“XFH”)
iShares S&P Global Industrials Index ETF (CAD-Hedged) (“XGI”)
iShares Global Healthcare Index ETF (CAD-Hedged) (“XHC”)
iShares U.S. High Dividend Equity Index ETF (CAD-Hedged) (“XHD”)
iShares MSCI EAFE® Index ETF (CAD-Hedged) (“XIN”)
iShares S&P U.S. Mid-Cap Index ETF (CAD Hedged) (“XMH”)
iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged) (“XPF”)
iShares NASDAQ 100 Index ETF (CAD-Hedged) (“XQQ”)
iShares Core S&P 500 Index ETF (CAD-Hedged) (“XSP”)
iShares U.S. Small Cap Index ETF (CAD-Hedged) (“XSU”)
iShares Core S&P U.S. Total Market Index ETF (CAD-Hedged) (“XUH”)

iShares Currency Hedged International Fixed Income Funds

iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged) (“XEB”)
iShares U.S. High Yield Bond Index ETF (CAD-Hedged) (“XHY”)
iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged) (“XIG”)

iShares Minimum Volatility Funds

iShares Edge MSCI Min Vol EAFE Index ETF (“XMI”)
iShares Edge MSCI Min Vol Emerging Markets Index ETF (“XMM”)
iShares Edge MSCI Min Vol USA Index ETF (“XMU”)
iShares Edge MSCI Min Vol Canada Index ETF (“XMV”)
iShares Edge MSCI Min Vol Global Index ETF (“XMW”)

iShares Currency Hedged Minimum Volatility Funds

iShares Edge MSCI Min Vol EAFE Index ETF (CAD-Hedged) (“XML”)
iShares Edge MSCI Min Vol USA Index ETF (CAD-Hedged) (“XMS”)
iShares Edge MSCI Min Vol Global Index ETF (CAD-Hedged) (“XMY”)

iShares Multifactor Funds

iShares Edge MSCI Multifactor Canada Index ETF (“XFC”)
iShares Edge MSCI Multifactor EAFE Index ETF (“XFI”)
iShares Edge MSCI Multifactor EAFE Index ETF (CAD-Hedged) (“XFF”)
iShares Edge MSCI Multifactor USA Index ETF (“XFS”)
iShares Edge MSCI Multifactor USA Index ETF (CAD-Hedged) (“XFA”)

Investment Objectives

iShares Canadian Equity Funds

The iShares Canadian Equity Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Canadian Equity Fund Index, net of expenses. The applicable Canadian Equity Fund Index for each iShares Canadian Equity Fund is identified in this prospectus under “Investment Objectives – iShares Canadian Equity Funds”.

Under normal market conditions, each of XCG, XCV, XDV, XEI, XEN, XIC, XIU and XMD will primarily invest in Canadian equity securities. Under normal market conditions, XCS and XRE will primarily invest in equity securities issued by Canadian small-capitalization issuers and Canadian real estate investment trust issuers, respectively. Under normal market conditions, XEG, XFN, XIT, XMA, XST and XUT will primarily invest in equity securities issued by Canadian issuers participating in the energy, financials, information technology, materials, consumer staples and utilities sector, respectively.

iShares Canadian Fixed Income Funds

The iShares Canadian Fixed Income Funds, other than XFR, seek to provide income by replicating, to the extent possible, the performance of the applicable Canadian Fixed Income Fund Index, net of expenses. XFR seeks to provide income while limiting interest rate risk by replicating, to the extent possible, the performance of the FTSE TMX Canada FRN Index, net of expenses. The applicable Canadian Fixed Income Fund Index for each iShares Canadian Fixed Income Fund is identified in this prospectus under “Investment Objectives – iShares Canadian Fixed Income Funds”.

Under normal market conditions, each iShares Canadian Fixed Income Fund will primarily invest in Canadian fixed income securities.

iShares International Equity Funds

The iShares International Equity Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable International Equity Fund Index, net of expenses. The applicable International Equity Fund Index for each iShares International Equity Fund is identified in this prospectus under “Investment Objectives – iShares International Equity Funds”.

Under normal market conditions, each of XAW, XEF and XWD will primarily invest in securities of one or more iShares ETFs (defined below) and/or international equity securities and each of XHU, XMC, XUS and XUW will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities. Under normal market conditions, each of XEC and XEM will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in emerging market countries and XEU will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in European countries. Under normal market conditions, XBZ, XCH and XID will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in Brazil, China and India, respectively.

iShares International Mining Sector Funds

The iShares International Mining Sector Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable International Mining Sector Index, net of expenses. The applicable International Mining Sector Fund Index for each iShares International Mining Sector Fund is identified in this prospectus under “Investment Objectives – iShares International Mining Sector Funds”.

Under normal market conditions, each iShares International Mining Sector Fund will primarily invest in equity securities issued by international issuers participating in the mining sector.

iShares Currency Hedged International Equity Funds

The iShares Currency Hedged International Equity Funds, other than XPF, seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Hedged International Equity Fund Index, net of expenses. XPF seeks to provide income by replicating, to the extent possible, the performance of the S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index (the “**Preferred Index**”), net of expenses. The applicable Hedged International Equity Fund Index for each iShares Currency Hedged International Equity Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged International Equity Funds”.

Under normal market conditions, each of XSP and XUH will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities, each of XFH and XIN will primarily invest in securities of one or more iShares ETFs and/or international equity securities, XEH will primarily invest in securities of one or more iShares

ETFs and/or European equity securities, and XPF will primarily invest in securities of one or more iShares ETFs and/or North American equity securities. Under normal market conditions, XCD, XGI and XHC will primarily invest in securities of one or more iShares ETFs and/or equity securities of international issuers participating in the consumer discretionary, industrials and healthcare sector, respectively. Under normal market conditions, XMH and XSU will primarily invest in securities of one or more iShares ETFs and/or equity securities of U.S. mid-capitalization issuers and U.S. small-capitalization issuers, respectively. Under normal market conditions, each of XQQ and XHD will primarily invest in U.S. equity securities.

iShares Currency Hedged International Fixed Income Funds

The iShares Currency Hedged International Fixed Income Funds seek to provide income by replicating, to the extent possible, the performance of the applicable Hedged International Fixed Income Fund Index, net of expenses, and, to the extent possible, hedge any resulting U.S. dollar currency exposure back to Canadian dollars. The applicable Hedged International Fixed Income Fund Index for each iShares Currency Hedged International Fixed Income Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged International Fixed Income Funds”.

Under normal market conditions, each iShares Currency Hedged International Fixed Income Fund will primarily invest in securities of one or more iShares ETFs and/or U.S. fixed income securities.

iShares Minimum Volatility Funds

The iShares Minimum Volatility Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Minimum Volatility Fund Index, net of expenses. The applicable Minimum Volatility Fund Index for each iShares Minimum Volatility Fund is identified in this prospectus under “Investment Objectives – iShares Minimum Volatility Funds”.

Under normal market conditions, each of XMI and XMW will primarily invest in securities of one or more iShares ETFs and/or international equity securities, and XMM will primarily invest in securities of one or more iShares ETFs and/or equity securities of issuers located in emerging market countries. Under normal market conditions, XMV will primarily invest in Canadian equity securities and XMU will primarily invest in U.S. equity securities.

iShares Currency Hedged Minimum Volatility Funds

The iShares Currency Hedged Minimum Volatility Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Hedged Minimum Volatility Fund Index, net of expenses and, to the extent possible, hedge any resulting non-Canadian currency exposure back to Canadian dollars. The applicable Hedged Minimum Volatility Fund Index for each iShares Currency Hedged Minimum Volatility Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged Minimum Volatility Funds”.

Under normal market conditions, each of XML and XMY will primarily invest in securities of one or more iShares ETFs and/or international equity securities and XMS will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities.

iShares Multifactor Funds

Each iShares Multifactor Fund seeks to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Index, net of expenses. The applicable Index for each iShares Multifactor Fund is identified in this prospectus under “Investment Objectives – iShares Multifactor Funds”.

Under normal market conditions, XFC will primarily invest in securities of one or more iShares ETFs and/or Canadian equity securities, XFI and XFF will primarily invest in securities of one or more iShares ETFs and/or international equity securities and XFS and XFA will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities. XFF and XFA will seek to hedge any resulting U.S. dollar or other foreign currency exposure, as applicable, back to Canadian dollars.

Investment Strategies

iShares Canadian Equity Funds

The investment strategy of each iShares Canadian Equity Fund is to invest primarily in and hold the Index Securities of the applicable Canadian Equity Fund Index in substantially the same proportion as they are reflected in the applicable Canadian Equity Fund Index. See “Investment Strategies – iShares Canadian Equity Funds”.

An iShares Canadian Equity Fund may invest in and hold units of exchange-traded funds managed by BlackRock Canada or an affiliate (“**iShares ETFs**”) and/or other equity securities, provided that such holding by the iShares Canadian Equity Fund is consistent with its stated investment objectives. The iShares Canadian Equity Funds may invest in futures contracts in order to provide market exposure for cash and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. The iShares Canadian Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Canadian Equity Funds”.

iShares Canadian Fixed Income Funds

The investment strategy of each iShares Canadian Fixed Income Fund is to invest in a regularly rebalanced portfolio of bonds, selected by BlackRock Canada from time to time, that closely matches the characteristics of the applicable Canadian Fixed Income Fund Index. An iShares Canadian Fixed Income Fund may invest in and hold units of iShares ETFs provided that such holding by the iShares Canadian Fixed Income Fund is consistent with its stated investment objectives. The iShares Canadian Fixed Income Funds may invest in bond futures contracts in order to provide market exposure for cash held by such iShares Canadian Fixed Income Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. XFR may also invest in fixed-rate bonds and then enter into interest rate swap agreements in order to convert a fixed-rate income stream into a floating-rate income stream, provided that doing so is consistent with its stated investment objectives. XSQ may also invest in other securities provided that such investment is consistent with its stated investment objectives. The iShares Canadian Fixed Income Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Canadian Fixed Income Funds”.

iShares International Equity Funds

The investment strategy of each iShares International Equity Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable International Equity Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable International Equity Fund Index. An iShares International Equity Fund may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives. The iShares International Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares International Equity Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares International Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares International Equity Funds”.

iShares International Mining Sector Funds

The investment strategy of each iShares International Mining Sector Fund is to invest primarily in and hold the Index Securities of the applicable International Mining Sector Fund Index in substantially the same proportion as they are reflected in the applicable International Mining Sector Fund Index. An iShares International Mining Sector Fund may invest in and hold units of iShares ETFs and/or other equity securities, provided that such holding by the iShares International Mining Sector Fund is consistent with its stated investment objectives. The iShares International Mining Sector Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares International Mining Sector Fund and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares International Mining Sector Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares International Mining Sector Funds”.

iShares Currency Hedged International Equity Funds

The investment strategy of each iShares Currency Hedged International Equity Fund, other than XQQ and XHD, is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Hedged International Equity Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Hedged International Equity Fund Index and to hedge any resulting foreign currency exposure back to Canadian dollars.

The investment strategy of XQQ is to invest primarily in and hold the Index Securities of the NASDAQ-100 Currency Hedged CAD Index (the “**NASDAQ Index**”) in substantially the same proportion as they are reflected in the NASDAQ Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The investment strategy of XHD is to invest primarily in and hold the Index Securities of the Morningstar Dividend Yield Focus Index – CAD-Hedged (the “**Morningstar Index**”) in substantially the same proportion as they are reflected in the Morningstar Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The iShares Currency Hedged International Equity Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102. An iShares Currency Hedged International Equity Fund may also invest in other iShares ETFs and/or other equity or preferred securities, provided that such investment is consistent with its stated investment objectives. The iShares Currency Hedged International Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged International Equity Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged International Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Currency Hedged International Equity Funds”.

iShares Currency Hedged International Fixed Income Funds

The investment strategy of each iShares Currency Hedged International Fixed Income Fund, other than XHY, is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Hedged International Fixed Income Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Hedged International Fixed Income Fund Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The investment strategy of XHY is to invest primarily in a regularly rebalanced portfolio of U.S. dollar denominated high yield corporate bonds, selected by BlackRock Canada from time to time, that in aggregate closely match the characteristics of the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD (the “**High Yield Index**”), and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The iShares Currency Hedged International Fixed Income Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars by entering into currency forward contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102. An iShares Currency Hedged International Fixed Income Fund may also invest in other iShares ETFs and/or in other fixed income securities, provided that such investment is consistent with its stated investment objectives. The iShares Currency Hedged International Fixed Income Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged International Fixed Income Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged International Fixed Income Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Currency Hedged International Fixed Income Funds”.

iShares Minimum Volatility Funds

The investment strategy of XMV and XMU is to invest primarily in and hold the Index Securities of the applicable Index in substantially the same proportion as they are reflected in the applicable Index. XMV and XMU may invest in and hold units of other iShares ETFs and/or other equity securities, provided that such holding by any such iShares Fund is consistent with its stated investment objectives.

The investment strategy of XMI, XMM and XMW is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index. XMI, XMM and XMW may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives.

The iShares Minimum Volatility Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Fund and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. The iShares Minimum Volatility Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Minimum Volatility Funds”.

iShares Currency Hedged Minimum Volatility Funds

The investment strategy of each iShares Currency Hedged Minimum Volatility Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index, and to hedge any resulting foreign currency exposure back to Canadian dollars. Each of the iShares Currency Hedged Minimum Volatility Funds may also invest in other iShares ETFs and/or other equity securities, provided that such investment is consistent with its stated investment objectives.

The iShares Currency Hedged Minimum Volatility Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designed rating” as defined in NI 81-102. The iShares Currency Hedged Minimum Volatility Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged Minimum Volatility Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged Minimum Volatility Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Currency Hedged Minimum Volatility Funds”.

iShares Multifactor Funds

The investment strategy of each iShares Multifactor Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index and, in the case of XFF and XFA, to hedge any resulting U.S. dollar or other foreign currency exposure, as applicable, back to Canadian dollars. The applicable Index for each iShares Fund is identified in this prospectus under “Investment Objectives – iShares Multifactor Funds”.

Each of XFF and XFA intends to employ a currency hedging strategy that is designed to hedge its exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward contracts, futures contracts and/or other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102. An iShares Multifactor Fund may also invest in other iShares ETFs and/or other equity securities, provided that such investment is consistent with its stated investment objective. The iShares Multifactor Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Multifactor Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Multifactor Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Multifactor Funds”.

Listing of Units

Each Unit of a class of an iShares Fund represents an equal, undivided interest in the net assets of the iShares Fund attributable to that class of Units. The Units of each iShares Fund are listed on the TSX and are offered on a continuous basis. Investors may buy or sell Units of such iShares Funds on the TSX through a registered broker or dealer in the province or territory where the investor resides.

Investors will incur customary brokerage commissions when buying or selling Units on the TSX. No fees are paid by a unitholder to BlackRock Canada or the iShares Funds in connection with the buying or selling of Units on the TSX.

Purchase, Redemption and Exchange

Underwriters may purchase and redeem Units directly from the iShares Funds. Unitholders of the iShares Funds may dispose of their Units in two ways: (i) by selling their Units on the TSX at the full market price less customary brokerage commissions and expenses, or (ii) by redeeming Units for cash at a redemption price of 95% of the closing price for the applicable Units on the TSX on the effective Trading Day for the redemption. However, a cash redemption request will be subject to a maximum redemption price payable to a unitholder of the Net Asset Value per Unit of the applicable iShares Fund. Unitholders are advised to consult their brokers or investment advisors before redeeming Units for cash. Each iShares Fund also offers additional redemption or exchange options which are available where a unitholder redeems or exchanges a Prescribed Number of Units. See “Purchase of Units” and “Exchange and Redemption of Units”.

Additional Considerations

No underwriter has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus.

For a discussion of the risks associated with an investment in Units of the iShares Funds, see “Risk Factors”.

The registration and transfer of Units are effected through the book-entry only system administered by CDS Clearing and Depository Services Inc. (“CDS”). Investors in the iShares Funds do not have the right to receive physical certificates evidencing their ownership of Units.

Trademarks

“iShares®” is a registered trademark of BlackRock, Inc. or its subsidiaries in the U.S. or elsewhere. Used with permission.

Documents Incorporated by Reference

During the period in which an iShares Fund is in continuous distribution, additional information will be available in its most recently filed comparative annual financial statements, its most recent interim financial statements filed after its most recent comparative annual financial statements, its most recently filed annual management report of fund performance (“MRFP”), its most recent interim MRFP filed after that annual MRFP and its most recently filed Summary Document. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the iShares Funds’ website at www.blackrock.com/ca and may be obtained upon request, at no cost, by calling 1-866-474-2737 or by contacting a registered dealer. These documents and other information about the iShares Funds are publicly available at www.sedar.com. See “Documents Incorporated by Reference”.

IMPORTANT TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

“**1933 Act**” — U.S. Securities Act of 1933, as amended.

“**AUM**” — assets under management.

“**Basket**” — as applicable, a Basket of Securities (applicable to the iShares Canadian Equity Funds, the iShares International Mining Sector Funds, XAW, XEH, XEU, XFH, XHU, XUH, XU, XMC, XMH and the iShares Multifactor Funds only) or a group of iShares ETFs, bonds, shares or other securities as BlackRock Canada may determine in its discretion from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**Basket of Securities**” — in relation to an iShares Canadian Equity Fund, an iShares International Mining Sector Fund, XAW, XEH, XEU, XFH, XHU, XUH, XU, XMC, XMH or the iShares Multifactor Funds only, a group of Index Securities with each Constituent Issuer of that Index being represented by the number of Index Securities which, when multiplied by the Constituent Issuer’s last sale price per Index Security, is approximately equivalent to the Constituent Issuer’s Relative Weight in the Index.

“**BFA**” — BlackRock Fund Advisors, an affiliate of BlackRock Canada.

“**BlackRock**” — BlackRock, Inc., the ultimate parent company of BlackRock Canada.

“**BlackRock Canada**” — BlackRock Asset Management Canada Limited.

“**BRAL**” — BlackRock Advisors (UK) Limited, an affiliate of BlackRock Canada.

“**BTC**” — BlackRock Institutional Trust Company, N.A., an affiliate of BlackRock Canada.

“**Canadian Equity Fund Indices**” — collectively, the S&P/TSX 60 Index, the S&P/TSX Capped Composite Index, the S&P/TSX Completion Index, the S&P/TSX SmallCap Index, the S&P/TSX Capped Energy Index, the S&P/TSX Capped Financials Index, the S&P/TSX Capped Information Technology Index, the S&P/TSX Capped REIT Index, the S&P/TSX Capped Materials Index, the S&P/TSX Composite High Dividend Index, the S&P/TSX Capped Consumer Staples Index, the S&P/TSX Capped Utilities Index, the Dow Jones Canada Select Dividend Index, the Dow Jones Canada Select Growth Index, the Dow Jones Canada Select Value Index and the Jantzi Social Index, as the case may be, each as constituted by the applicable Index Provider from time to time, and “**Canadian Equity Fund Index**” means any one of them.

“**Canadian iShares Fund**” — any ETF, other than the iShares Funds, that is listed on a recognized Canadian stock exchange and managed by BlackRock Canada or an affiliate.

“**Canadian Fixed Income Fund Indices**” — collectively, the FTSE TMX Canada Short Term Overall Bond Index, the FTSE TMX Canada Universe Bond Index, the FTSE TMX Canada Real Return Bond Index, the FTSE TMX Canada All Corporate Bond Index, the FTSE TMX Canada All Government Bond Index, the FTSE TMX Canada Long Term Overall Bond Index, the FTSE TMX Canada HYBRID Bond Index, the FTSE TMX Canada Universe + Maple Short Term Corporate Bond Index, the FTSE TMX Canada FRN Index and the FTSE TMX Canada Liquid Short Term Capped Bond Index, and “**Canadian Fixed Income Fund Index**” means any one of them.

“**Canadian Trading Day**” — each day on which trading takes place on the TSX.

“**Capped Indices**” — in relation to the iShares Canadian Equity Funds, the iShares International Equity Funds or the iShares International Mining Sector Funds, the Indices which are constrained market capitalization-weighted indices, and “**Capped Index**” means any one of them.

“**CDS**” — CDS Clearing and Depository Services Inc.

“CDS Participant” — a participant in CDS, including a securities broker or dealer, bank, trust company or other institution that directly or indirectly maintains a custodial relationship with CDS, which holds Units on behalf of beneficial owners of Units.

“Constituent Issuers” — in relation to a particular Index, the issuers that from time to time are included in that Index as selected by the Index Provider.

“CRA” — Canada Revenue Agency.

“Creation Transaction Fee” — the fee payable in connection with payments of cash or securities, in whole or in part, for subscriptions of a Prescribed Number of Units of the applicable iShares Fund, representing, as applicable, brokerage expenses, commissions, transaction costs, costs or expenses related to market impact, and other costs or expenses that the iShares Fund incurs or expects to incur in effecting securities transactions on the market with such payments of cash or securities.

“derivatives” — instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which may include, options, futures contracts, forward contracts, swaps or debt-like securities.

“Designated Broker” — a registered dealer that has entered into a Designated Broker Agreement with BlackRock Canada, on behalf of one or more iShares Funds pursuant to which the Designated Broker agrees to perform certain duties in relation to the iShares Funds.

“Designated Broker Agreement” — an agreement between BlackRock Canada, on behalf of an iShares Fund, and a Designated Broker.

“distribution record date” — a date designated by BlackRock Canada as a record date for the determination of Unitholders of an iShares Fund entitled to receive a distribution.

“DTAA” — the Double Tax Avoidance Agreement between India and Mauritius.

“Dow Jones Canadian Equity Fund Indices” — collectively, the Dow Jones Canada Select Dividend Index, the Dow Jones Canada Select Growth Index and the Dow Jones Canada Select Value Index, and **“Dow Jones Canadian Equity Fund Index”** means any one of them.

“EAFE Index” — the Europe, Australasia, Far East Index provided by MSCI.

“ETF” — an exchange-traded fund.

“Exchange Transaction Fee” — the fee payable in connection with payments of cash or securities, in whole or in part, for exchanges of a Prescribed Number of Units of the applicable iShares Fund, representing, as applicable, brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses that the iShares Fund incurs or expects to incur in effecting securities transactions on the market to obtain the necessary cash or securities for the exchange.

“Multifactor Indices” — collectively, the MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index, the MSCI EAFE Diversified Multiple-Factor (CAD) Index, the MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index, the MSCI USA Diversified Multiple-Factor (CAD) Index, and the MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index, and **“Multifactor Index”** means any one of them.

“FRC” — Frank Russell Company, the Index Provider of the Russell 2000® Index – Canadian Dollar Hedged.

“FTSE” — FTSE International Limited, the Index Provider of the FTSE China 50 Index.

“FTSE TMX” — FTSE TMX Global Debt Capital Markets Inc., the Index Provider of the Canadian Fixed Income Fund Indices.

“FTSE TMX License Agreement” — as described under “Organization and Management Details of the iShares Funds – License Agreements”.

“**HST**” — federal harmonized sales tax.

“**Hedged International Equity Fund Indices**” — collectively, the S&P Total Market Index (CAD-Hedged), the S&P 500 CAD Hedged Index, the MSCI EAFE Hedged 100% to CAD Index, the MSCI EAFE IMI 100% Hedged to CAD Index, the Russell 2000® Index – Canadian Dollar Hedged, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the NASDAQ-100 Currency Hedged CAD Index, the S&P MidCap 400 CAD Hedged Index, the Morningstar Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, and the S&P Global 1200 Industrials Canadian Dollar Hedged Index, and “**Hedged International Equity Fund Index**” means any one of them.

“**Hedged International Fixed Income Fund Indices**” — collectively, the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD, the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD and the J.P. Morgan EMBI Global Core Hedged in CAD Index, or any replacement index, as applicable, and “**Hedged International Fixed Income Fund Index**” means any one of them.

“**Hedged Minimum Volatility Fund Indices**” — collectively, the MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index, the MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index and the MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index, and “**Hedged Minimum Volatility Index**” means any one of them.

“**High Yield Index**” — the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD.

“**IFRS**” — International Financial Reporting Standards.

“**IFRS 13**” — IFRS 13, Fair Value Measurement.

“**IISL**” — India Index Services & Products Ltd., the Index Provider of the Nifty 50 Index.

“**Index Level**” — in relation to a particular Index, the level of that Index as calculated by the Index Provider from time to time.

“**Index Provider**” — third party providers of Indices, including S&P, FTSE, Markit, IISL, FTSE TMX, FRC, MSCI, NASDAQ OMX, Jantzi, JP Morgan Chase & Co. and Morningstar, with which BlackRock Canada has entered into licensing arrangements (either directly or pursuant to a sublicense with BTC or BFA) to use the relevant Indices and certain trademarks in connection with the operation of the applicable iShares Funds.

“**Index Securities**” — in relation to a particular Index, the securities of the Constituent Issuers included in that Index.

“**Indices**” — benchmarks, provided by Index Providers, which are used by the iShares Funds in relation to the iShares Funds’ investment objectives, and “**Index**” means any one of them.

“**International Equity Fund Indices**” — collectively, the S&P Total Market Index, the MSCI ACWI ex Canada IMI, the Morningstar Dividend Yield Focus Index, the MSCI Emerging Markets Index, the MSCI World Index, the FTSE China 50 Index or any replacement index, the MSCI Brazil 25/50 Index, the S&P MidCap 400 Index, the Nifty 50 Index, the S&P 500 Index, the MSCI EAFE Investable Market Index and the MSCI Emerging Markets Investable Market Index, and “**International Equity Fund Index**” means any one of them.

“**International Mining Sector Indices**” — collectively, the S&P/TSX Global Base Metals Index and the S&P/TSX Global Gold Index.

“**Investment Sub-Advisory Agreement**” — as described under “Organization and Management Details of the iShares Funds – Details of the Investment Sub-Advisory Agreement”.

“**IRC**” — the independent review committee of the iShares Funds as described under “Organization and Management Details of the iShares Funds – Independent Review Committee”.

“**iShares Canadian Equity Funds**” — collectively, the iShares S&P/TSX Canadian Equity Funds, the iShares Dow Jones Canadian Equity Funds and XEN, and “**iShares Canadian Equity Fund**” means any one of them.

“iShares Canadian Fixed Income Funds” — collectively, XBB, XCB, XFR, XGB, XHB, XLB, XRB, XSB, XSH, and XSQ, and **“iShares Canadian Fixed Income Fund”** means any one of them.

“iShares Currency Hedged International Equity Funds” — collectively, XCD, XEH, XFH, XGI, XHC, XHD, XIN, XMH, XPF, XQQ, XSP, XSU and XUH, and **“iShares Currency Hedged International Equity Fund”** means any one of them.

“iShares Currency Hedged International Fixed Income Funds” — collectively, XEB, XHY and XIG, and **“iShares Currency Hedged International Fixed Income Fund”** means any one of them.

“iShares Currency Hedged Minimum Volatility Funds” means, collectively, XML, XMS and XMY, and **“iShares Currency Hedged Minimum Volatility Fund”** means any one of them.

“iShares Dow Jones Canadian Equity Funds” — collectively, XCG, XCV and XDV, and **“iShares Dow Jones Canadian Equity Fund”** means any one of them.

“iShares ETFs” — ETFs managed by BlackRock Canada or an affiliate, including the iShares Funds, Canadian iShares Funds and U.S. iShares Funds.

“iShares Multifactor Funds” — collectively, XFC, XFI, XFF, XFS and XFA, and **“iShares Multifactor Fund”** means any one of them

“iShares Funds” — collectively, the iShares Canadian Equity Funds, iShares Canadian Fixed Income Funds, iShares International Equity Funds, iShares International Mining Sector Funds, iShares Currency Hedged International Equity Funds, iShares Currency Hedged International Fixed Income Funds, iShares Minimum Volatility Funds, iShares Currency Hedged Minimum Volatility Funds, and iShares Multifactor Funds, and **“iShares Fund”** means any one of them.

“iShares International Equity Funds” — collectively, XAW, XBZ, XCH, XEC, XEF, XEM, XEU, XHU, XID, XMC, XUS, XUW and XWD, and **“iShares International Equity Fund”** means any one of them.

“iShares International Mining Sector Funds” — means XBM and XGD.

“iShares Minimum Volatility Funds” — means XMI, XMM, XMU, XMV and XMW, and **“iShares Minimum Volatility Fund”** means any one of them.

“iShares S&P/TSX Canadian Equity Funds” — collectively, XCS, XEG, XEI, XFN, XIC, XIT, XIU, XMA, XMD, XRE, XST and XUT and **“iShares S&P/TSX Canadian Equity Fund”** means any one of them.

“Jantzi” — Jantzi Research Inc., the Index Provider of the Jantzi Social Index.

“J.P. Morgan” — J.P. Morgan Securities LLC, the Index Provider of the J.P. Morgan EMBI Global Core Hedged in CAD Index.

“Management Fee Distribution” — as described under “Fees and Expenses – Fees and Expenses Payable by the iShares Funds — Management Fee Distributions”, an amount equal to the difference between the applicable management fee otherwise chargeable and a reduced fee determined by BlackRock Canada from time to time that is distributed quarterly in cash by an iShares Fund to Unitholders who hold large investments in the iShares Fund.

“Markit” — Markit Indices Limited, the Index Provider of the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD and Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD.

“Master Declaration of Trust” — the master declaration of trust amended and restated as of March 29, 2017 governing the iShares Funds, as may be further amended and/or restated from time to time.

“Minimum Volatility Fund Indices” — collectively, the MSCI Canada Minimum Volatility Index (CAD), the MSCI USA Minimum Volatility Index (USD), the MSCI EAFE Minimum Volatility Index (USD), the MSCI Emerging Markets Minimum Volatility Index (USD) and the MSCI ACWI Minimum Volatility Index (USD), and **“Minimum Volatility Fund Index”** means any one of them.

“Morningstar” — Morningstar, Inc., the Index Provider of the Morningstar Dividend Yield Focus Index and the Morningstar Index.

“Morningstar Index” — Morningstar Dividend Yield Focus Index – CAD-Hedged.

“Morningstar License Agreement” — as described under “Organization and Management Details of the iShares Funds – License Agreements”.

“Morningstar Sublicense Agreement” — as described under “Organization and Management Details of the iShares Funds – License Agreements”.

“MRFP” — management report of fund performance.

“MSCI” — MSCI, Inc., the Index Provider of the EAFE Index, the MSCI EAFE Hedged 100% to CAD Index, the MSCI Emerging Markets Index, the MSCI World Index, the MSCI Brazil 25/50 Index, the MSCI Canada Minimum Volatility Index (CAD), the MSCI USA Minimum Volatility Index (USD), the MSCI EAFE Minimum Volatility Index (USD), the MSCI Emerging Markets Minimum Volatility Index (USD) and the MSCI ACWI Minimum Volatility Index (USD), the MSCI EAFE Investable Market Index, the MSCI Emerging Markets Investable Market Index, the MSCI ACWI ex Canada IMI, the MSCI EAFE IMI 100% Hedged to CAD Index, the MSCI Europe Investable Market Index, the MSCI Europe IMI 100% Hedged to CAD Index, the MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index, the MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index, the MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index and the Multifactor Indices.

“MSCI License Agreement” — as described under “Organization and Management Details of the iShares Funds – License Agreements”.

“MSCI Sublicense Agreement” — as described under “Organization and Management Details of the iShares Funds – License Agreements”.

“NASDAQ” — The NASDAQ OMX Group, Inc., the Index Provider of the NASDAQ Index.

“NASDAQ Index” — the NASDAQ-100 Currency Hedged CAD Index.

“NAV” or “Net Asset Value” — in relation to an iShares Fund, the market value of the total assets held by that iShares Fund, less an amount equal to the total liabilities of that iShares Fund.

“NAV per Unit” or “Net Asset Value per Unit” — in relation to an iShares Fund, the Net Asset Value of that iShares Fund divided by the total number of Units of that iShares Fund outstanding.

“NI 81-102” — National Instrument 81-102 – *Investment Funds*.

“NI 81-107” — National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

“Parent Index” — as defined under “Overview of What the iShares Funds Invest In – iShares Multifactor Funds”.

“Plan Agent” — SSTCC, plan agent for the Reinvestment Plan.

“Plan Unit” — as defined under “Distribution Policy – Distribution Reinvestment Plan”.

“Preferred Index” — S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index.

“Prescribed Number of Units” — in relation to an iShares Fund, the number of Units determined by BlackRock Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for such other purposes as BlackRock Canada may determine.

“Registered Plans” — trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts.

“Reinvestment Plan” — the distribution reinvestment plan of each iShares Fund as described under “Distribution Policy – Distribution Reinvestment Plan”.

“REITs” — real estate investment trusts.

“Relative Weight” — in relation to a particular Index, the quoted market value of an individual Constituent Issuer or a potential Constituent Issuer as applicable, divided by the aggregate quoted market value of that Index.

“RRIF” — registered retirement income fund.

“RRSP” — registered retirement savings plan.

“S&P” — S&P Dow Jones Indices LLC, an indirect subsidiary of S&P Global, Inc., the Index Provider of all of the Indices used by the Dow Jones Canadian Equity Fund Indices, the iShares S&P/TSX Canadian Equity Funds, the S&P 500 Index, the S&P Total Market Index, the S&P/TSX Global Base Metals Index, the S&P/TSX Global Gold Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, the S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the S&P 500 CAD Hedged Index, the Preferred Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index and the S&P MidCap 400 CAD Hedged Index.

“SSBT” — State Street Bank and Trust Company, an affiliate of SSTCC.

“SSTCC” — State Street Trust Company Canada, the custodian, registrar and transfer agent and distribution reinvestment plan agent of the iShares Funds.

“Securities Lending Authorization Agreement” — as described under “Organization and Management Details of the iShares Funds — Securities Lending Agents”.

“Securities Lending Management Agreement” — as described under “Organization and Management Details of the iShares Funds — Securities Lending Agents”.

“Subsidiary” — the wholly-owned subsidiary of the iShares India 50 ETF formed under the laws of the Republic of Mauritius in which substantially all of the assets of XIX are indirectly invested through its investment in the iShares India 50 ETF.

“Summary Document” — a document in respect of each class of Units of an iShares Fund, summarizing certain features of the Units and of that iShares Fund.

“Tax Act” — the Income Tax Act (Canada) and the regulations issued thereunder.

“TER” — trading expense ratio.

“TFSA” — tax-free savings account.

“Trading Day” — for each iShares Fund, a day on which (i) a regular session of the TSX is held; (ii) the primary market or exchange for the securities held by the iShares Fund is open for trading; and (iii) the Index Provider of such iShares Fund calculates and publishes data relating to the applicable Index.

“TSX” — the Toronto Stock Exchange.

“Underlying Fund” — as defined under “Income Tax Considerations – Investments in iShares ETFs and in Publicly-Traded Trust Securities”.

“Underlying Index” — as defined under “Investment Strategies – iShares ETFs”.

“Underwriters” — registered brokers and dealers that enter into agreements with one or more iShares Funds and that subscribe for and purchase Units from such iShares Funds, and Underwriter means any one of them.

“Unit” — in relation to a particular iShares Fund, a unit of beneficial interest in that iShares Fund.

“Unitholder” — in respect of an iShares Fund, a holder of one or more Units of such iShares Fund.

“U.S. iShares Fund” — any ETF that is listed on a recognized U.S. stock exchange and managed by an affiliate of BlackRock Canada.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

Issuers:

iShares Canadian Equity Funds

iShares Canadian Growth Index ETF (“**XCG**”)
iShares S&P/TSX SmallCap Index ETF (“**XCS**”)
iShares Canadian Value Index ETF (“**XC**V”)
iShares Canadian Select Dividend Index ETF (“**XD**V”)
iShares S&P/TSX Capped Energy Index ETF (“**XEG**”)
iShares Core S&P/TSX Composite High Dividend Index ETF (“**XEI**”)
iShares Jantzi Social Index ETF (“**XEN**”)
iShares S&P/TSX Capped Financials Index ETF (“**XFN**”)
iShares Core S&P/TSX Capped Composite Index ETF (“**XIC**”)
iShares S&P/TSX Capped Information Technology Index ETF (“**XIT**”)
iShares S&P/TSX 60 Index ETF (“**XIU**”)
iShares S&P/TSX Capped Materials Index ETF (“**XMA**”)
iShares S&P/TSX Completion Index ETF (“**XMD**”)
iShares S&P/TSX Capped REIT Index ETF (“**XRE**”)
iShares S&P/TSX Capped Consumer Staples Index ETF (“**XST**”)
iShares S&P/TSX Capped Utilities Index ETF (“**XUT**”)

iShares Canadian Fixed Income Funds

iShares Canadian Universe Bond Index ETF (“**XBB**”)
iShares Canadian Corporate Bond Index ETF (“**XCB**”)
iShares Floating Rate Index ETF (“**XFR**”)
iShares Canadian Government Bond Index ETF (“**XGB**”)
iShares Canadian HYBrid Corporate Bond Index ETF (“**XHB**”)
iShares Core Canadian Long Term Bond Index ETF (“**XLB**”)
iShares Canadian Real Return Bond Index ETF (“**XR**B”)
iShares Canadian Short Term Bond Index ETF (“**XS**B”)
iShares Core Canadian Short Term Corporate + Maple Bond Index ETF (“**XSH**”)
iShares Core Short Term High Quality Canadian Bond Index ETF (“**XSQ**”)

iShares International Equity Funds

iShares Core MSCI All Country World ex Canada Index ETF (“**XAW**”)
iShares MSCI Brazil Index ETF (“**XBZ**”)
iShares China Index ETF (“**XCH**”)
iShares Core MSCI Emerging Markets IMI Index ETF (“**XEC**”)
iShares Core MSCI EAFE IMI Index ETF (“**XEF**”)
iShares MSCI Emerging Markets Index ETF (“**XEM**”)
iShares MSCI Europe IMI Index ETF (“**XEU**”)
iShares U.S. High Dividend Equity Index ETF (“**XHU**”)
iShares India Index ETF (“**XID**”)
iShares S&P U.S. Mid-Cap Index ETF (“**XMC**”)
iShares Core S&P 500 Index Fund (“**XUS**”)
iShares Core S&P U.S. Total Market Index ETF (“**XUU**”)
iShares MSCI World Index ETF (“**XWD**”)

iShares International Mining Sector Funds

iShares S&P/TSX Global Base Metals Index ETF (“**XBM**”)
iShares S&P/TSX Global Gold Index ETF (“**XGD**”)

iShares Currency Hedged International Equity Funds

iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged) (“**XCD**”)
iShares MSCI Europe IMI Index ETF (CAD-Hedged) (“**XEH**”)
iShares Core MSCI EAFE IMI Index ETF (CAD-Hedged) (“**XFH**”)
iShares S&P Global Industrials Index ETF (CAD-Hedged) (“**XGI**”)
iShares Global Healthcare Index ETF (CAD-Hedged) (“**XHC**”)
iShares U.S. High Dividend Equity Index ETF (CAD-Hedged) (“**XHD**”)
iShares MSCI EAFE® Index ETF (CAD-Hedged) (“**XIN**”)
iShares S&P U.S. Mid-Cap Index ETF (CAD Hedged) (“**XMH**”)
iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged) (“**XPF**”)
iShares NASDAQ 100 Index ETF (CAD-Hedged) (“**XQQ**”)
iShares Core S&P 500 Index ETF (CAD-Hedged) (“**XSP**”)
iShares U.S. Small Cap Index ETF (CAD-Hedged) (“**XSU**”)
iShares Core S&P U.S. Total Market Index ETF (CAD-Hedged) (“**XUH**”)

iShares Currency Hedged International Fixed Income Funds

iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged) (“**XEB**”)
iShares U.S. High Yield Bond Index ETF (CAD-Hedged) (“**XHY**”)
iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged) (“**XIG**”)

iShares Minimum Volatility Funds

iShares Edge MSCI Min Vol EAFE Index ETF (“**XMI**”)
iShares Edge MSCI Min Vol Emerging Markets Index ETF (“**XMM**”)
iShares Edge MSCI Min Vol USA Index ETF (“**XMU**”)
iShares Edge MSCI Min Vol Canada Index ETF (“**XMV**”)
iShares Edge MSCI Min Vol Global Index ETF (“**XMW**”)

iShares Currency Hedged Minimum Volatility Funds

iShares Edge MSCI Min Vol EAFE Index ETF (CAD-Hedged) (“**XML**”)
iShares Edge MSCI Min Vol USA Index ETF (CAD-Hedged) (“**XMS**”)
iShares Edge MSCI Min Vol Global Index ETF (CAD-Hedged) (“**XMY**”)

iShares Multifactor Funds

iShares Edge MSCI Multifactor Canada Index ETF (“**XFC**”)
iShares Edge MSCI Multifactor EAFE Index ETF (“**XFI**”)
iShares Edge MSCI Multifactor EAFE Index ETF (CAD-Hedged) (“**XFF**”)
iShares Edge MSCI Multifactor USA Index ETF (“**XFS**”)
iShares Edge MSCI Multifactor USA Index ETF (CAD-Hedged) (“**XFA**”)

(each, an “**iShares Fund**” and collectively, the “**iShares Funds**”).

Each iShares Fund is an exchange-traded fund established as a trust under the laws of the Province of Ontario. BlackRock Canada is the trustee, manager and portfolio advisor of the iShares Funds.

**Continuous
Distribution:**

Each Unit of an iShares Fund represents an equal beneficial interest in that iShares Fund. The iShares Funds are organized as trusts and Unitholders of the iShares Funds are not shareholders of a corporation.

Units of the iShares Funds are listed on the TSX and offered on a continuous basis.

Investors may purchase or sell Units on the TSX through a registered broker or dealer in the province or territory where the investor resides. Accordingly, investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders. Investors may incur customary brokerage commissions when buying or selling

Units on the TSX. Underwriters may purchase a Prescribed Number of Units from the iShares Funds at the Net Asset Value per Unit. See “Purchase of Units – Issuance of Units”.

**Investment
Objectives of the
iShares Funds:**

iShares Canadian Equity Funds

The iShares Canadian Equity Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Canadian Equity Fund Index, net of expenses. The applicable Canadian Equity Fund Index for each iShares Canadian Equity Fund is identified in this prospectus under “Investment Objectives – iShares Canadian Equity Funds”.

Under normal market conditions, each of XCG, XCV, XDV, XEI, XEN, XIC, XIU and XMD will primarily invest in Canadian equity securities. Under normal market conditions, XCS and XRE will primarily invest in equity securities issued by Canadian small-capitalization issuers and Canadian real estate investment trust issuers, respectively. Under normal market conditions, XEG, XFN, XIT, XMA, XST and XUT will primarily invest in equity securities issued by Canadian issuers participating in the energy, financials, information technology, materials, consumer staples and utilities sector, respectively.

iShares Canadian Fixed Income Funds

The iShares Canadian Fixed Income Funds, other than XFR, seek to provide income by replicating, to the extent possible, the performance of the applicable Canadian Fixed Income Fund Index, net of expenses. XFR seeks to provide income while limiting interest rate risk by replicating, to the extent possible, the performance of the FTSE TMX Canada FRN Index, net of expenses. The applicable Canadian Fixed Income Fund Index for each iShares Canadian Fixed Income Fund is identified in this prospectus under “Investment Objectives – iShares Canadian Fixed Income Funds”.

Under normal market conditions, each iShares Canadian Fixed Income Fund will primarily invest in Canadian fixed income securities.

iShares International Equity Funds

The iShares International Equity Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable International Equity Fund Index, net of expenses. The applicable International Equity Fund Index for each iShares International Equity Fund is identified in this prospectus under “Investment Objectives – iShares International Equity Funds”.

Under normal market conditions, each of XAW, XEF and XWD will primarily invest in securities of one or more iShares ETFs (defined below) and/or international equity securities and each of XHU, XMC, XUS and XUW will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities. Under normal market conditions, each of XEC and XEM will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in emerging market countries and XEU will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in European countries. Under normal market conditions, XBZ, XCH and XID will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in Brazil, China and India, respectively.

iShares International Mining Sector Funds

The iShares International Mining Sector Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable International Mining Sector Index, net of expenses. The applicable International Mining Sector Fund Index for

each iShares International Mining Sector Fund is identified in this prospectus under “Investment Objectives – iShares International Mining Sector Funds”.

Under normal market conditions, each iShares International Mining Sector Fund will primarily invest in equity securities issued by international issuers participating in the mining sector.

iShares Currency Hedged International Equity Funds

The iShares Currency Hedged International Equity Funds, other than XPF, seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Hedged International Equity Fund Index, net of expenses. XPF seeks to provide income by replicating, to the extent possible, the performance of the S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index (the “**Preferred Index**”), net of expenses. The applicable Hedged International Equity Fund Index for each iShares Currency Hedged International Equity Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged International Equity Funds”.

Under normal market conditions, each of XSP and XUH will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities, each of XFH and XIN will primarily invest in securities of one or more iShares ETFs and/or international equity securities, XEH will primarily invest in securities of one or more iShares ETFs and/or European equity securities, and XPF will primarily invest in securities of one or more iShares ETFs and/or North American equity securities. Under normal market conditions, XCD, XGI and XHC will primarily invest in securities of one or more iShares ETFs and/or equity securities of international issuers participating in the consumer discretionary, industrials and healthcare sector, respectively. Under normal market conditions, XMH and XSU will primarily invest in securities of one or more iShares ETFs and/or equity securities of U.S. mid-capitalization issuers and U.S. small-capitalization issuers, respectively. Under normal market conditions, each of XQQ and XHD will primarily invest in U.S. equity securities.

iShares Currency Hedged International Fixed Income Funds

The iShares Currency Hedged International Fixed Income Funds seek to provide income by replicating, to the extent possible, the performance of the applicable Hedged International Fixed Income Fund Index, net of expenses, and, to the extent possible, hedge any resulting U.S. dollar currency exposure back to Canadian dollars. The applicable Hedged International Fixed Income Fund Index for each iShares Currency Hedged International Fixed Income Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged International Fixed Income Funds”.

Under normal market conditions, each iShares Currency Hedged International Fixed Income Fund will primarily invest in securities of one or more iShares ETFs and/or U.S. fixed income securities.

iShares Minimum Volatility Funds

The iShares Minimum Volatility Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Minimum Volatility Fund Index, net of expenses. The applicable Minimum Volatility Fund Index for each iShares Minimum Volatility Fund is identified in this prospectus under “Investment Objectives – iShares Minimum Volatility Funds”.

Under normal market conditions, each of XMI and XMW will primarily invest in securities of one or more iShares ETFs and/or international equity securities, and XMM will primarily invest in securities of one or more iShares ETFs and/or equity securities of issuers located in emerging market countries. Under normal market conditions, XMV will primarily invest in Canadian equity securities and XMU will primarily invest in U.S. equity securities.

iShares Currency Hedged Minimum Volatility Funds

The iShares Currency Hedged Minimum Volatility Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Hedged Minimum Volatility Fund Index, net of expenses and, to the extent possible, hedge any resulting non-Canadian currency exposure back to Canadian dollars. The applicable Hedged Minimum Volatility Fund Index for each iShares Currency Hedged Minimum Volatility Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged Minimum Volatility Funds”.

Under normal market conditions, each of XML and XMY will primarily invest in securities of one or more iShares ETFs and/or international equity securities and XMS will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities.

iShares Multifactor Funds

Each iShares Multifactor Fund seeks to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Index, net of expenses. The applicable Index for each iShares Fund is identified in this prospectus under “Investment Objectives – iShares Multifactor Funds”.

Under normal market conditions, XFC will primarily invest in securities of one or more iShares ETFs and/or Canadian equity securities, XFI and XFF will primarily invest in securities of one or more iShares ETFs and/or international equity securities and XFS and XFA will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities. XFF and XFA will seek to hedge any resulting U.S. dollar or other foreign currency exposure, as applicable, back to Canadian dollars.

Investment Strategies of the iShares Funds:

iShares Canadian Equity Funds

The investment strategy of each iShares Canadian Equity Fund is to invest primarily in and hold the Index Securities of the applicable Canadian Equity Fund Index in substantially the same proportion as they are reflected in the applicable Canadian Equity Fund Index. See “Investment Strategies – iShares Canadian Equity Funds”.

An iShares Canadian Equity Fund may invest in and hold units of iShares ETFs and/or other equity securities, provided that such holding by the iShares Canadian Equity Fund is consistent with its stated investment objectives. The iShares Canadian Equity Funds may invest in futures contracts in order to provide market exposure for cash and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. The iShares Canadian Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Canadian Equity Funds”.

iShares Canadian Fixed Income Funds

The investment strategy of each iShares Canadian Fixed Income Fund is to invest in a regularly rebalanced portfolio of bonds, selected by BlackRock Canada from time to time, that closely matches the characteristics of the applicable Canadian Fixed Income Fund Index. An iShares Canadian Fixed Income Fund may invest in and hold units of iShares ETFs provided that such holding by the iShares Canadian Fixed Income Fund is consistent with its stated investment objectives. The iShares Canadian Fixed Income Funds may invest in bond futures contracts in order to provide market exposure for cash held by such iShares Canadian Fixed Income Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. XFR may also invest in fixed-rate bonds and then enter into interest rate swap agreements in order to convert a fixed-rate income stream into a floating-rate income stream, provided that doing so is consistent with its stated investment objectives. XSQ may also invest in other securities provided that such investment is consistent with its stated investment objectives. The iShares Canadian Fixed Income Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Canadian Fixed Income Funds”.

iShares International Equity Funds

The investment strategy of each iShares International Equity Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable International Equity Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable International Equity Fund Index. An iShares International Equity Fund may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives. The iShares International Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares International Equity Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares International Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares International Equity Funds”.

iShares International Mining Sector Funds

The investment strategy of each iShares International Mining Sector Fund is to invest primarily in and hold the Index Securities of the applicable International Mining Sector Fund Index in substantially the same proportion as they are reflected in the applicable International Mining Sector Fund Index. An iShares International Mining Sector Fund may invest in and hold units of iShares ETFs and/or other equity securities, provided that such holding by the iShares International Mining Sector Funds is consistent with its stated investment objectives. The iShares International Mining Sector Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares International Mining Sector Fund and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares International Mining Sector Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares International Mining Sector Funds”.

iShares Currency Hedged International Equity Funds

The investment strategy of each iShares Currency Hedged International Equity Fund, other than XQQ and XHD, is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Hedged International Equity Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable

Hedged International Equity Fund Index and to hedge any resulting foreign currency exposure back to Canadian dollars.

XPF may pursue a “stratified sampling” strategy where it may not hold all of the securities that are included in the S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index (the “**Preferred Index**”), but instead will hold a portfolio of securities that closely matches the characteristics of the Preferred Index.

The investment strategy of XQQ is to invest primarily in and hold the Index Securities of the NASDAQ-100 Currency Hedged CAD Index (the “**NASDAQ Index**”) in substantially the same proportion as they are reflected in the NASDAQ Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The investment strategy of XHD is to invest primarily in and hold the Index Securities of the Morningstar Index in substantially the same proportion as they are reflected in the Morningstar Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The iShares Currency Hedged International Equity Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102. An iShares Currency Hedged International Equity Fund may also invest in other iShares ETFs, and/or other equity or preferred securities, provided that such investment is consistent with its stated investment objectives. The iShares Currency Hedged International Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged International Equity Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged International Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Currency Hedged International Equity Funds”.

iShares Currency Hedged International Fixed Income Funds

The investment strategy of each iShares Currency Hedged International Fixed Income Fund, other than XHY, is to invest in securities of one or more iShares ETFs, and/or directly in Index Securities of the applicable Hedged International Fixed Income Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Hedged International Fixed Income Fund Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The investment strategy of XHY is to invest primarily in a regularly rebalanced portfolio of U.S. dollar denominated high yield corporate bonds, selected by BlackRock Canada from time to time, that in aggregate closely match the characteristics of the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD (the “**High Yield Index**”), and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The iShares Currency Hedged International Fixed Income Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars by entering into currency forward contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102. An iShares Currency Hedged International Fixed Income Fund may also invest in other iShares ETFs and/or in other fixed income securities, provided that such investment is consistent with its stated investment objectives. The iShares Currency Hedged International Fixed Income Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged International Fixed Income Funds and may also hold money market instruments,

securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged International Fixed Income Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Currency Hedged International Fixed Income Funds”.

iShares Minimum Volatility Funds

The investment strategy of XMV and XMU is to invest primarily in and hold the Index Securities of the applicable Minimum Volatility Fund Index in substantially the same proportion as they are reflected in the applicable Minimum Volatility Fund Index. XMV and XMU may invest in and hold units of other iShares ETFs, and/or other equity securities, provided that such holding by any such iShares Minimum Volatility Fund is consistent with its stated investment objectives.

The investment strategy of XMI, XMM and XMW is to invest in securities of one or more iShares ETFs, and/or directly in Index Securities of the applicable Minimum Volatility Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Minimum Volatility Fund Index. XMI, XMM and XMW may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives.

An iShares Minimum Volatility Fund may invest in futures contracts in order to provide market exposure for cash held by such iShares Minimum Volatility Fund and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. An iShares Minimum Volatility Fund may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies – iShares Minimum Volatility Funds”.

iShares Currency Hedged Minimum Volatility Funds

The investment strategy of each of the iShares Currency Hedged Minimum Volatility Funds is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index. Each of the iShares Currency Hedged Minimum Volatility Funds may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives.

The iShares Currency Hedged Minimum Volatility Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designed rating” as defined in NI 81-102. The iShares Currency Hedged Minimum Volatility Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged Minimum Volatility Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged Minimum Volatility Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”. See “Investment Strategies - iShares Currency Hedged Minimum Volatility Funds”.

iShares Multifactor Funds

The investment strategy of each iShares Multifactor Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index and, in the case of XFF and XFA, to hedge any resulting U.S. dollar or other foreign currency exposure, as applicable, back to Canadian dollars. The applicable Index for each

iShares Multifactor Fund is identified in this prospectus under “Investment Objectives – iShares Multifactor Funds”.

Each of XFF and XFA intends to employ a currency hedging strategy that is designed to hedge its exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward contracts, futures contracts and/or other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102.

An iShares Multifactor Fund may also invest in other iShares ETFs and/or other equity securities, provided that such investment is consistent with its stated investment objective. The iShares Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Multifactor Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

See “Investment Strategies – iShares Multifactor Funds”.

Risk Factors:

There are certain general risk factors inherent to an investment in the iShares Funds. These risks relate to the following factors:

- general risks of investments;
- general risks of investing in an index fund and passive investment risk;
- risks relating to index replication strategies;
- non-replication strategies risk;
- index-related risks;
- calculation of Index Levels and termination of the Indices risk;
- purpose of the Indices risk;
- risk that Units will trade at prices other than Net Asset Value per Unit;
- issuer concentration risk;
- securities lending risk;
- index adjustments risk;
- derivative investments risk;
- securities regulatory risk;
- risks relating to tax changes;
- liquidity risk;
- borrowing risk;
- interest rate risk;
- cyber security risk; and
- operational risk.

See “Risk Factors – General Risks Relating to an Investment in the iShares Funds”.

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Canadian Equity Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Canadian Equity Funds																
	XCG	XCS	XCV	XDV	XEG	XEI	XEN	XFN	XIC	XIT	XIU	XMA	XMD	XRE	XST	XUT
Cease Trading of Securities Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Developed Countries Investments Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
General Risks of Equity Investments	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Income Trust Investments Risks	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Non-Capitalization Weighted Strategy Risks				√												
North American Economic Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Sector Risk	√		√	√	√		√	√		√		√		√	√	√
Small Capitalization Companies Risk	√	√	√	√	√	√	√	√	√	√		√	√	√	√	√
Voting of Index Securities Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Canadian Fixed Income Funds, XPF and the iShares Currency Hedged International Fixed Income Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Canadian Fixed Income Funds, XPF and the iShares Currency Hedged International Fixed Income Funds															
	XBB	XCB	XFR	XGB	XHB	XLB	XRB	XSB	XSH	XSO	XPF	XEB	XHY	XIG	
Call Risk	√	√	√		√	√		√	√	√	√	√	√	√	√
Cease Trading of Securities Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Credit Risk	√	√	√		√	√	√	√	√	√		√	√	√	√
Currency Hedging Strategies Risk											√	√	√	√	√
Currency Risk											√	√	√	√	√
Developed Countries Investments Risk	√	√	√	√	√	√	√	√	√	√	√		√	√	√
Emerging Markets Risk												√			
Foreign Debt Issuer Risk								√							
General Risks of Debt Instruments	√	√		√	√	√	√	√	√	√		√	√	√	√
General Risks of Equity Investments											√				
General Risks of Floating-Rate Debt Instruments			√												
General Risks of Foreign Equity Investments											√				
General Risks of Preferred Share Investments											√				
General Risks of U.S. Debt Investments												√	√	√	√
Geographic Risk												√			
High Yield Securities Risk				√								√	√		
North American Economic Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

Additional Risks Relating to an Investment in the iShares Canadian Fixed Income Funds, XPF and the iShares Currency Hedged International Fixed Income Funds														
	XBB	XCB	XFR	XGB	XHB	XLB	XRB	XSB	XSH	XSO	XPF	XEB	XHY	XIG
Real Return Bonds Investments Risk							✓							
Risks Inherent to Significant Investors										✓				
Small Capitalization Companies Risk	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓
Underlying Securities NAV Risk										✓	✓	✓		✓

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares International Equity Funds, the iShares International Mining Sector Funds and the iShares Currency Hedged International Equity Funds (other than XPF), as indicated in the table below:

Additional Risks Relating to an investment in the iShares International Equity Funds, the iShares International Mining Sector Funds and the iShares Currency Hedged International Equity Funds (other than XPF)																											
	XBZ	XCH	XEC	XEF	XEM	XID	XUS	XWD	XBM	XGD	XCD	XGI	XHC	XIN	XMC	XMH	XQQ	XSP	XSU	XHD	XAW	XEH	XEU	XFH	XHU	XUH	XUU
Brazil Investments Risks	✓											✓									✓						
Cease Trading of Securities Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
China Investments Risks		✓							✓												✓						
Currency Hedging Strategies Risk											✓	✓	✓	✓		✓	✓	✓	✓	✓		✓		✓		✓	
Currency Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Developed Countries Investments Risks				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Risk	✓	✓	✓		✓	✓					✓	✓									✓						
European Economic Risk				✓				✓	✓	✓				✓							✓	✓	✓	✓			
General Risks of Equity Investments								✓	✓	✓	✓	✓	✓		✓	✓				✓	✓	✓	✓	✓	✓	✓	✓
General Risks of Foreign Equity Investments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Geographic Risk	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓							✓	✓	✓	✓			
Income Trust Investments Risks								✓	✓	✓	✓	✓	✓														
India Investments and iShares India 50 ETF Risks						✓			✓																		
Latin America Investments Risks									✓	✓	✓	✓									✓						
Micro Capitalization Companies Risk																									✓	✓	
Mid-Capitalization Companies Risk	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓		✓	✓

Additional Risks Relating to an investment in the iShares International Equity Funds, the iShares International Mining Sector Funds and the iShares Currency Hedged International Equity Funds (other than XPF)																						
	XBZ	XCH	XEC	XEF	XEM	XID	XUS	XWD	XBM	XGD	XCD	XGI	XHC	XIN	XMC	XMH	XQQ	XSP	XSU	XHD	XAW	XEH
Non-Capitalization Weighted Strategy Risks																				✓		
North American Economic Risk							✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Risks Inherent to Significant Investors											✓	✓	✓		✓	✓						
Sector Risk									✓	✓	✓	✓	✓				✓				✓	✓
Small Capitalization Companies Risk		✓	✓	✓					✓	✓	✓	✓	✓						✓		✓	✓
U.K. Investments Risk				✓				✓	✓	✓	✓	✓	✓	✓							✓	✓
U.S. Investments Risk							✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Underlying Securities NAV Risk	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓		✓	✓		✓	✓
Volatility Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Voting of Index Securities Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Minimum Volatility Funds and the iShares Currency Hedged Minimum Volatility Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Minimum Volatility Funds and the iShares Currency Hedged Minimum Volatility Funds									
	XMI	XMM	XML	XMS	XMU	XMV	XMW	XMY	
Cease Trading of Securities Risk	✓	✓	✓	✓	✓	✓	✓	✓	
Currency Hedging Strategies Risk			✓	✓				✓	
Currency Risk	✓	✓	✓	✓	✓		✓	✓	
Developed Countries Investments Risk	✓		✓	✓	✓	✓	✓	✓	
Emerging Markets Risk		✓					✓	✓	
General Risks of Equity Investments	✓	✓	✓	✓	✓	✓	✓	✓	
Geographic Risk	✓	✓	✓				✓	✓	
Income Trust Investments Risks						✓			
Minimum Volatility Indices Risk	✓	✓	✓	✓	✓	✓	✓	✓	
Non-Capitalization Weighted Strategy Risks	✓	✓	✓	✓	✓	✓	✓	✓	
North American Economic Risk				✓	✓	✓	✓	✓	
Small Capitalization Companies Risk	✓	✓	✓	✓	✓		✓	✓	
Underlying Securities NAV Risk	✓	✓	✓	✓	✓		✓	✓	
Volatility Risk	✓	✓	✓	✓	✓	✓	✓	✓	
Voting of Index Securities Risk	✓	✓	✓	✓	✓	✓	✓	✓	

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Multifactor Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Multifactor Funds					
	XFC	XFI	XFF	XFS	XFA
Cease Trading of Securities Risk	√	√	√	√	√
Currency Hedging Strategies Risk			√		√
Currency Risk		√	√	√	√
Developed Countries Investments Risk	√	√	√	√	√
European Economic Risk		√	√		
General Risks of Equity Investments	√	√	√	√	√
General Risks of Foreign Equity Investments		√	√	√	√
Geographic Risk		√	√		
Income Trust Investment Risk	√				
Mid-Capitalization Companies Risk	√	√	√	√	√
North American Economic Risk	√	√	√	√	√
Risks Inherent to Significant Investors	√	√	√	√	√
Risks Related to Factor-Based Indices	√	√	√	√	√
Security Risk		√	√		
Small Capitalization Companies Risk	√				
U.K. Investments Risk		√	√		
U.S. Investments Risk				√	√
Underlying Securities Net Asset Value Risk	√	√	√	√	√
Volatility Risk	√	√	√	√	√
Voting of Index Securities Risk	√	√	√	√	√

See “Risk Factors – Additional Risks Relating to an Investment in Certain iShares Funds”.

**Special
Considerations for
Unitholders:**

The provisions of the “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units of the iShares Funds. In addition, based upon exemptive relief granted by the Canadian securities regulatory authorities, a Unitholder may acquire more than 20% of the Units of any iShares Fund through purchases on the TSX without regard to the takeover bid requirements of applicable securities legislation, provided that such Unitholder, as well as any person acting jointly or in concert with the Unitholder, undertakes to BlackRock Canada not to vote more than 20% of the Units of that iShares Fund.

Market participants are permitted to sell Units of any iShares Fund short and at any price without regard to the restrictions in the Universal Market Integrity Rules applicable to trading on the TSX that generally prohibit selling securities short unless the price is at or above the last sale price.

Units of the iShares Funds are, in the opinion of BlackRock Canada, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Units of an iShares Fund should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Units of the applicable iShares Fund should be considered index participation units, as well as the control,

concentration and certain of the “fund-of-funds” restrictions. No purchase of Units of an iShares Fund should be made solely in reliance on the above statements.

Units of the iShares Funds may be “mark-to-market property” for purposes of the “mark-to-market” rules in the Tax Act. These rules require taxpayers that are financial institutions within the meaning of the rules to recognize annually, on income account, any accrued gains and losses on securities that are “mark-to-market property”.

See “Purchase of Units – Buying and Selling Units – Special Considerations for Unitholders” and “Exemptions and Approvals”.

Exchange: Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) on any Trading Day for Baskets and cash, subject to the requirement that a minimum Prescribed Number of Units be exchanged. See “Exchange and Redemption of Units – Exchange of Units at Net Asset Value per Unit for Baskets and/or Cash”.

Redemption: Unitholders may redeem Units of any iShares Fund for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on the TSX on the effective Trading Day for the redemption. However, a cash redemption request will be subject to a maximum redemption price payable to a Unitholder of the Net Asset Value per Unit of the applicable iShares Fund. Unitholders will generally be able to sell (rather than redeem) Units at the full market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions. Therefore, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash. No fees or expenses are paid by a Unitholder to BlackRock Canada or the iShares Funds in connection with selling Units on the TSX. See “Exchange and Redemption of Units – Redemption of Units for Cash”.

Distribution Policy: It is intended that in each taxation year of an iShares Fund, any net income and net realized capital gains of the iShares Fund will be distributed to such an extent that the iShares Fund will not be liable for ordinary income tax thereon.

To the extent that any iShares Fund has not distributed the full amount of its net income or net realized capital gains in any taxation year, the difference between such amount and the amount actually distributed by the iShares Fund will be paid as a “reinvested distribution”. Reinvested distributions (if any), net of any required withholding tax, will be reinvested automatically in additional Units of the applicable iShares Fund at a price equal to the Net Asset Value per Unit of the applicable iShares Fund and the Units of such iShares Fund will be immediately consolidated such that the number of outstanding Units of such iShares Fund following the distribution will equal the number of Units of the applicable iShares Fund outstanding prior to the distribution.

BlackRock Canada may determine in the future and upon notice to Unitholders of an iShares Fund that distributions will be automatically reinvested in additional Units of the same class of such iShares Fund. If BlackRock Canada determines to implement the automatic reinvestment of distributions, then Unitholders may give notice at that time that they wish to continue to receive their distributions in cash.

For the expected frequency and composition of distributions of the iShares Funds, see “Distribution Policy”.

Distribution Reinvestment: At any time, a Unitholder may elect to participate in the iShares Funds’ distribution reinvestment plan (the “**Reinvestment Plan**”) by contacting the CDS Participant through which the Unitholder holds its Units. Under the Reinvestment Plan, cash distributions will be used to acquire additional Units (commission free to the Unitholder) of the same iShares Fund and class by purchasing them at market price on an exchange, which Units will be credited to the account of the Unitholder’s broker through CDS.

See “Distribution Policy – Distribution Reinvestment Plan” below for additional information relating to the Reinvestment Plan.

Termination:

The iShares Funds do not have a fixed termination date but may be terminated by BlackRock Canada on not less than 60 days’ and not more than 90 days’ notice to Unitholders. See “Termination of the iShares Funds”.

Income Tax Considerations:

This summary of Canadian federal income tax considerations for the iShares Funds and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out in “Income Tax Considerations”.

A Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include in the Unitholder’s income for tax purposes for any year the amount of net income and net taxable capital gains of the iShares Fund paid or payable to the Unitholder (including any reinvested distribution) in the year and deducted by the iShares Fund in computing its income. Any returns of capital paid or payable to a Unitholder in a taxation year generally reduce the adjusted cost base of the Unitholder’s Units of that iShares Fund. To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit to the Unitholder will be increased by the amount of such capital gain (*i.e.*, the adjusted cost base will be reset to zero). Any loss of an iShares Fund cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the iShares Fund. Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

The Master Declaration of Trust governing each of the iShares Funds requires that in each taxation year the iShares Fund distributes its net income and net realized capital gains, if any, for the taxation year to Unitholders to such an extent that the iShares Fund will not be liable in respect of the taxation year for ordinary income tax.

Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her own tax advisor. See “Income Tax Considerations”.

Eligibility for Investment:

Provided that the Units of an iShares Fund are and continue to be listed on the TSX or that the iShares Fund qualifies and continues to qualify as a mutual fund trust under the Tax Act or is a registered investment under the Tax Act, the Units of that iShares Fund will be qualified investments under the Tax Act for Registered Plans. Notwithstanding the foregoing, if Units of an iShares Fund are a “prohibited investment” for a tax—free savings account (“**TFSA**”), a registered retirement savings plan (“**RRSP**”) or a registered retirement income fund (“**RRIF**”) that acquires such Units, the holder or annuitant of the TFSA, RRSP or RRIF will be subject to a penalty tax as set out in the Tax Act (the “**Prohibited Investment Rules**”). Proposed legislative amendments to the Tax Act would extend the application of the Prohibited Investment Rules to a holder of a registered education savings plan or a registered disability savings plan. See “Income Tax Considerations – Status of the iShares Funds”.

Non-Resident Unitholders:

In order for an iShares Fund to qualify and/or maintain its status as a mutual fund trust (for the purposes of the Tax Act), in certain circumstances, the iShares Fund cannot be established or maintained primarily for the benefit of non-residents of Canada, partnerships that are not “Canadian partnerships” as defined in the Tax Act, or a combination thereof. No iShares Fund will accept any subscription for Units from any person or non-Canadian partnership, issue any Units to any person or non-Canadian partnership, or register or otherwise recognize the transfer of any Units to any person or non-Canadian partnership if

prior to such subscription, issuance or transfer, BlackRock Canada determines that, after giving effect thereto, the percentage of Units beneficially owned, directly or indirectly, by persons who are non-residents of Canada, non-Canadian partnerships, or a combination thereof, would be within 5% of, or would be otherwise approaching (as determined by BlackRock Canada), the limit permitted under the Tax Act, as amended from time to time. The Master Declaration of Trust includes a mechanism to permit the iShares Funds to sell Units held by non-resident persons when their holdings result in contravention of this restriction. Notwithstanding the foregoing, BlackRock Canada may determine not to take any of the actions described above if BlackRock Canada has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the iShares Fund as a “mutual fund trust” for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the iShares Fund as a “mutual fund trust” for purposes of the Tax Act. The Units of the iShares Funds are not designed for, or intended to be held by, non-residents of Canada.

The Units have not been and will not be registered under the 1933 Act or under the securities laws of any State. Subject to certain exceptions, the Units may not be offered or sold in the United States or offered or sold to U.S. persons (as such term is defined in the 1933 Act). The iShares Funds have not been and will not be registered under the U.S. Investment Company Act of 1940, as amended. BlackRock Canada has not been registered under the U.S. Investment Advisers Act of 1940. See “Purchase of Units – Non-Resident Unitholders”.

Organization and Management of the iShares Funds:

Trustee, Manager and Portfolio Advisor

BlackRock Canada is the trustee, manager and portfolio advisor of the iShares Funds. The address of the iShares Funds is 161 Bay Street, Suite 2500, P.O. Box 614, Toronto, Ontario M5J 2S1.

See “Organization and Management Details of the iShares Funds – Trustee, Manager and Portfolio Advisor of the iShares Funds”.

Sub-Advisor

BlackRock Institutional Trust Company, N.A. (“**BTC**”), a national banking association organized under the laws of the United States, is the sub-advisor of the iShares Funds and is responsible for their respective investment activities, subject to the policies, control and supervision of BlackRock Canada. BTC’s principal office is located in San Francisco, California. BTC is an affiliate of BlackRock Canada. See “Organization and Management Details of the iShares Funds – Sub-Advisor”.

Custodian

State Street Trust Company Canada (“**SSTCC**”) is the custodian of the iShares Funds pursuant to a service module (the “**Custody Agreement**”) between BlackRock Canada, in its capacity as portfolio advisor and trustee of the iShares Funds, and SSTCC dated as of December 19, 2008, as amended from time to time. SSTCC’s principal office is located in Toronto, Ontario. See “Organization and Management Details of the iShares Funds – Custodian”.

SSTCC appoints sub-custodians from time to time, including BTC, BRAL and SSBT as subcustodians pursuant to subcustodial agreements entered into by SSTCC or its predecessor company, IBT Trust Company (Canada). See “Organization and Management Details of the iShares Funds – Subcustodian”.

Registrar and Transfer Agent

The registrar and transfer agent for the Units is SSTCC at its principal office in Toronto, Ontario. SSTCC maintains the register of registered Unitholders of each iShares Fund. See “Organization and Management Details of the iShares Funds – Registrar and Transfer Agent”.

Securities Lending Agents

BTC acts as a securities lending agent for the iShares Funds pursuant to a securities lending authorization agreement dated August 17, 2005, as amended (the “**Securities Lending Authorization Agreement**”) between BlackRock Canada and BTC. BTC is a national banking association organized under the laws of the United States of America. BTC’s principal office is located in San Francisco, California. BTC is an affiliate of BlackRock Canada.

BRAL acts as a securities lending agent for the iShares Funds pursuant to a securities lending management agreement dated August 19, 2004, as amended (the “**Securities Lending Management Agreement**”) between BlackRock Canada and BRAL. BRAL is a corporation incorporated under the laws of England and Wales and is regulated by the Financial Conduct Authority in the United Kingdom. BRAL’s principal office is located in London, England. BRAL is an affiliate of BlackRock Canada.

The securities lending agents act on behalf of the iShares Funds in administering the securities lending transactions entered into by the iShares Funds. The collateral posted by a securities borrower to a lending iShares Fund in a securities lending transaction is required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the iShares Funds, the iShares Funds also benefit from a borrower default indemnity provided by BlackRock, Inc. (“**BlackRock**”), an affiliate of BlackRock Canada. BlackRock’s indemnity provides for full replacement of securities lent in the event the borrower defaults on its obligation to return the loaned securities and the collateral received is insufficient to reconstitute the portfolio of loaned securities.

See “Organization and Management Details of the iShares Funds – Securities Lending Agents”.

Auditor

The auditor of the iShares Funds is PricewaterhouseCoopers LLP, at its principal office in Toronto, Ontario. See “Organization and Management Details of the iShares Funds – Auditor”.

**Documents
Incorporated by
Reference:**

During the period in which an iShares Fund is in continuous distribution, additional information will be available in its most recently filed comparative annual financial statements, its most recent interim financial statements filed after its most recent comparative annual financial statements, its most recent annual MRFP, its most recent interim MRFP filed after that annual MRFP and its most recent Summary Document. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the iShares Funds' website at www.blackrock.com/ca and may be obtained upon request, at no cost, by calling 1-866-474-2737 or by contacting a registered dealer. These documents and other information about the iShares Funds are publicly available at www.sedar.com. See "Documents Incorporated by Reference".

SUMMARY OF FEES AND EXPENSES

The table below lists the fees and expenses payable by the iShares Funds and a Unitholder of an iShares Fund. The value of a Unitholder's investment in an iShares Fund will be reduced by the amount of fees and expenses charged to such iShares Fund. See "Fees and Expenses".

Fees and Expenses Payable by the iShares Funds

Management Fees

Annual management fees (the "**management fee**") are paid by the iShares Funds to BlackRock Canada in consideration for providing, or arranging for the provision of, management, trustee and portfolio advisory services, maintaining portfolio systems used to manage the iShares Funds, maintaining the website of the iShares Funds, marketing and promotional services and the payment of fees for sub—advisory services. See "Organization and Management Details of the iShares Funds – Details of the Management Services to be Provided by BlackRock Canada".

The management fee is based on a percentage of the Net Asset Value of each of the following iShares Funds and is listed below:

<u>iShares Fund</u>	<u>Annual Management Fee⁽¹⁾</u>
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iShares Canadian Equity Funds

XCG	0.50%
XCS	0.55%
XCV	0.50%
XDV	0.50%
XEG	0.55%
XEI	0.20%
XEN	0.50%
XFN	0.55%
XIC	0.05%
XIT	0.55%
XIU	0.15% ⁽³⁾
XMA	0.55%
XMD	0.55%
XRE	0.55%
XST	0.55%
XUT	0.55%

iShares Canadian Fixed Income Funds

XBB	0.30%
XCB	0.40%
XFR	0.20%
XGB	0.35%
XHB	0.45%
XLB	0.18%
XRБ	0.35%
XSB	0.25%
XSH	0.12%
XSQ	0.12%

iShares International Equity Funds

XAW	0.20%
XBZ	0.75% ⁽⁴⁾
XCH	0.85% ⁽⁴⁾
XEC	0.25% ⁽⁴⁾
XEF	0.20% ⁽⁴⁾
XEM	up to 0.82% ⁽⁵⁾
XEU	0.25%
XHU	0.30%
XID	0.98% ⁽⁴⁾
XMC	0.15% ⁽⁴⁾
XUS	0.10% ⁽⁴⁾
XUU	0.07% ⁽⁴⁾⁽⁹⁾
XWD	0.44% ⁽⁴⁾

iShares International Mining Sector Funds

XBM	0.55%
XGD	0.55%

<u>iShares Fund</u>	<u>Annual Management Fee⁽¹⁾</u>
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iShares Currency Hedged International Equity Funds

XCD	0.63% ⁽⁴⁾
XEH	0.25%
XFH	0.20%
XGI	0.63% ⁽⁴⁾
XHC	0.63% ⁽⁴⁾
XHD	0.30%
XIN	up to 0.50% ⁽⁶⁾
XMH	0.15% ⁽⁴⁾
XPF	0.45% ⁽⁴⁾
XQQ	0.35%
XSP	0.10% ⁽⁴⁾
XSU	up to 0.35% ⁽⁷⁾
XUH	0.07% ⁽⁴⁾⁽⁹⁾

iShares Currency Hedged International Fixed Income Funds

XEB	0.52% ⁽⁴⁾⁽⁸⁾
XHY	0.60%
XIG	0.30% ⁽⁴⁾

iShares Minimum Volatility Funds

XMI	0.35% ⁽⁴⁾⁽¹⁰⁾
XMM	0.79% ⁽²⁾⁽⁴⁾
XMU	0.30%
XMV	0.30%
XMW	0.45% ⁽⁴⁾

iShares Currency Hedged Minimum Volatility Funds

XML	0.35% ⁽⁴⁾
XMS	0.30% ⁽⁴⁾
XMY	0.45% ⁽⁴⁾

iShares Multifactor Funds

XFC	0.45% ⁽⁴⁾
XFI	0.45% ⁽⁴⁾
XFF	0.45% ⁽⁴⁾
XFS	0.45% ⁽⁴⁾
XFA	0.45% ⁽⁴⁾

- (1) The management fees paid directly to BlackRock Canada by each iShares Fund listed above are calculated and accrued daily and are generally paid monthly, but in any case not less than quarterly. The management fee is exclusive of HST.
- (2) On December 3, 2015, BlackRock Canada announced that it agreed to a partial waiver of the management fee that would otherwise be payable by XMM (the “**XMM Waiver**”). The XMM Waiver will expire on December 31, 2018. After giving effect to the XMM Waiver, BlackRock Canada is entitled to receive an annual management fee from XMM equal to 0.40% of the Net Asset Value of XMM. BlackRock Canada may discontinue, amend or extend the XMM Waiver at any time without giving notice to (other than by press release) or seeking approval from Unitholders of XMM.
- (3) BlackRock Canada has agreed to be responsible for certain fees and expenses of XIU in excess of 0.17% per year of the daily average Net Asset Value of XIU (the “**expense ceiling**”).
- (4) If applicable, BlackRock Canada or an affiliate is entitled to receive a fee for acting as manager of each iShares ETF in which this iShares Fund may invest (an “**underlying product fee**” and together with the management fee payable to BlackRock Canada, the “**total annual fee**”). As the underlying product fees are embedded in the market value of the iShares ETFs in which this iShares Fund may invest, any underlying product fees are borne indirectly by this iShares Fund. BlackRock Canada will adjust the management fee payable to it by this iShares Fund to ensure that the total annual fees paid directly or indirectly to BlackRock Canada and its affiliates by this iShares Fund will not exceed the percentage of the Net Asset Value set out in this table. The total annual fee is exclusive of HST. Any underlying product fees borne indirectly by this iShares Fund are calculated and accrued daily and are paid not less than annually.
- (5) This fee is the sum of (i) a fee of up to 0.75% per year paid by the U.S. iShares Fund in which XEM invests to an affiliate of BlackRock Canada; and (ii) a fee of up to 0.10% per year (as of the date of this prospectus, 0.10%) paid by XEM to BlackRock

Canada. BlackRock Canada will adjust the fee payable to it by XEM to ensure that the annual management fee paid directly or indirectly to BlackRock Canada and its affiliates by XEM will not exceed 0.82%.

- (6) This fee is the sum of (i) up to a maximum of 0.35% per year paid by the U.S. iShares Fund in which XIN invests to an affiliate of BlackRock Canada (the “**XIN Underlying Management Fee**”); and (ii) a fee of 0.15% per year paid by XIN to BlackRock Canada. The XIN Underlying Management Fee fluctuates based on the net asset value of the U.S. iShares Fund and is borne indirectly by XIN.
- (7) This fee is the sum of (i) up to a maximum of 0.20% per year paid by the U.S. iShares Fund in which XSU invests to an affiliate of BlackRock Canada (the “**XSU Underlying Management Fee**”); and (ii) a fee of 0.15% per year paid by XSU to BlackRock Canada. The XSU Underlying Management Fee fluctuates based on the net asset value of the U.S. iShares Fund and is borne indirectly by XSU.
- (8) Effective March 4, 2015.
- (9) Effective January 12, 2016.
- (10) Effective March 29, 2016.

Where an iShares Fund invests in securities of an iShares ETF, there will be: (i) no management fees or incentive fees payable by the iShares Fund that, to a reasonable person, would duplicate a fee payable by an iShares ETF for the same service, and (ii) no sales fees or redemption fees payable by the iShares Fund in relation to its purchases or redemptions of the securities of an iShares ETF; provided, however, that the restriction in (ii) does not apply to brokerage fees incurred on the purchase or sale of index participation units issued by an iShares ETF. See “Investment Strategies – Investment in Other iShares ETFs”.

For all iShares Funds, except XIU, BlackRock Canada is responsible for each of the iShares Fund’s fees and expenses except the fees and expenses payable by the iShares Fund described under “Fees and Expenses Payable by the iShares Funds”. The fees and expenses for which BlackRock Canada is responsible include the fees payable to the sub-advisor, custodian, registrar and transfer agent and other service providers retained by BlackRock Canada as described under “Organization and Management Details of the iShares Funds – Details of the Management Services to be Provided by BlackRock Canada”.

XIU is also responsible for additional fees and expenses but such fees and expenses are subject to the expense ceiling as noted above in the footnote (3) and as described below under “Fees and Expenses Payable by the iShares Funds - Operating Expenses”.

Management Fee Distributions

BlackRock Canada may agree to charge a reduced management fee or total annual fee, as applicable, as compared to the fee that BlackRock Canada would otherwise be entitled to receive from the iShares Funds with respect to large investments in the iShares Funds by Unitholders. In such cases, an amount equal to the difference between the management fee or total annual fee, as applicable, otherwise chargeable and the reduced fee will be distributed to the applicable Unitholders as “Management Fee Distributions”.

BlackRock Canada reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by the iShares Funds generally will be borne by the Unitholders receiving these distributions.

See “Fees and Expenses – Fees and Expenses Payable by the iShares Funds – Management Fee Distributions”.

Operating Expenses

The iShares Funds, including XIU, are also responsible for fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, brokerage expenses and commissions, income tax, HST, withholding and other taxes. BlackRock Canada allocates the fees and expenses of the IRC on an equitable and reasonable basis amongst the iShares Funds and other investment funds for which the IRC has been appointed.

XIU is responsible for all fees and expenses of XIU, including the management fee, any fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, brokerage expenses and commissions, registrar and transfer agency fees, securities movement charges payable to XIU's custodian, legal and audit fees, the preparation, printing, filing and distribution of prospectuses, financial statements, MRFPs, proxy voting reports, press releases, material change reports, annual reports, and annual filing fees payable to Canadian securities regulatory authorities relating to the issuance of Units of XIU, income tax, HST, withholding and other taxes. BlackRock Canada has agreed to be responsible for the fees and expenses of XIU in excess of 0.17% per year of the daily average Net Asset Value of XIU, except for fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, income tax, HST, withholding and other taxes.

An iShares Fund is required to pay HST on management fees charged to the iShares Fund. In general, the total HST paid by an iShares Fund will depend on the distribution by provincial residence of an iShares Fund's Unitholders. Changes in existing HST rates, changes to the group of provinces that have adopted harmonization, and changes in the distribution by provincial residence of an iShares Fund's Unitholders will have an impact on the management expense ratio of an iShares Fund year over year.

When an iShares Fund invests in securities of an iShares ETF, there are certain expenses payable by the underlying iShares ETF, in addition to the expenses directly payable by the iShares Fund. The iShares Fund indirectly bears its share of such expenses of the underlying iShares ETF.

See "Fees and Expenses – Fees and Expenses Payable by the iShares Funds – Operating Expenses".

Fees and Expenses Payable Directly by You

Administrative Fee to Offset Certain Costs of Transactions with Underwriters

In connection with exchanges or redemptions of Units of an iShares Fund by an Underwriter, BlackRock Canada may charge the Underwriter effecting the exchange or redemption, at its discretion, an administrative fee as a percentage of the exchange or redemption proceeds to offset certain transaction costs incurred in connection with the exchange or redemption, which is payable to the iShares Fund. Currently, BlackRock Canada has set these discretionary administrative fees as follows:

- iShares Canadian Fixed Income Funds (other than XHB) – up to 0.05% of proceeds
- XIN, XHB, XPF, XMH, the iShares International Equity Funds (other than XEU) and the iShares Currency Hedged International Fixed Income Funds, XML, XMY and the iShares Multifactor Funds (other than XFC) – up to 0.15% of proceeds
- All other iShares Funds – up to 0.07% of proceeds

The administrative fee will not be charged to a Unitholder in connection with the buying or selling of Units of an iShares Fund on the TSX.

See "Fees and Expenses – Fees and Expenses Payable Directly by You"

Annual Returns, Management Expense Ratio and Trading Expense Ratio

The rates of return below are historical total returns, including changes in NAV per Unit and assume reinvestment of cash distributions, which increases returns. The returns are net of MER and TER but do not take into account customary brokerage expenses or commissions incurred by Unitholders when buying or selling Units on the TSX, administrative fees or income taxes payable by any Unitholder that would have reduced the Unitholder's returns. Where an iShares Fund was in distribution for less than a full financial year, the MER and TER indicated have been annualized. Annual return data is provided only for full calendar years in which an iShares Fund was in distribution.

<u>XAW</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.21%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	5.39%	N/A	N/A	N/A	N/A
<u>XBB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.33%	0.34%	0.33%	0.33%	0.33%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	1.36%	3.14%	8.46%	-1.50%	3.26%
<u>XBM</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.60%	0.61%
TER ⁽²⁾	0.00%	0.01%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	53.46%	-34.79%	-8.30%	-2.48%	1.79%
<u>XBZ</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.76%	0.77%	0.77%	0.76%	0.76%
TER ⁽²⁾	0.01%	0.01%	0.02%	0.02%	0.01%
Annual return at NAV per Unit ⁽³⁾	58.28%	-30.44%	-8.49%	-12.48%	-2.14%
<u>XCB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.44%	0.45%	0.46%	0.44%	0.44%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	3.32%	2.21%	7.13%	0.39%	5.70%
<u>XCD</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.65%	0.64%	0.65%	0.65%	N/A
TER ⁽²⁾	0.00%	0.00%	0.00%	0.01%	N/A
Annual return at NAV per Unit ⁽³⁾	3.84%	7.91%	7.87%	N/A	N/A
<u>XCG</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.55%	0.56%	0.55%	0.55%
TER ⁽²⁾	0.00%	0.01%	0.01%	0.02%	0.02%
Annual return at NAV per Unit ⁽³⁾	6.89%	-3.26%	25.58%	6.75%	-0.21%
<u>XCH</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.86%	0.86%	0.87%	0.86%	0.86%
TER ⁽²⁾	0.00%	0.02%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	-2.92%	4.01%	20.95%	3.58%	16.10%
<u>XCS</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.01%	0.01%	0.00%	0.01%
Annual return at NAV per Unit ⁽³⁾	38.18%	-13.50%	-2.70%	7.17%	-2.56%

<u>XCV</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.55%	0.56%	0.55%	0.55%
TER ⁽²⁾	0.00%	0.01%	0.01%	0.01%	0.02%
Annual return at NAV per Unit ⁽³⁾	24.89%	-9.92%	7.16%	15.10%	10.37%
<u>XDV</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.56%	0.55%	0.55%	0.55%
TER ⁽²⁾	0.02%	0.02%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	23.82%	-12.98%	6.26%	18.98%	8.80%
<u>XEB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.53%	0.57%	0.74%	0.73%	0.73%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	7.85%	1.11%	5.83%	-8.12%	16.40%
<u>XEC</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.26%	0.26%	0.27%	0.37%	N/A
TER ⁽²⁾	0.02%	0.03%	0.04%	0.12%	N/A
Annual return at NAV per Unit ⁽³⁾	5.98%	2.33%	4.82%	N/A	N/A
<u>XEF</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.22%	0.22%	0.32%	N/A
TER ⁽²⁾	0.01%	0.02%	0.04%	0.04%	N/A
Annual return at NAV per Unit ⁽³⁾	-2.34%	20.40%	2.42%	N/A	N/A
<u>XEG</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.62%	0.62%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.01%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	38.85%	-24.55%	-16.79%	12.62%	-5.37%
<u>XEH</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.28%	0.25%	0.25%	N/A	N/A
TER ⁽²⁾	0.02%	0.04%	0.08%	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	8.98%	6.78%	N/A	N/A	N/A
<u>XEI</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.22%	0.30%	0.61%	0.61%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	28.20%	-14.67%	4.89%	15.11%	7.08%
<u>XEM</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.82%	0.81%	0.78%	0.78%	0.79%
TER ⁽²⁾	0.03%	0.02%	0.03%	0.02%	0.02%
Annual return at NAV per Unit ⁽³⁾	6.66%	0.16%	4.36%	2.26%	16.01%

<u>XEN</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.55%	0.56%	0.55%	0.55%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.01%	0.01%
Annual return at NAV per Unit ⁽³⁾	21.95%	-8.06%	10.38%	15.87%	11.87%

<u>XEU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.28%	0.27%	0.28%	N/A	N/A
TER ⁽²⁾	0.01%	0.03%	0.07%	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	-4.06%	18.30%	N/A	N/A	N/A

<u>XFA</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.45%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.02%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	12.61%	N/A	N/A	N/A	N/A

<u>XFC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.50%	N/A	N/A	N/A
TER ⁽²⁾	0.02%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	15.01%	N/A	N/A	N/A	N/A

<u>XFF</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.45%	N/A	N/A	N/A
TER ⁽²⁾	0.04%	0.13%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	5.52%	N/A	N/A	N/A	N/A

<u>XFH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.20%	N/A	N/A	N/A
TER ⁽²⁾	0.02%	0.04%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	6.88%	N/A	N/A	N/A	N/A

<u>XFI</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.51%	N/A	N/A	N/A
TER ⁽²⁾	0.03%	0.11%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	-4.60%	N/A	N/A	N/A	N/A

<u>XFN</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.63%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	23.35%	-3.59%	11.83%	25.87%	16.38%

<u>XFR</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.23%	0.23%	0.22%	0.22%	0.13%
MER before absorptions ⁽¹⁾	0.23%	0.23%	0.22%	0.22%	0.21%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	1.02%	0.41%	1.21%	1.43%	1.90%

<u>XFS</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.50%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.00%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	8.86%	N/A	N/A	N/A	N/A

<u>XGB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.39%	0.39%	0.40%	0.39%	0.38%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	0.51%	3.45%	8.89%	-2.36%	2.26%

<u>XGD</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.61%	0.60%
TER ⁽²⁾	0.00%	0.01%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	49.96%	-10.54%	-6.30%	-47.69%	-15.21%

<u>XGI</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.65%	0.64%	0.65%	0.65%	N/A
TER ⁽²⁾	0.00%	0.00%	0.00%	0.01%	N/A
Annual return at NAV per Unit ⁽³⁾	14.16%	-0.23%	6.20%	N/A	N/A

<u>XHB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.49%	0.51%	0.50%	0.50%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	6.65%	0.44%	6.90%	1.85%	8.74%

<u>XHC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.65%	0.65%	0.64%	0.64%	0.65%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.01%
Annual return at NAV per Unit ⁽³⁾	-5.20%	8.13%	22.39%	35.99%	17.30%

<u>XHD</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.33%	0.34%	0.33%	0.33%	0.33%
TER ⁽²⁾	0.01%	0.01%	0.00%	0.01%	0.00%
Annual return at NAV per Unit ⁽³⁾	14.33%	-1.42%	12.34%	23.72%	N/A

<u>XHU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	0.34%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	10.93%	N/A	N/A	N/A	N/A

<u>XHY</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.67%	0.66%	0.67%	0.62%	0.61%
TER ⁽²⁾	-	-	-	0.03%	0.00%
Annual return at NAV per Unit ⁽³⁾	13.79%	-5.58%	2.64%	6.87%	11.00%

<u>XIC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.06%	0.06%	0.10%	0.27%	0.27%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	21.01%	-8.35%	10.42%	12.71%	6.89%

<u>XID</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	1.03%	1.00%	0.99%	0.99%	0.99%
TER ⁽²⁾	0.01%	0.03%	0.02%	0.04%	0.07%
Annual return at NAV per Unit ⁽³⁾	-2.63%	9.44%	39.12%	1.29%	23.74%

<u>XIG</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.32%	0.32%	0.32%	0.31%	0.31%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	5.39%	-0.55%	8.48%	-1.27%	10.51%

<u>XIN</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.49%	0.50%	0.50%	0.51%	0.50%
TER ⁽²⁾	0.00%	0.00%	0.01%	0.01%	0.01%
Annual return at NAV per Unit ⁽³⁾	5.57%	4.52%	4.15%	25.06%	18.12%

<u>XIT</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.61%	0.60%	0.61%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	3.78%	13.88%	36.30%	35.97%	6.60%

<u>XIU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾⁽⁴⁾	0.18%	0.18%	0.18%	0.17%	0.18%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	21.14%	-7.91%	12.04%	13.03%	7.87%

<u>XLB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.20%	0.21%	0.28%	0.38%	0.39%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	2.32%	3.50%	17.13%	-6.55%	4.88%

<u>XMA</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	40.29%	-21.47%	-3.16%	-29.44%	-6.19%

<u>XMC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.16%	0.15%	N/A	N/A	N/A
TER ⁽²⁾	0.00%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	16.13%	N/A	N/A	N/A	N/A

<u>XMD</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.62%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.01%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	19.84%	-10.60%	5.13%	11.60%	4.24%

<u>XMH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.16%	0.15%	N/A	N/A	N/A
TER ⁽²⁾	0.00%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	19.40%	N/A	N/A	N/A	N/A

<u>XMI</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾⁽⁵⁾	0.37%	0.37%	0.37%	0.37%	0.37%
MER before absorptions ⁽¹⁾	0.39%	0.46%	0.47%	0.47%	0.47%
TER ⁽²⁾	0.02%	0.01%	0.00%	0.00%	0.02%
Annual return at NAV per Unit ⁽³⁾	-6.07%	28.50%	12.10%	23.07%	N/A

<u>XML</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.37%	N/A	N/A	N/A	N/A
TER ⁽²⁾	0.02%	N/A	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

<u>XMM</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾⁽⁵⁾	0.42%	0.43%	0.41%	0.41%	0.41%
MER before absorptions ⁽¹⁾⁽⁵⁾	0.80%	0.80%	0.80%	0.80%	0.79%
TER ⁽²⁾	0.04%	0.04%	0.04%	0.06%	0.23%
Annual return at NAV per Unit ⁽³⁾	-0.86%	4.93%	8.20%	4.73%	N/A

<u>XMS</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	N/A	N/A	N/A	N/A
TER ⁽²⁾	0.01%	N/A	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

<u>XMU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	0.34%	0.33%	0.34%	0.34%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	6.05%	25.87%	26.15%	32.64%	N/A

<u>XMV</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	0.35%	0.32%	0.33%	0.34%
TER ⁽²⁾	0.01%	0.01%	0.01%	0.01%	0.00%
Annual return at NAV per Unit ⁽³⁾	17.16%	-3.86%	16.80%	11.75%	N/A

<u>XMW</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.48%	0.48%	0.48%	0.48%	0.48%
TER ⁽²⁾	0.02%	0.03%	0.04%	0.01%	0.02%
Annual return at NAV per Unit ⁽³⁾	3.10%	22.66%	20.16%	24.05%	N/A

<u>XMY</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.48%	N/A	N/A	N/A	N/A
TER ⁽²⁾	0.03%	N/A	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

<u>XPF</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.47%	0.47%	0.47%	0.47%	0.48%
TER ⁽²⁾	0.03%	0.03%	0.02%	0.03%	0.02%
Annual return at NAV per Unit ⁽³⁾	3.92%	-5.40%	10.21%	-1.90%	11.14%

<u>XQQ</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.39%	0.39%	0.39%	0.39%	0.39%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	6.40%	8.66%	19.35%	36.91%	17.50%

<u>XRБ</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.39%	0.39%	0.39%	0.39%	0.39%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	2.42%	2.44%	12.68%	-13.43%	2.43%

<u>XRE</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	16.92%	-5.17%	9.67%	-6.03%	16.23%

<u>XSB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.28%	0.28%	0.28%	0.27%	0.28%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	0.76%	2.33%	2.80%	1.50%	1.72%

<u>XSH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.13%	0.14%	0.15%	0.27%	0.28%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	2.17%	2.62%	3.39%	2.23%	3.79%

<u>XSP</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.11%	0.11%	0.13%	0.23%	0.25%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	11.19%	0.54%	13.80%	32.50%	15.56%

<u>XSQ</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.13%	0.14%	0.14%	N/A	N/A
TER ⁽²⁾	-	-	0.00%	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	0.80%	2.51%	N/A	N/A	N/A

<u>XST</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.61%	0.62%
TER ⁽²⁾	0.00%	0.00%	0.01%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	8.41%	10.72%	47.26%	22.80%	21.82%

<u>XSU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.36%	0.37%	0.37%	0.36%	0.36%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.00%	0.01%
Annual return at NAV per Unit ⁽³⁾	20.52%	-5.15%	5.41%	38.93%	16.28%

<u>XUH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.07%	0.10%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	11.95%	N/A	N/A	N/A	N/A

<u>XUS</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.10%	0.10%	0.11%	0.15%	N/A
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	N/A
Annual return at NAV per Unit ⁽³⁾	7.88%	21.02%	23.41%	N/A	N/A

<u>XUT</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.62%	0.58%	0.63%	0.60%	0.60%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	16.88%	-3.96%	15.33%	-4.94%	3.37%

<u>XUU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.07%	0.10%	N/A	N/A	N/A
TER ⁽²⁾	0.00%	0.00%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	9.48%	N/A	N/A	N/A	N/A

<u>XWD</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.47%	0.47%	0.46%	0.46%	0.47%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	3.91%	18.50%	13.55%	33.93%	13.48%

(1) “**MER**” means management expense ratio and is based on total fees and expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. See “Fees and Expenses - Fees and Expenses Payable by the iShares Funds”.

(2) “**TER**” represents total commissions and portfolio transaction costs and is expressed as an annualized percentage of daily average Net Asset Value for the period. Amounts listed as “0.00%” represent amounts rounded to less than 0.01%.

(3) Assumes reinvestment of all cash distributions during the period in additional Units of the applicable iShares Fund at the NAV per Unit as of ex-dividend date. Amounts listed as “N/A” represent that, in accordance with applicable securities legislation,

annual returns at NAV per Unit for each applicable iShares Fund have not been disclosed for the stated period since the iShares Fund was not a reporting issuer for at least 12 consecutive months during such period.

- (4) BlackRock Canada has agreed to be responsible for certain fees and expenses of XIU in excess of 0.17% per year, before applicable sales taxes, of the daily average Net Asset Value of XIU (the “**expense ceiling**”).
- (5) On December 3, 2015, BlackRock Canada announced that it agreed to a partial waiver of the management fee that would otherwise be payable by XMM (the “**XMM Waiver**”). The XMM Waiver will expire on December 31, 2018. After giving effect to the XMM Waiver, BlackRock Canada is entitled to receive an annual management fee from XMM equal to 0.40% of the Net Asset Value of XMM. BlackRock Canada may discontinue, amend or extend the XMM Waiver at any time without giving notice to (other than by press release) or seeking approval from Unitholders of XMM.

OVERVIEW OF THE LEGAL STRUCTURE OF THE ISHARES FUNDS

Each of the iShares Funds is an exchange-traded fund established as a trust under the laws of the Province of Ontario pursuant to a master declaration of trust amended and restated as of March 29, 2017 governing the iShares Funds, as may be further amended and/or restated from time to time (the “**Master Declaration of Trust**”). Unitholders of the iShares Funds are not shareholders of a corporation.

The principal office of the iShares Funds is 161 Bay Street, Suite 2500, P.O. Box 614, Toronto, Ontario M5J 2S1.

While each iShares Fund is a mutual fund under the securities legislation of certain provinces and territories of Canada, it has been granted exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See “Exemptions and Approvals”.

The full legal name of each iShares Fund, as well as its TSX ticker symbol, is set out below:

Legal Name of iShares Fund	TSX Ticker Symbol
iShares Core MSCI All Country World ex Canada Index ETF	XAW
iShares Canadian Universe Bond Index ETF	XBB
iShares S&P/TSX Global Base Metals Index ETF	XBM
iShares MSCI Brazil Index ETF	XBZ
iShares Canadian Corporate Bond Index ETF	XCB
iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged)	XCD
iShares Canadian Growth Index ETF	XCG
iShares China Index ETF	XCH
iShares S&P/TSX SmallCap Index ETF	XCS
iShares Canadian Value Index ETF	XCV
iShares Canadian Select Dividend Index ETF	XDV
iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged)	XEB
iShares Core MSCI Emerging Markets IMI Index ETF	XEC
iShares Core MSCI EAFE IMI Index ETF	XEI
iShares S&P/TSX Capped Energy Index ETF	XEG
iShares MSCI Europe IMI Index ETF (CAD-Hedged)	XEH
iShares Core S&P/TSX Composite High Dividend Index ETF	XEI
iShares MSCI Emerging Markets Index ETF	XEM
iShares Jantzi Social Index ETF	XEN
iShares MSCI Europe IMI Index ETF	XEU
iShares Edge MSCI Multifactor USA Index ETF (CAD-Hedged)	XFA
iShares Edge MSCI Multifactor Canada Index ETF	XFC
iShares Edge MSCI Multifactor EAFE Index ETF (CAD-Hedged)	XFF
iShares Core MSCI EAFE IMI Index ETF (CAD-Hedged)	XFH
iShares Edge MSCI Multifactor EAFE Index ETF	XFI
iShares S&P/TSX Capped Financials Index ETF	XFN

Legal Name of iShares Fund	TSX Ticker Symbol
iShares Floating Rate Index ETF	XFR
iShares Edge MSCI Multifactor USA Index ETF	XFS
iShares Canadian Government Bond Index ETF	XGB
iShares S&P/TSX Global Gold Index ETF	XGD
iShares S&P Global Industrials Index ETF (CAD-Hedged)	XGI
iShares Canadian HYBrid Corporate Bond Index ETF	XHB
iShares Global Healthcare Index ETF (CAD-Hedged)	XHC
iShares U.S. High Dividend Equity Index ETF (CAD-Hedged)	XHD
iShares U.S. High Dividend Equity Index ETF	XHU
iShares U.S. High Yield Bond Index ETF (CAD-Hedged)	XHY
iShares Core S&P/TSX Capped Composite Index ETF	XIC
iShares India Index ETF	XID
iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)	XIG
iShares MSCI EAFE® Index ETF (CAD-Hedged)	XIN
iShares S&P/TSX Capped Information Technology Index ETF	XIT
iShares S&P/TSX 60 Index ETF	XIU
iShares Core Canadian Long Term Bond Index ETF	XLB
iShares S&P/TSX Capped Materials Index ETF	XMA
iShares S&P U.S. Mid-Cap Index ETF	XMC
iShares S&P/TSX Completion Index ETF	XMD
iShares S&P U.S. Mid-Cap Index ETF (CAD Hedged)	XMH
iShares Edge MSCI Min Vol EAFE Index ETF	XMI
iShares Edge MSCI Min Vol EAFE Index ETF (CAD-Hedged)	XML
iShares Edge MSCI Min Vol Emerging Markets Index ETF	XMM
iShares Edge MSCI Min Vol USA Index ETF (CAD-Hedged)	XMS
iShares Edge MSCI Min Vol USA Index ETF	XMU
iShares Edge MSCI Min Vol Canada Index ETF	XMV
iShares Edge MSCI Min Vol Global Index ETF	XMW
iShares Edge MSCI Min Vol Global Index ETF (CAD-Hedged)	XMY
iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged)	XPF
iShares NASDAQ 100 Index ETF (CAD-Hedged)	XQQ
iShares Canadian Real Return Bond Index ETF	XRБ
iShares S&P/TSX Capped REIT Index ETF	XRE
iShares Canadian Short Term Bond Index ETF	XSB
iShares Core Canadian Short Term Corporate + Maple Bond Index ETF	XSH
iShares Core S&P 500 Index ETF (CAD-Hedged)	XSP
iShares Core Short Term High Quality Canadian Bond Index ETF	XSQ
iShares S&P/TSX Capped Consumer Staples Index ETF	XST
iShares U.S. Small Cap Index ETF (CAD-Hedged)	XSU
iShares Core S&P U.S. Total Market Index ETF (CAD-Hedged)	XUH
iShares Core S&P 500 Index ETF	XUS
iShares S&P/TSX Capped Utilities Index ETF	XUT
iShares Core S&P U.S. Total Market Index ETF	XUU
iShares MSCI World Index ETF	XWD
iShares Edge MSCI Min Vol EAFE Index ETF (CAD-Hedged)	XML
iShares Edge MSCI Min Vol USA Index ETF (CAD-Hedged)	XMS
iShares Edge MSCI Min Vol Global Index ETF (CAD-Hedged)	XMY

Former Legal Names of Certain iShares Funds

The following chart lists the current legal name and the corresponding former legal name of certain iShares Funds.

Former Legal Name	Current Legal Name
iShares China Index Fund	iShares China Index ETF
iShares U.S. High Dividend Equity Index Fund (CAD-Hedged)	iShares U.S. High Dividend Equity Index ETF (CAD-Hedged)
iShares U.S. High Yield Bond Index Fund (CAD-Hedged)	iShares U.S. High Yield Bond Index ETF (CAD-Hedged)
iShares U.S. IG Corporate Bond Index Fund (CAD-Hedged)	iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)
iShares S&P/TSX Global Base Metals Index Fund	iShares S&P/TSX Global Base Metals Index ETF
iShares MSCI Brazil Index Fund	iShares MSCI Brazil Index ETF
iShares S&P/TSX SmallCap Index Fund	iShares S&P/TSX SmallCap Index ETF
iShares Dow Jones Canada Select Dividend Index Fund	iShares Canadian Select Dividend Index ETF
iShares J.P. Morgan USD Emerging Markets Bond Index Fund (CAD-Hedged)	iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Energy Index Fund	iShares S&P/TSX Capped Energy Index ETF
iShares S&P/TSX Equity Income Index ETF	iShares Core S&P/TSX Composite High Dividend Index ETF
iShares MSCI Emerging Markets Index Fund	iShares MSCI Emerging Markets Index ETF
iShares MSCI Emerging Markets IMI Index ETF	iShares Core MSCI Emerging Markets IMI Index ETF
iShares S&P/TSX Capped Financials Index Fund	iShares S&P/TSX Capped Financials Index ETF
iShares S&P/TSX Global Gold Index Fund	iShares S&P/TSX Global Gold Index ETF
iShares S&P/TSX Capped Composite Index ETF	iShares Core S&P/TSX Capped Composite Index ETF
iShares MSCI EAFE IMI Index ETF	iShares Core MSCI EAFE IMI Index ETF
iShares MSCI EAFE Index Fund (CAD-Hedged)	iShares MSCI EAFE Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Information Technology Index Fund	iShares S&P/TSX Capped Information Technology Index ETF
iShares S&P/TSX 60 Index Fund	iShares S&P/TSX 60 Index ETF
iShares S&P/TSX Capped Materials Index Fund	iShares S&P/TSX Capped Materials Index ETF
iShares S&P/TSX Completion Index Fund	iShares S&P/TSX Completion Index ETF
iShares MSCI EAFE Minimum Volatility Index ETF	iShares Edge MSCI Min Vol EAFE Index ETF
iShares MSCI Emerging Markets Minimum Volatility Index ETF	iShares Edge MSCI Min Vol Emerging Markets Index ETF
iShares MSCI USA Minimum Volatility Index ETF	iShares Edge MSCI Min Vol USA Index ETF
iShares MSCI Canada Minimum Volatility Index ETF	iShares Edge MSCI Min Vol Canada Index ETF
iShares MSCI All Country World Minimum Volatility Index ETF	iShares Edge MSCI Min Vol Global Index ETF
iShares S&P/TSX North American Preferred Stock Index Fund (CAD-Hedged)	iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged)
iShares NASDAQ 100 Index Fund (CAD-Hedged)	iShares NASDAQ 100 Index ETF (CAD-Hedged)
iShares S&P/TSX Capped REIT Index Fund	iShares S&P/TSX Capped REIT Index ETF
iShares S&P 500 Index ETF	iShares Core S&P 500 Index ETF
iShares S&P 500 Index ETF (CAD-Hedged)	iShares Core S&P 500 Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Consumer Staples Index Fund	iShares S&P/TSX Capped Consumer Staples Index ETF
iShares S&P/TSX Capped Utilities Index Fund	iShares S&P/TSX Capped Utilities Index ETF
iShares MSCI World Index Fund	iShares MSCI World Index ETF
iShares Jantzi Social Index Fund	iShares Jantzi Social Index ETF
iShares S&P Global Industrials Index Fund (CAD-Hedged)	iShares S&P Global Industrials Index ETF (CAD-Hedged)

Former Legal Name	Current Legal Name
iShares S&P Global Consumer Discretionary Index Fund (CAD-Hedged)	iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged)
iShares DEX Universe Bond Index Fund	iShares Canadian Universe Bond Index ETF
iShares DEX All Corporate Bond Index Fund	iShares Canadian Corporate Bond Index ETF
iShares Dow Jones Canada Select Growth Index Fund	iShares Canadian Growth Index ETF
iShares Dow Jones Canada Select Value Index Fund	iShares Canadian Value Index ETF
iShares DEX Floating Rate Note Index Fund	iShares Floating Rate Index ETF
iShares DEX All Government Bond Index Fund	iShares Canadian Government Bond Index ETF
iShares DEX HYBRID Bond Index Fund	iShares Canadian HYBRID Corporate Bond Index ETF
iShares S&P Global Healthcare Index Fund (CAD-Hedged)	iShares Global Healthcare Index ETF (CAD-Hedged)
iShares CNX Nifty India Index Fund	iShares India Index ETF
iShares Canadian Long Term Bond Index ETF	iShares Core Canadian Long Term Bond Index ETF
iShares DEX Real Return Bond Index Fund	iShares Canadian Real Return Bond Index ETF
iShares DEX Short Term Bond Index Fund	iShares Canadian Short Term Bond Index ETF
iShares Canadian Short Term Corporate + Maple Bond Index ETF	iShares Core Canadian Short Term Corporate + Maple Bond Index ETF
iShares Russell 2000 Index Fund (CAD-Hedged)	iShares U.S. Small Cap Index ETF (CAD-Hedged)
iShares FactorSelect MSCI Canada Index ETF	iShares Edge MSCI Multifactor Canada Index ETF
iShares FactorSelect MSCI EAFE Index ETF	iShares Edge MSCI Multifactor EAFE Index ETF
iShares FactorSelect MSCI EAFE Index ETF (CAD-Hedged)	iShares Edge MSCI Multifactor EAFE Index ETF (CAD-Hedged)
iShares FactorSelect MSCI USA Index ETF	iShares Edge MSCI Multifactor USA Index ETF
iShares FactorSelect MSCI USA Index ETF (CAD-Hedged)	iShares Edge MSCI Multifactor USA Index ETF (CAD-Hedged)

INVESTMENT OBJECTIVES

The investment objectives of the iShares Funds are as follows:

iShares Canadian Equity Funds

The iShares Canadian Equity Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Canadian Equity Fund Index, net of expenses.

The table below sets out the applicable Canadian Equity Fund Index for each of the iShares Canadian Equity Funds. S&P is the Index Provider of the Canadian Equity Fund Indices for the iShares S&P/TSX Canadian Equity Funds and for the Dow Jones Canadian Equity Fund Indices and Jantzi is the Index Provider of the Jantzi Social Index. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	Canadian Equity Fund Index
XCG	Dow Jones Canada Select Growth Index
XCS	S&P/TSX SmallCap Index
XCV	Dow Jones Canada Select Value Index
XDV	Dow Jones Canada Select Dividend Index
XEG	S&P/TSX Capped Energy Index
XEI	S&P/TSX Composite High Dividend Index
XEN	Jantzi Social Index
XFN	S&P/TSX Capped Financials Index
XIC	S&P/TSX Capped Composite Index

iShares Fund	Canadian Equity Fund Index
XIT	S&P/TSX Capped Information Technology Index
XIU	S&P/TSX 60 Index
XMA	S&P/TSX Capped Materials Index
XMD	S&P/TSX Completion Index
XRE	S&P/TSX Capped REIT Index
XST	S&P/TSX Capped Consumer Staples Index
XUT	S&P/TSX Capped Utilities Index

Under normal market conditions, each of XCG, XCV, XDV, XEI, XEN, XIC, XIU and XMD will primarily invest in Canadian equity securities. Under normal market conditions, XCS and XRE will primarily invest in equity securities issued by Canadian small-capitalization issuers and Canadian real estate investment trust issuers, respectively. Under normal market conditions, XEG, XFN, XIT, XMA, XST and XUT will primarily invest in equity securities issued by Canadian issuers participating in the energy, financials, information technology, materials, consumer staples and utilities sector, respectively.

iShares Canadian Fixed Income Funds

The iShares Canadian Fixed Income Funds, other than XFR, seek to provide income by replicating, to the extent possible, the performance of the applicable Canadian Fixed Income Fund Index, net of expenses. XFR seeks to provide income while limiting interest rate risk by replicating, to the extent possible, the performance of the FTSE TMX Canada FRN Index, net of expenses. The table below sets out the applicable Canadian Fixed Income Fund Index for each of the iShares Canadian Fixed Income Funds. FTSE TMX is the Index Provider of all the Canadian Fixed Income Indices. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	Canadian Fixed Income Fund Index
XBB	FTSE TMX Canada Universe Bond Index
XCB	FTSE TMX Canada All Corporate Bond Index
XFR	FTSE TMX Canada FRN Index
XGB	FTSE TMX Canada All Government Bond Index
XHB	FTSE TMX Canada HYBrid Bond Index
XLB	FTSE TMX Canada Long Term Overall Bond Index
XRb	FTSE TMX Canada Real Return Bond Index
XSB	FTSE TMX Canada Short Term Overall Bond Index
XSH	FTSE TMX Canada Universe + Maple Short Term Corporate Bond Index
XSQ	FTSE TMX Canada Liquid Short Term Capped Bond Index

Under normal market conditions, each iShares Canadian Fixed Income Fund will primarily invest in Canadian fixed income securities.

BlackRock Canada may, in its discretion and subject to obtaining any required Unitholder approval, change the Index for XSQ to another widely-recognized index in order to provide Unitholders with substantially the same exposure to the asset class to which XSQ is currently exposed. If BlackRock Canada changes the Index for XSQ, or any index replacing such Index, without obtaining Unitholder approval, BlackRock Canada will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

iShares International Equity Funds

The iShares International Equity Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable International Equity Fund Index, net of expenses. The table below sets out the applicable International Equity Fund Index for each of the iShares International Equity Funds. MSCI is the Index Provider of the MSCI Brazil 25/50 Index, MSCI Emerging Markets Index, MSCI World Index, MSCI EAFE Investable Market Index, MSCI Emerging Markets Investable Market Index, MSCI Europe Investable Market Index and MSCI ACWI ex Canada IMI; FTSE is the Index Provider of the FTSE China 50 Index; IISL is the Index Provider

of the Nifty 50 Index; S&P is the Index Provider of the S&P MidCap 400 Index, S&P 500 Index and S&P Total Market Index; and Morningstar is the Index Provider of the Morningstar Dividend Yield Focus Index. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	International Equity Fund Index
XAW	MSCI ACWI ex Canada IMI
XBZ	MSCI Brazil 25/50 Index
XCH	FTSE China 50 Index
XEC	MSCI Emerging Markets Investable Market Index
XEF	MSCI EAFE Investable Market Index
XEM	MSCI Emerging Markets Index
XEU	MSCI Europe Investable Market Index
XHU	Morningstar Dividend Yield Focus Index
XID	Nifty 50 Index
XMC	S&P MidCap 400 Index
XUS	S&P 500 Index
XUU	S&P Total Market Index
XWD	MSCI World Index

Under normal market conditions, each of XAW, XEF and XWD will primarily invest in securities of one or more iShares ETFs (defined below) and/or international equity securities and each of XHU, XMC, XUS and XUU will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities. Under normal market conditions, each of XEC and XEM will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in emerging market countries and XEU will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in European countries. Under normal market conditions, XBZ, XCH and XID will primarily invest in securities of one or more iShares ETFs and/or equity securities issued by issuers located in Brazil, China and India, respectively.

BlackRock Canada may, in its discretion and subject to obtaining any required Unitholder approval, change the Index for XAW, XCH, XEU, XHU, XUU or XMC to another widely-recognized index in order to provide Unitholders with substantially the same exposure to the asset class to which XAW, XCH, XEU, XHU, XUU or XMC is currently exposed. If BlackRock Canada changes the Index for XAW, XCH, XEU, XHU, XUU or XMC, or any index replacing such Index, without obtaining Unitholder approval, BlackRock Canada will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

iShares International Mining Sector Funds

The iShares International Mining Sector Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable International Mining Sector Index, net of expenses. S&P is the Index Provider of all the International Mining Sector Indices. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	International Mining Sector Index
XBM	S&P/TSX Global Base Metals Index
XGD	S&P/TSX Global Gold Index

Under normal market conditions, each iShares International Mining Sector Fund will primarily invest in equity securities issued by international issuers participating in the mining sector.

iShares Currency Hedged International Equity Funds

The iShares Currency Hedged International Equity Funds, other than XPF, seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Hedged International Equity Fund

Index, net of expenses. XPF seeks to provide income by replicating, to the extent possible, the performance of the Preferred Index, net of expenses. The table below sets out the applicable Hedged International Equity Fund Index for each of the iShares Currency Hedged International Equity Funds. MSCI is the Index Provider of the MSCI Europe IMI 100% Hedged to CAD Index, MSCI EAFE IMI 100% Hedged to CAD Index and MSCI EAFE Hedged 100% to CAD Index; S&P is the Index Provider of the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, S&P Global 1200 Industrials Canadian Dollar Hedged Index, S&P Global 1200 Health Care Canadian Dollar Hedged Index, S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index, S&P 500 CAD Hedged Index, S&P Total Market Index (CAD-Hedged) and S&P MidCap 400 CAD Hedged Index; NASDAQ is the Index Provider of the NASDAQ-100 Currency Hedged CAD Index; FRC is the Index Provider of the Russell 2000® Index – Canadian Dollar Hedged; and Morningstar is the Index Provider of Morningstar Index. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	Hedged International Equity Fund Index
XCD	S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index
XEH	MSCI Europe IMI 100% Hedged to CAD Index
XFH	MSCI EAFE IMI 100% Hedged to CAD Index
XGI	S&P Global 1200 Industrials Canadian Dollar Hedged Index
XHC	S&P Global 1200 Health Care Canadian Dollar Hedged Index
XHD	Morningstar Dividend Yield Focus Index – CAD-Hedged
XIN	MSCI EAFE Hedged 100% to CAD Index
XMH	S&P MidCap 400 CAD Hedged Index
XPF	S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index
XQQ	NASDAQ-100 Currency Hedged CAD Index
XSP	S&P 500 CAD Hedged Index
XSU	Russell 2000® Index – Canadian Dollar Hedged
XUH	S&P Total Market Index (CAD-Hedged)

Under normal market conditions, each of XSP and XUH will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities, each of XFH and XIN will primarily invest in securities of one or more iShares ETFs and/or international equity securities, XEH will primarily invest in securities of one or more iShares ETFs and/or European equity securities, and XPF will primarily invest in securities of one or more iShares ETFs and/or North American equity securities. Under normal market conditions, XCD, XGI and XHC will primarily invest in securities of one or more iShares ETFs and/or equity securities of international issuers participating in the consumer discretionary, industrials and healthcare sector, respectively. Under normal market conditions, XMH and XSU will primarily invest in securities of one or more iShares ETFs and/or equity securities of U.S. mid-capitalization issuers and U.S. small-capitalization issuers, respectively. Under normal market conditions, each of XQQ and XHD will primarily invest in U.S. equity securities.

BlackRock Canada may, in its discretion and subject to obtaining any required Unitholder approval, change the Index for XCD, XEH, XFH, XGI, XHD, XUH and XMH to another widely-recognized index in order to provide Unitholders with substantially the same exposure to the asset class to which that XCD, XEH, XFH, XGI, XHD, XUH and XMH is currently exposed. If BlackRock Canada changes the Index for XCD, XEH, XFH, XGI, XHD, XUH and XMH, or any index replacing such Index, without obtaining Unitholder approval, BlackRock Canada will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

iShares Currency Hedged International Fixed Income Funds

The iShares Currency Hedged International Fixed Income Funds seek to provide income by replicating, to the extent possible, the performance of the applicable Hedged International Fixed Income Fund Index, net of expenses, and, to the extent possible, hedge any resulting U.S. dollar currency exposure back to Canadian dollars. The table below sets out the current Hedged International Fixed Income Fund Index for each of the iShares Currency Hedged International Fixed Income Funds. Markit is the Index Provider of the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD and the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD

and J.P. Morgan is the Index Provider of the J.P. Morgan EMBI Global Core Hedged in CAD Index. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	Hedged International Fixed Income Fund Index
XEB	J.P. Morgan EMBI Global Core Hedged in CAD Index
XHY	Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD ⁽¹⁾
XIG	Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD ⁽²⁾

- (1) XHY seeks to replicate the performance of the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD. BlackRock Canada may, in its discretion and without Unitholder approval, change the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD to another widely recognized, diversified and representative index of the U.S. dollar denominated high yield corporate bond market in order to provide Unitholders with exposure to the U.S. dollar denominated high yield corporate bond market. If BlackRock Canada changes the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD, or any index replacing such Index, BlackRock Canada will issue a press release identifying the new index.
- (2) XIG seeks to replicate the performance of the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD. BlackRock Canada may, in its discretion and without Unitholder approval, change the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD to another widely recognized, diversified and representative index of the U.S. dollar denominated investment grade corporate bond market in order to provide Unitholders with exposure to the U.S. dollar denominated investment grade corporate bond market. If BlackRock Canada changes the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD, or any index replacing such Index, BlackRock Canada will issue a press release identifying the new index.

Under normal market conditions, each iShares Currency Hedged International Fixed Income Fund will primarily invest in securities of one or more iShares ETFs and/or U.S. fixed income securities.

iShares Minimum Volatility Funds

The iShares Minimum Volatility Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Minimum Volatility Fund Index, net of expenses. The table below sets out the applicable Minimum Volatility Fund Index for each of the iShares Minimum Volatility Funds. MSCI is the Index Provider of the MSCI Canada Minimum Volatility Index (CAD), the MSCI USA Minimum Volatility Index (USD), the MSCI EAFE Minimum Volatility Index (USD), the MSCI Emerging Markets Minimum Volatility Index (USD) and the MSCI ACWI Minimum Volatility Index (USD).

iShares Fund	Minimum Volatility Fund Index
XMI	MSCI EAFE Minimum Volatility Index (USD)
XMM	MSCI Emerging Markets Minimum Volatility Index (USD)
XMU	MSCI USA Minimum Volatility Index (USD)
XMV	MSCI Canada Minimum Volatility Index (CAD)
XMW	MSCI ACWI Minimum Volatility Index (USD)

Under normal market conditions, each of XMI and XMW will primarily invest in securities of one or more iShares ETFs and/or international equity securities, and XMM will primarily invest in securities of one or more iShares ETFs and/or equity securities of issuers located in emerging market countries. Under normal market conditions, XMV will primarily invest in Canadian equity securities and XMU will primarily invest in U.S. equity securities.

BlackRock Canada may, in its discretion and subject to obtaining any required Unitholder approval, change the Index for an iShares Minimum Volatility Fund to another widely-recognized index in order to provide Unitholders with substantially the same exposure to the asset class to which that iShares Minimum Volatility Fund is currently exposed. If BlackRock Canada changes the Index for any iShares Minimum Volatility Fund, or any index replacing such Index, without obtaining Unitholder approval, BlackRock Canada will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

iShares Currency Hedged Minimum Volatility Funds

The iShares Currency Hedged Minimum Volatility Funds seek to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Hedged Minimum Volatility Fund Index, net of expenses and, to the extent possible, hedge any resulting non-Canadian currency exposure back to Canadian dollars. The table below sets out the applicable Hedged Minimum Volatility Fund Index for each of the iShares Currency Hedged Minimum Volatility Funds. MSCI is the Index Provider of the MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index, the MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index and the MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index.

iShares Fund	Currency Hedged Minimum Volatility Fund Index
XML	MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index
XMS	MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index
XMY	MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index

Under normal market conditions, each of XML and XMY will primarily invest in securities of one or more iShares ETFs and/or international equity securities and XMS will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities.

BlackRock Canada may, in its discretion and subject to obtaining any required Unitholder approval, change the Index for an iShares Currency Hedged Minimum Volatility Fund to another widely-recognized index in order to provide Unitholders with substantially the same exposure to the asset class to which that iShares Currency Hedged Minimum Volatility Fund is currently exposed. If BlackRock Canada changes the Index for any iShares Currency Hedged Minimum Volatility Fund, or any index replacing such Index, without obtaining Unitholder approval, BlackRock Canada will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

iShares Multifactor Funds

Each iShares Multifactor Fund seeks to provide long-term capital growth by replicating, to the extent possible, the performance of the applicable Multifactor Index, net of expenses. The table below sets out the applicable Multifactor Index for each of the iShares Multifactor Funds. MSCI is the Index Provider of each Multifactor Index. See “Overview of What the iShares Funds Invest In – Use of the Indices”.

iShares Fund	Multifactor Index
XFC	MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index
XFI	MSCI EAFE Diversified Multiple-Factor (CAD) Index
XFF	MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index
XFS	MSCI USA Diversified Multiple-Factor (CAD) Index
XFA	MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index

Under normal market conditions, XFC will primarily invest in securities of one or more iShares ETFs and/or Canadian equity securities, XFI and XFF will primarily invest in securities of one or more iShares ETFs and/or international equity securities and XFS and XFA will primarily invest in securities of one or more iShares ETFs and/or U.S. equity securities. XFF and XFA will seek to hedge any resulting U.S. dollar or other foreign currency exposure, as applicable, back to Canadian dollars.

BlackRock Canada may, in its discretion and subject to obtaining any required Unitholder approval, change the Index for an iShares Multifactor Fund to another widely-recognized index in order to provide Unitholders with substantially the same exposure to the asset class to which that iShares Multifactor Fund is currently exposed. If BlackRock Canada changes the Index for any iShares Multifactor Fund, or any index replacing such Index, without obtaining Unitholder approval, BlackRock Canada will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

OVERVIEW OF WHAT THE iSHARES FUNDS INVEST IN

The investment objectives of each of the iShares Funds is to replicate, to the extent possible, the performance of its applicable Index, net of expenses. The iShares S&P/TSX Canadian Equity Funds, the iShares Dow Jones Canadian Equity Funds, the iShares International Mining Sector Funds, XUS, XUU, XCD, XGI, XHC, XPF, XSP, XUH, XMC and XMH track the performance of Indices provided by S&P. XEN tracks an Index provided by Jantzi. The iShares Canadian Fixed Income Funds track the performance of Indices provided by FTSE TMX. The iShares Minimum Volatility Funds, XAW, XBZ, XEC, XEF, XEM, XEU, XWD, XEH, XFH, XIN, the iShares Currency Hedged Minimum Volatility Funds and the iShares Multifactor Funds track the performance of Indices provided by MSCI. XSU tracks an Index provided by FRC. Currently, XCH tracks an Index provided by FTSE. XID tracks an Index provided by IISL. Currently, XIG and XHY track Indices provided by Markit. XEB tracks an Index provided by J.P. Morgan. XQQ tracks an Index provided by NASDAQ. XHU and XHD track the performance of Indices provided by Morningstar. This section of the prospectus provides details regarding the Index Provider, composition, calculation and adjustments of each of the Indices replicated by the iShares Funds.

Canadian Equity Fund Indices

The following table provides a description of the criteria currently applied by the applicable Index Provider to select the Constituent Issuers of each Canadian Equity Fund Index:

Canadian Equity Fund Index	Index Criteria
Dow Jones Canada Select Growth Index⁽¹⁾	Comprised of securities of Canadian issuers selected by S&P based on criteria for identifying companies that demonstrate growth characteristics.
S&P/TSX SmallCap Index	Comprised of the smaller (by market capitalization) securities listed on the TSX, selected by S&P using its industrial classifications and guidelines for evaluating issuer capitalization and liquidity.
Dow Jones Canada Select Dividend Index⁽¹⁾	Comprised of 30 of the highest yielding, dividend paying companies in the Dow Jones Canada Total Market Index, as selected by S&P using a rules-based methodology including an analysis of dividend growth, yield and average payout ratio.
Dow Jones Canada Select Value Index⁽¹⁾	Comprised of securities of Canadian issuers selected by S&P based on criteria for identifying companies that demonstrate value characteristics.
S&P/TSX Capped Energy Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index in GICS sector 10 – Energy – but excluding GICS subindustries 10102030, 10102040 and 10102050. Constituents are capped at 25% weight.
Jantzi Social Index	Comprised of securities of Canadian issuers selected by Jantzi based on criteria for identifying companies that reflect a higher standard of environmental and social performance.
S&P/TSX Capped Financials Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index in GICS Sector 40, but excluding GICS Industry Group 4040 – Real Estate. Constituents are capped at 25% weight.
S&P/TSX Capped Composite Index⁽¹⁾	Comprised of a selection of the largest (by market capitalization) and most liquid securities listed on the TSX, selected by S&P using its industrial classifications and guidelines for evaluating issuer capitalization and liquidity. The constituents are the same as the S&P/TSX Composite Index and individual constituents are capped at 10% weight.
S&P/TSX Capped Information Technology Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index and the S&P/TSX SmallCap Index in GICS Sector 45 – Information Technology. Constituents are capped at 25% weight.
S&P/TSX 60 Index	Comprised of 60 of the largest (by market capitalization) and most liquid constituents of the S&P/TSX Composite Index. Sectors are intended to mirror sector weights of the S&P/TSX Composite Index.

Canadian Equity Fund Index	Index Criteria
S&P/TSX Capped Materials Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index in Sector 15 – Materials. Constituents are capped at 25% weight.
S&P/TSX Completion Index	Comprised of all constituents of the S&P/TSX Composite Index that are not in the S&P/TSX 60 Index.
S&P/TSX Capped REIT Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index with GICS Industry code 404020.
S&P/TSX Composite High Dividend Index⁽¹⁾	The S&P/TSX Composite High Dividend Index is comprised of 50 to 75 stocks selected from the S&P/TSX Composite Dividend Index. The S&P/TSX Composite High Dividend Index is weighted by market-capitalization and rebalanced quarterly. Index constituents are ranked and selected based on their indicated dividend and are capped at 5% weight, while each sector is capped at 30% weight.
S&P/TSX Capped Consumer Staples Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index in GICS Sector 30 – Consumer Staples. Individual constituents are capped at 25% weight.
S&P/TSX Capped Utilities Index⁽¹⁾	Comprised of constituents of the S&P/TSX Composite Index under GICS Sector 55 – Utilities. Individual constituents are capped at 25% weight.

⁽¹⁾ This is a constrained market capitalization-weighted Index. See “Market Weightings of Canadian Equity Fund Indices” below for the maximum Relative Weight of each Constituent Issuer.

Further information about the Canadian Equity Fund Indices provided by S&P and their Constituent Issuers is available from S&P on its website at www.spdji.com. Further information about the Dow Jones Canadian Equity Fund Indices and their Constituent Issuers is available from S&P on its website at www.djindexes.com. Further information about the Jantzi Social Index is available from Jantzi on its website www.jantzisocialindex.com.

Market Weightings of Certain Canadian Equity Fund Indices

Each of the S&P/TSX 60 Index, the S&P/TSX Completion Index, the S&P/TSX SmallCap Index and the Jantzi Social Index are market capitalization-weighted indices of securities of their Constituent Issuers.

The Dow Jones Canada Select Dividend Index is a dividend-weighted, Relative Weight constrained index of securities of its Constituent Issuers.

Each of the Dow Jones Canada Select Growth Index, Dow Jones Canada Select Value Index, S&P/TSX Capped Energy Index, S&P/TSX Capped Financials Index, S&P/TSX Capped Composite Index, S&P/TSX Capped Information Technology Index, S&P/TSX Capped Materials Index, S&P/TSX Capped REIT Index, S&P/TSX Capped Utilities Index, S&P/TSX Capped Consumer Staples Index and S&P/TSX Composite High Dividend Index (the “**Capped Indices**”) are constrained market capitalization-weighted indices of securities of their Constituent Issuers. In the calculation of these Capped Indices and the Dow Jones Canada Select Dividend Index, the Relative Weight of each Constituent Issuer is limited to the following percentage for each Index, respectively:

Capped Index	Maximum Relative Weight of Each Constituent Issuer
Dow Jones Canada Select Growth Index	10%
Dow Jones Canada Select Dividend Index	10%
Dow Jones Canada Select Value Index	10%
S&P/TSX Capped Energy Index	25%
S&P/TSX Capped Financials Index	25%
S&P/TSX Capped Composite Index	10%
S&P/TSX Capped Information Technology Index	25%
S&P/TSX Capped Materials Index	25%
S&P/TSX Capped REIT Index	25%

Capped Index	Maximum Relative Weight of Each Constituent Issuer
S&P/TSX Capped Utilities Index	25%
S&P/TSX Capped Consumer Staples Index	25%
S&P/TSX Composite High Dividend Index	5%

The Relative Weight of a Constituent Issuer may exceed these limits due to changes in security prices from time to time. The Index Providers have established rules such that any amounts which exceed these limits will be corrected at least quarterly.

Canadian Fixed Income Fund Indices

The Canadian Fixed Income Fund Indices, other than the FTSE TMX Canada HYBrid Bond Index and the FTSE TMX Canada Liquid Short Term Capped Bond Index, provided by FTSE TMX are each market capitalization-weighted indices consisting of a broadly diversified range which may include any or all of federal, provincial, corporate and municipal bonds. The securities included in the Canadian Fixed Income Fund Indices (other than the FTSE TMX Canada HYBrid Bond Index and the FTSE TMX Canada FRN Index) consist primarily of semi-annual pay fixed rate bonds issued domestically in Canada and denominated in Canadian dollars, with an investment grade rating and a remaining effective term to maturity of at least one year. The FTSE TMX Canada Universe + Maple Short Term Corporate Bond Index includes bonds issued by both Canadian issuers, as well as “maples”, which are bonds issued in the Canadian domestic market by foreign issuers or affiliates of foreign issuers.

The FTSE TMX Canada HYBrid Bond Index is a modified market capitalization-weighted index provided by FTSE TMX. The FTSE TMX Canada HYBrid Bond Index consists of Canadian dollar denominated corporate bonds, with a remaining term to maturity of at least one year, that are rated BBB or below.

The FTSE TMX Canada Liquid Short Term Capped Bond Index is a blended index constructed from the constituent securities of the FTSE TMX Canada Liquid Universe Capped Bond Index. The FTSE TMX Canada Liquid Short Term Capped Bond Index consists of government securities that represent 60% of the market value weight of the Index and corporate securities that represent 40% of the market value weight of the Index, with a remaining term to maturity of one to five years, a minimum issue size/amount outstanding of \$300 million, and that are rated ‘A’ or higher.

The FTSE TMX Canada FRN Index consists of Canadian dollar denominated floating-rate bonds (also called floating-rate notes), with an outstanding face value of \$300 million or more, a remaining term to maturity of at least three months, and that are rated ‘A’ or higher.

Returns for the Canadian Fixed Income Fund Indices are calculated daily and, other than the FTSE TMX Canada HYBrid Bond Index and the FTSE TMX Canada Liquid Short Term Capped Bond Index, are weighted by market capitalization, so that the return on a bond influences the return on the Canadian Fixed Income Fund Index in proportion to the bond’s market value. The Canadian Fixed Income Fund Indices use a rules-based methodology, which changes over time to reflect market developments.

Further information about the Canadian Fixed Income Fund Indices, including a description of their methodologies, is available from FTSE TMX on its website at www.canadianbondindices.com.

International Equity Fund Indices

MSCI ACWI ex Canada IMI

The MSCI ACWI ex Canada IMI captures large, mid and small capitalization representation across 22 of 23 developed markets countries (excluding Canada) and 23 emerging market countries. The MSCI ACWI ex Canada IMI covers approximately 99% of the global equity opportunity set outside Canada. The MSCI ACWI ex Canada IMI is a free float-adjusted market capitalization weighted index.

Further information about the MSCI ACWI ex Canada IMI, including a description of its methodology, is available from MSCI on its website at www.msci.com.

MSCI Brazil 25/50 Index

The MSCI Brazil 25/50 Index is an index that utilizes a capping methodology provided by MSCI that is designed to measure broad-based equity market performance in Brazil.

Further information about the MSCI Brazil 25/50 Index is available from MSCI on its website at www.msci.com.

FTSE China 50 Index

The FTSE China 50 Index consists of 50 of the largest and most liquid Chinese stocks listed and trading on the Stock Exchange of Hong Kong. The Constituent Issuers are free-float market capitalization weighted, with the individual weight of any individual Constituent Issuer capped at 10%. The Index is maintained by FTSE.

Further information about the FTSE China 50 Index is available from FTSE on its website at www.ftserussell.com.

S&P MidCap 400 Index

The S&P MidCap 400 Index measures the performance of the mid-capitalization sector of the U.S. equity market. The stocks in the Index have a market capitalization of between US\$1.4 billion and US\$5.9 billion at the time of entry, and which may fluctuate depending on the overall level of the equity markets, and are selected for liquidity and industry group representation. The S&P MidCap 400 Index consists of stocks from a broad range of industries. The S&P MidCap 400 Index uses a float-adjusted market capitalization weighted methodology. Components primarily include financials, industrials and information technology companies. The components of the Index, and the degree to which these components represent certain industries, may change over time.

Further information about the S&P MidCap 400® Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

MSCI Emerging Markets Investable Market Index

The MSCI Emerging Markets Investable Market Index is an equity benchmark for emerging markets stock performance. It is a capitalization-weighted index that aims to capture 99% of the (publicly available) total market capitalization in each country. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholders and limitations to foreign ownership.

Further information about the MSCI Emerging Markets Investable Market Index is available from MSCI on its website at www.msci.com.

MSCI EAFE Investable Market Index

The MSCI EAFE Investable Market Index is a free-float adjusted market capitalization-weighted index provided by MSCI that includes securities from the developed markets in Europe, Australasia and the Far East. The MSCI EAFE Investable Market Index is commonly used as a measure of broad international stock performance.

Further information about the MSCI EAFE Investable Market Index is available from MSCI on its website at www.msci.com.

MSCI Emerging Markets Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index provided by MSCI that is designed to measure the equity market performance of emerging markets.

Further information about the MSCI Emerging Markets Index is available from MSCI on its website at www.msci.com.

MSCI Europe Investable Market Index

The MSCI Europe Investable Market Index captures large, mid and small capitalization representation across the “developed markets” countries in Europe, being Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The Index covers approximately 99% of the free float-adjusted market capitalization across the “developed markets” countries of Europe. Index Securities generally include equity securities of issuers with large, mid and small capitalization in the “developed markets” countries of Europe.

Further information about the Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

Morningstar Dividend Yield Focus Index

The Morningstar Dividend Yield Focus Index offers exposure to high quality U.S. domiciled companies with strong financial health and an ability to sustain above average dividend payouts. The Morningstar Dividend Yield Focus Index consists of 75 stocks that are weighted in proportion to the total pool of dividends available to investors.

Two screens are applied to the Morningstar US Market Index to find suitable constituents for the Morningstar Dividend Yield Focus Index. Constituents must meet the following eligibility criteria:

1. The company’s dividend must be considered qualified income; for example, real estate investment trusts are not eligible for inclusion in the index.
2. As defined by Morningstar, companies must have a Morningstar Economic Moat rating of narrow or wide and have a Morningstar Distance to Default score in the top 50% within its respective Morningstar Sector. Companies that are not assigned a Morningstar Economic Moat Rating must have a Morningstar Distance to Default score in the top 30% within its respective Morningstar Sector.

To qualify for inclusion in the Morningstar US Market Index, a security’s liquidity score must be among the top 75% of the companies in the investable universe. A security’s liquidity score is the average of its ranks on each of the following measures:

1. The average monthly trading volume in U.S. dollars during the six calendar months immediately before reconstitution or, in the case of corporate entities younger than six months, since the security was first issued (partial-month periods are prorated by number of trading days in the month).
2. The lowest two months’ total trading volume during the six calendar months immediately prior to reconstitution (the months need not be sequential).

The top 75 stocks by dividend yield that meet the eligibility criteria described above are selected for inclusion in the Morningstar Dividend Yield Focus Index.

Further information about the Morningstar Dividend Yield Focus Index, including a description of its methodology, is available from Morningstar on its website at indexes.morningstar.com.

Nifty 50 Index

The Nifty 50 Index is an equity index drawn from securities listed on the National Stock Exchange of India (“NSE”). It includes 50 companies and represents approximately 66% of the free-float market capitalization of the companies listed at NSE. The Constituent Issuers are large and liquid blue chip Indian companies, each selected based on six-month average free-float market capitalization. The Constituent Issuers are free-float market capitalization weighted. The Nifty 50 Index is owned and managed by IISL.

Further information about the Nifty 50 Index is available from IISL on its website at www.nseindia.com.

S&P 500 Index

The S&P 500 Index is a market capitalization-weighted index of securities of 500 of the largest U.S. public issuers provided by S&P. The S&P 500 Index is commonly used as a measure of broad U.S. stock market performance.

Further information about the S&P 500 Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

S&P Total Market Index

The S&P Total Market Index offers broad exposure to large, mid, small, and micro capitalized companies. The S&P Total Market Index includes all common equities listed on the NYSE (including NYSE Arca), the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Select Market and the NASDAQ Capital Market. Index Securities generally include listed equity securities of issuers with large, mid, small and micro capitalization in the United States. The S&P Total Market Index is a float-adjusted market capitalization weighted index.

Further information about the S&P Total Market Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

MSCI World Index

The MSCI World Index is a free float-adjusted market capitalization weighted index provided by MSCI that is designed to measure the equity market performance of developed markets.

Further information about the MSCI World Index is available from MSCI on its website at www.msci.com.

International Mining Sector Indices

S&P/TSX Global Base Metals Index

The S&P/TSX Global Base Metals Index is designed to provide an investable index of securities issued by Canadian and non-Canadian Constituent Issuers involved in the production or extraction of base metals. The S&P/TSX Global Base Metals Index is weighted using a modified free-float market capitalization methodology, whereby individual Constituent Issuers are capped at a weight of 10% in the Index. Securities must be listed in Canada or the United States to be eligible for inclusion in the Index. Index Constituents are selected from the S&P/TSX Global Mining Index with GICS codes 15104020 or 15104010.

Further information about the Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

S&P/TSX Global Gold Index

The S&P/TSX Global Gold Index is a constrained market capitalization-weighted index of securities of its Constituent Issuers. In the calculation of this Index, the Relative Weight of each Constituent Issuer is limited to 25%. The Relative Weight of a Constituent Issuer may exceed these limits due to changes in security prices from time to time. S&P has established rules such that any amounts which exceed these limits will be corrected at least quarterly.

The S&P/TSX Global Gold Index is comprised of constituents of the S&P/TSX Global Mining Index with GICS classification 15104030 – Gold.

Further information about the S&P/TSX Global Gold Index provided by S&P and its Constituent Issuers is available from S&P on its website at www.spindices.com.

Hedged International Equity Fund Indices

S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index

The S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index measures the performance of companies that S&P deems to be part of the consumer discretionary sector of the economy and that S&P believes are important to global markets. It is a subset of the S&P Global 1200™ Index. Components primarily include automotive, consumer discretionary, media and retail companies, and may change over time.

Index Securities generally include equity securities of issuers participating in one or more of the consumer discretionary, consumer durables and apparel, consumer services, automotive, media and retail sectors of the global economy. See “Risk Factors – Additional Risks Relating to an Investment in Certain iShares Funds” for a description of material trends, events or uncertainties which may impact issuers participating in such sectors.

Further information about this Index, including a description of its methodology, is available from S&P on its website at www.spindices.com.

MSCI Europe IMI 100% Hedged to CAD Index

The MSCI Europe IMI 100% Hedged to CAD Index captures large, mid and small capitalization representation across the “developed markets” countries in Europe, being Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom, hedged back to Canadian dollars. The Index covers approximately 99% of the free float-adjusted market capitalization across the “developed markets” countries of Europe. Index Securities generally include equity securities of issuers with large, mid and small capitalization in the “developed markets” countries of Europe.

Further information about the Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

MSCI EAFE IMI 100% Hedged to CAD Index

The MSCI EAFE IMI 100% Hedged to CAD Index is an equity index which captures large, mid and small capitalization representation across developed markets countries around the world, excluding the United States and Canada. The MSCI EAFE IMI 100% Hedged to CAD Index is comprehensive, covering approximately 99% of the free float-adjusted market capitalization in each country. The MSCI EAFE IMI 100% Hedged to CAD Index is 100% hedged to the Canadian dollar by selling each foreign currency forward at the one-month forward weight. The MSCI EAFE IMI 100% Hedged to CAD Index is a float-adjusted market capitalization weighted index.

Further information about the MSCI EAFE IMI 100% Hedged to CAD Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

S&P Global 1200 Industrials Canadian Dollar Hedged Index

The S&P Global 1200 Industrials Canadian Dollar Hedged Index measures the performance of companies that S&P deems to be part of the industrials sector of the economy and that S&P believes are important to global markets. It is a subset of the S&P Global 1200 Index™. Components primarily include capital goods, commercial and professional services, industrials and transportation companies, and may change over time.

Index Securities generally include equity securities of issuers participating in one or more of the industrials, capital goods, commercial and professional services and transportation sectors of the global economy. See “Risk

Factors – Additional Risks Relating to an Investment in Certain iShares Funds” for a description of material trends, events or uncertainties which may impact issuers participating in such sectors.

Further information about this Index, including a description of its methodology, is available from S&P on its website at www.spindices.com.

S&P Global 1200 Health Care Canadian Dollar Hedged Index

The S&P Global 1200 Health Care Canadian Dollar Hedged Index is a float-adjusted, market capitalization-weighted index, comprised of the largest and most liquid healthcare securities from around the world. It includes all constituents of the S&P Global 1200 Index included in the healthcare sector as defined by the Global Industry Classification Standard (GICS®), the most widely used industry classification in the world. The Index is hedged to Canadian dollars.

Further information about the Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

Morningstar Dividend Yield Focus Index – CAD-Hedged

The Morningstar Index tracks high-yielding, dividend-paying, U.S.-based securities and is a focused benchmark comprising “qualified income” paying securities screened for superior company quality and financial health, hedged to Canadian dollars.

Further information about the Index, including a description of its methodology, is available from Morningstar on its website at indexes.morningstar.com.

MSCI EAFE Hedged 100% to CAD Index

The MSCI EAFE Hedged 100% to CAD Index is a market capitalization-weighted index provided by MSCI that includes securities from the developed markets in Europe, Australasia and the Far East, hedged to Canadian dollars. The EAFE Index is commonly used as a measure of broad international stock performance.

Further information about the EAFE Index is available from MSCI on its website at www.msci.com.

S&P/TSX North American Preferred Stock Canadian Dollar Hedged Index

The Preferred Index is a modified market capitalization-weighted index provided by S&P. The Preferred Index is rules-based and comprised of a 50% weighting in the S&P/TSX Preferred Share Index and a 50% weighting in the S&P U.S. Preferred Stock Index at each rebalance. Securities must pass several screening criteria, including size and liquidity, in order to be eligible for inclusion. The Preferred Index is hedged to Canadian dollars.

Further information about the Preferred Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

NASDAQ Index

The NASDAQ Index includes 100 of the largest domestic and international non-financial securities listed on The NASDAQ Stock Market® based on market capitalization. The NASDAQ Index reflects companies across major industry groups including computer, biotechnology, healthcare, telecommunications and transportation. It does not contain securities of financial companies including investment companies.

The NASDAQ Index is calculated under a modified capitalization-weighted methodology. The methodology is expected to retain, in general, the economic attributes of capitalization-weighting while providing enhanced diversification. To accomplish this, NASDAQ reviews the composition of the NASDAQ Index on a quarterly basis. The NASDAQ Index is hedged to Canadian dollars.

Further information about the NASDAQ Index and its Constituent Issuers is available from NASDAQ on its website at <https://indexes.nasdaqomx.com>.

S&P 500 CAD Hedged Index

The S&P 500 CAD Hedged Index is a market capitalization-weighted index of securities of 500 of the largest U.S. public issuers provided by S&P, hedged to Canadian dollars. The S&P 500 Index, which forms the basis for the S&P 500 CAD Hedged Index, is commonly used as a measure of broad U.S. stock market performance.

Further information about the S&P 500 Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

Russell 2000® Index – Canadian Dollar Hedged

The Russell 2000® Index – Canadian Dollar Hedged is a market capitalization-weighted index of securities of 2,000 of the smaller U.S. public issuers provided by FRC, hedged to Canadian dollars. The Russell 2000® Index, which forms the basis for the Russell 2000® Index – Canadian Dollar Hedged, is commonly used as a measure of U.S. small capitalization stock market performance.

Further information about the Russell 2000® Index and its Constituent Issuers is available from FRC on its website at www.ftserussell.com.

S&P Total Market Index (CAD-Hedged)

The S&P Total Market Index (CAD-Hedged) offers broad exposure to large, mid, small, and micro capitalized companies. The S&P Total Market Index (CAD-Hedged) includes all common equities listed on the NYSE (including NYSE Arca), the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Select Market and the NASDAQ Capital Market. The S&P Total Market Index (CAD-Hedged) is 100% hedged to the Canadian dollar. Index Securities generally include listed equity securities of issuers with large, mid, small and micro capitalization in the United States. The S&P Total Market Index (CAD-Hedged) is a float-adjusted market capitalization weighted index.

Further information about the S&P Total Market Index (CAD-Hedged) and its Constituent Issuers is available from S&P on its website at www.spindices.com.

S&P MidCap 400 CAD Hedged Index

The S&P MidCap 400 CAD Hedged Index measures the performance of the mid-capitalization sector of the U.S. equity market. The stocks in the Index have a market capitalization of between US\$1.4 billion and US\$5.9 billion at the time of entry, and which may fluctuate depending on the overall level of the equity markets, and are selected for liquidity and industry group representation. The S&P MidCap 400 CAD Hedged Index consists of stocks from a broad range of industries. Components primarily include financials, industrials and information technology companies. The S&P MidCap 400 CAD Hedged Index uses a float-adjusted market capitalization weighted methodology. The components of the Index, and the degree to which these components represent certain industries, may change over time. The S&P MidCap 400 CAD Hedged Index is hedged to Canadian dollars.

Further information about the S&P MidCap 400 CAD Hedged Index and its Constituent Issuers is available from S&P on its website at www.spindices.com.

Hedged International Fixed Income Fund Indices

J.P. Morgan EMBI Global Core Hedged in CAD Index

The J.P. Morgan EMBI Global Core Hedged in CAD Index is a broad, diverse U.S. dollar denominated emerging markets debt benchmark which tracks the total return of actively traded external debt instruments in emerging market countries. The methodology is designed to distribute the weight of each country within the Index by

limiting the weights of countries with higher debt outstanding and reallocating this excess to countries with lower debt outstanding. The Index may change its composition and weighting monthly upon rebalancing. The Index includes both fixed-rate and floating rate instruments issued by sovereign and quasi-sovereign entities from index eligible countries. Quasi-sovereign entities are entities whose securities are either 100% owned by their respective governments or subject to a 100% guarantee that does not rise to the level of constituting the full faith and credit by such governments. Only those instruments which (i) are denominated in U.S. dollars, (ii) have a current face amount outstanding of \$1 billion or more, (iii) have at least 2.5 years until maturity to be eligible for inclusion and have at least 2 years until maturity to remain in the index, (iv) are able to settle internationally through Euroclear or another institution domiciled outside the issuing country, and (v) have bid and offer prices that are available on a daily and timely basis from a third party valuation vendor¹ ensuring transparency and consistency.

Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD

The Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD is designed to provide a balanced representation of the U.S. dollar high yield corporate market by means of the most liquid high yield corporate bonds available. The Index has been designed to meet investors' demand for a U.S. dollar denominated, highly liquid and representative high yield bond index. The Index is based on market-value weighting, with an individual Constituent Issuer cap of 3%. The Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD is hedged to Canadian dollars.

Further information about the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD is available from Markit on its website at www.markit.com.

Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD

The Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD is designed to provide a balanced representation of the U.S. dollar investment grade corporate market by means of the most liquid investment grade corporate bonds available. The Index has been designed to be a subset of the broader U.S. dollar corporate bond market and to meet investors' demand for a U.S. dollar denominated, highly liquid and representative investment grade corporate bond index. The Index is based on market-value weighting, with an individual Constituent Issuer cap of 3%. The Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD is hedged to Canadian dollars.

Further information about the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD is available from Markit on its website at www.markit.com.

Minimum Volatility Fund Indices

MSCI EAFE Minimum Volatility Index (USD)

The MSCI EAFE Minimum Volatility Index (USD) aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI EAFE Index. The eligible universe of securities is taken from the MSCI EAFE Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI EAFE Index. The Index includes stocks from the developed markets in Europe, Australasia, the Middle East and the Far East. Representative companies include consumer staples, financials and health care companies. The Index is optimized in U.S. dollars and reported in Canadian dollars.

Further information about the Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

¹ Effective June 23rd, 2014 PricingDirect Inc. became the primary source for J.P. Morgan index bond prices. Please see www.pricing-direct.com for further details.

MSCI Emerging Markets Minimum Volatility Index (USD)

The MSCI Emerging Markets Minimum Volatility Index (USD) aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI Emerging Markets Index. The eligible universe of securities is taken from the MSCI Emerging Markets Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI Emerging Markets Index. Representative companies include consumer staples, financials and telecommunication services companies. The Index is optimized in U.S. dollars and reported in Canadian dollars.

Further information about the Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

MSCI USA Minimum Volatility Index (USD)

The MSCI USA Minimum Volatility Index (USD) measures the performance of equity securities in the top 85% by market capitalization of equity securities listed on stock exchanges in the United States. The index aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI USA Index. The eligible universe of securities is taken from the MSCI USA Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI USA Index. Representative companies include health care, information technology and financial companies. The Index is optimized in U.S. dollars and reported in Canadian dollars.

Further information about the Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

MSCI Canada Minimum Volatility Index (CAD)

The MSCI Canada Minimum Volatility Index (CAD) measures the performance of equity securities in the top 85% by market capitalization of equity securities listed on stock exchanges in Canada. The Index aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI Canada Index. The eligible universe of securities is taken from the MSCI Canada Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI Canada Index. Representative companies include energy, financials and consumer staples. The Index is optimized in Canadian dollars and reported in Canadian dollars.

Further information about the Index, including a description of its methodology is available from MSCI on its website at www.msci.com.

MSCI ACWI Minimum Volatility Index (USD)

The MSCI ACWI Minimum Volatility Index (USD) aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI All Country World Index (the “**MSCI ACWI Index**”). The eligible universe of securities is taken from the MSCI ACWI Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the index in order to seek to minimize total risk of the MSCI ACWI Index. Representative companies include consumer staples, financials and health care companies.

The Index is optimized in U.S. dollars and reported in Canadian dollars. Further information about the Index, including a description of its methodology, is available from MSCI on its website at www.msci.com.

Currency Hedged Minimum Volatility Fund Indices

MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index

The MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI EAFE Index. The eligible universe of securities is taken from the MSCI EAFE Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI EAFE Index. The Index includes stocks from the developed markets in Europe, Australasia, the Middle East and the Far East. Representative companies include consumer staples, financials and health care companies. The Index is optimized in U.S. dollars and reported in Canadian dollars. The MSCI EAFE Minimum Volatility 100% Hedged to CAD Index seeks to hedge any non-Canadian currency exposure back to Canadian dollars.

Further information about the Index, including a description of its methodology, is available from MSCI on its web site at www.msci.com.

MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index

The MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index measures the performance of equity securities in the top 85% by market capitalization of equity securities listed on stock exchanges in the United States. The index aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI USA Index. The eligible universe of securities is taken from the MSCI USA Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI USA Index. Representative companies include health care, information technology and financial companies. The Index is optimized in U.S. dollars and reported in Canadian dollars. The MSCI USA Minimum Volatility 100% Hedged to CAD Index seeks to hedge any non-Canadian currency exposure back to Canadian dollars.

Further information about the Index, including a description of its methodology, is available from MSCI on its web site at www.msci.com.

MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index

The MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index aims to reflect the performance characteristics of a minimum volatility strategy applied to the large and mid-capitalization securities in the MSCI All Country World Index (the “MSCI ACWI Index”). The eligible universe of securities is taken from the MSCI ACWI Index, which is a free-float adjusted market capitalization-weighted index, and then MSCI follows a rules-based methodology to determine optimal weights for securities in the Index in order to seek to minimize total risk of the MSCI ACWI Index. Representative companies include consumer staples, financials and health care companies. The Index is optimized in U.S. dollars and reported in Canadian dollars. The MSCI ACWI Minimum Volatility 100% Hedged to CAD Index seeks to hedge any non-Canadian currency exposure back to Canadian dollars.

Further information about the Index, including a description of its methodology, is available from MSCI on its web site at www.msci.com.

iShares Multifactor Funds

The Multifactor Indices are optimization-based Indices that aim to maximize the exposure to four style factors – value, momentum, low size and quality - while maintaining a total risk profile for the Index similar to that of the underlying parent index (each, a “**Parent Index**”) at the time of rebalancing. The table below sets out the applicable Parent Index for each Multifactor Index.

iShares Multifactor Fund	Multifactor Index	Parent Index
XFC	MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index	MSCI Canada IMI Index
XFI	MSCI EAFE Diversified Multiple-Factor (CAD) Index	MSCI EAFE Index
XFF	MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index	MSCI EAFE Index
XFS	MSCI USA Diversified Multiple-Factor (CAD) Index	MSCI USA Index
XFA	MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index	MSCI USA Index

MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index

The MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index is a rules-based index designed to select equity securities from the Parent Index that have high exposure to four investment style factors: value, momentum, low size and quality. These four factors have historically earned a systematic return premium and achieved long-term outperformance relative to market capitalization-weighted indices. In addition to selecting securities based on their target factor exposure, the Index is constructed in order to maintain a total risk level and other attributes similar to those of its Parent Index. MSCI assigns a composite factor score to each security of the Parent Index using the average of four investment style factor scores, each of which is calculated through a proprietary process: the “value” score, which is derived from a company’s valuation ratios (e.g., forward share price to earnings, share price to book value, and enterprise value to operating cash flow); the “quality” score, which is calculated from a company’s underlying financial metrics (e.g., return-on-equity, debt-to-equity, and earnings variability); the “momentum” score, which is calculated based on a security’s relative performance versus the global market over a two-year period and versus securities of other companies based in the same country over the previous six and 12 months (with a one month lag); and the “low size” score, which is calculated by comparing the market capitalization of the company to other companies based in the same country. The Index constituents are those that maximize the Index’s aggregate exposure to the four target factors, while simultaneously maintaining an expected total risk level similar to that of the Parent Index, limiting total annual turnover, and limiting (relative to the Parent Index) the extent of deviations of exposure to individual sectors, countries, component weights, and non-target investment style factors. The Index’s exposure to the low size investment style factor is also constrained in order to ensure a liquid and investible composition.

The Index consists of companies from Canada and may include large-, mid- and small-capitalization companies. The constituents of the Index, and the degree to which these constituents represent certain industries, may change over time.

The Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November.

Further information about the MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index and its methodology is available from MSCI on its web site at www.msci.com.

MSCI EAFE Diversified Multiple-Factor (CAD) Index

The MSCI EAFE Diversified Multiple-Factor (CAD) Index is a rules-based index designed to select equity securities from the Parent Index that have high exposure to four investment style factors: value, momentum, low size and quality. These four factors have historically earned a systematic return premium and achieved long-term outperformance relative to market capitalization-weighted indices. In addition to selecting securities based on their target factor exposure, the Index is constructed in order to maintain a total risk level and other attributes similar to those of its Parent Index. MSCI assigns a composite factor score to each security of the Parent Index using the average of four investment style factor scores, each of which is calculated through a proprietary process: the “value” score, which is derived from a company’s valuation ratios (e.g., forward share price to earnings, share price to book value, and enterprise value to operating cash flow); the “quality” score, which is calculated from a company’s underlying financial metrics (e.g., return-on-equity, debt-to-equity, and earnings variability); the “momentum” score, which is calculated based on a security’s relative performance versus the global market over a two-year period and versus

securities of other companies based in the same country over the previous six and 12 months (with a one month lag); and the “low size” score, which is calculated by comparing the market capitalization of the company to other companies based in the same country. The Index constituents are those that maximize the Index’s aggregate exposure to the four target factors, while simultaneously maintaining an expected total risk level similar to that of the Parent Index, limiting total annual turnover, and limiting (relative to the Parent Index) the extent of deviations of exposure to individual sectors, countries, component weights, and non-target investment style factors.

The Index consists of companies from some or all of the following countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The Index may include large- and mid-capitalization companies. The constituents of the Index, and the degree to which these constituents represent certain industries and countries, may change over time.

The Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November.

Further information about the MSCI EAFE Diversified Multiple Factor (CAD) Index is available from MSCI on its web site at www.msci.com.

MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index

The MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index is a rules-based index designed to select equity securities from the Parent Index that have high exposure to four investment style factors: value, momentum, low size and quality. These four factors have historically earned a systematic return premium and achieved long-term outperformance relative to market capitalization-weighted indices. In addition to selecting securities based on their target factor exposure, the Index is constructed in order to maintain a total risk level and other attributes similar to those of its Parent Index. MSCI assigns a composite factor score to each security of the Parent Index using the average of four investment style factor scores, each of which is calculated through a proprietary process: the “value” score, which is derived from a company’s valuation ratios (e.g., forward share price to earnings, share price to book value, and enterprise value to operating cash flow); the “quality” score, which is calculated from a company’s underlying financial metrics (e.g., return-on-equity, debt-to-equity, and earnings variability); the “momentum” score, which is calculated based on a security’s relative performance versus the global market over a two-year period and versus securities of other companies based in the same country over the previous six and 12 months (with a one month lag); and the “low size” score, which is calculated by comparing the market capitalization of the company to other companies based in the same country. The Index constituents are those that maximize the Index’s aggregate exposure to the four target factors, while simultaneously maintaining an expected total risk level similar to that of the Parent Index, limiting total annual turnover, and limiting (relative to the Parent Index) the extent of deviations of exposure to individual sectors, countries, component weights, and non-target investment style factors.

The Index consists of companies from some or all of the following countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The Index may include large- and mid-capitalization companies. The constituents of the Index, and the degree to which these constituents represent certain industries and countries, may change over time. The Index is 100% hedged to the Canadian dollar on a monthly basis.

The Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November.

Further information about the MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index is available from MSCI on its web site at www.msci.com.

MSCI USA Diversified Multiple-Factor (CAD) Index

The MSCI USA Diversified Multiple-Factor (CAD) Index is a rules-based index designed to select equity securities from the Parent Index that have high exposure to four investment style factors: value, momentum, low size and quality. These four factors have historically earned a systematic return premium and achieved long-term

outperformance relative to market capitalization-weighted indices. In addition to selecting securities based on their target factor exposure, the Index is constructed in order to maintain a total risk level and other attributes similar to those of its Parent Index. MSCI assigns a composite factor score to each security of the Parent Index using the average of four investment style factor scores, each of which is calculated through a proprietary process: the “value” score, which is derived from a company’s valuation ratios (e.g., forward share price to earnings, share price to book value, and enterprise value to operating cash flow); the “quality” score, which is calculated from a company’s underlying financial metrics (e.g., return-on-equity, debt-to-equity, and earnings variability); the “momentum” score, which is calculated based on a security’s relative performance versus the global market over a two-year period and versus securities of other companies based in the same country over the previous six and 12 months (with a one month lag); and the “low size” score, which is calculated by comparing the market capitalization of the company to other companies based in the same country. The Index constituents are those that maximize the Index’s aggregate exposure to the four target factors, while simultaneously maintaining an expected total risk level similar to that of the Parent Index, limiting total annual turnover, and limiting (relative to the Parent Index) the extent of deviations of exposure to individual sectors, countries, component weights, and non-target investment style factors.

The Index consists of companies from the United States and may include large- and mid-capitalization companies. The constituents of the Index, and the degree to which these constituents represent certain industries, may change over time.

The Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November.

Further information about the MSCI USA Diversified Multiple-Factor (CAD) Index is available from MSCI on its web site at www.msci.com.

MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index

The MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index is a rules-based index designed to select equity securities from the Parent Index that have high exposure to four investment style factors: value, momentum, low size and quality. These four factors have historically earned a systematic return premium and achieved long-term outperformance relative to market capitalization-weighted indices. In addition to selecting securities based on their target factor exposure, the Index is constructed in order to maintain a total risk level and other attributes similar to those of its Parent Index. MSCI assigns a composite factor score to each security of the Parent Index using the average of four investment style factor scores, each of which is calculated through a proprietary process: the “value” score, which is derived from a company’s valuation ratios (e.g., forward share price to earnings, share price to book value, and enterprise value to operating cash flow); the “quality” score, which is calculated from a company’s underlying financial metrics (e.g., return-on-equity, debt-to-equity, and earnings variability); the “momentum” score, which is calculated based on a security’s relative performance versus the global market over a two-year period and versus securities of other companies based in the same country over the previous six and 12 months (with a one month lag); and the “low size” score, which is calculated by comparing the market capitalization of the company to other companies based in the same country. The Index constituents are those that maximize the Index’s aggregate exposure to the four target factors, while simultaneously maintaining an expected total risk level similar to that of the Parent Index, limiting total annual turnover, and limiting (relative to the Parent Index) the extent of deviations of exposure to individual sectors, countries, component weights, and non-target investment style factors.

The Index consists of companies from the United States and may include large- and mid-capitalization companies. The constituents of the Index, and the degree to which these constituents represent certain industries, may change over time. The Index is 100% hedged to the Canadian dollar on a monthly basis.

The Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November.

Further information about the MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index is available from MSCI on its web site at www.msci.com.

Adjustments to Indices

The Indices may be adjusted by the applicable Index Provider from time to time because of various events affecting Index Securities. These adjustments may require removing a Constituent Issuer from the applicable Index and substituting a new Constituent Issuer while at the same time, if necessary, changing the number of Index Securities, thereby effectively increasing or decreasing the Relative Weight of the Constituent Issuer in the Index. These adjustments to the Indices are expected to be made in such a way that the various Index Levels will not be affected.

For an iShares Fund that invests in securities of one or more iShares ETFs, the iShares Fund will not usually be directly impacted by these index adjustments, and will not usually need to make significant direct adjustments to the portion of its portfolio invested in iShares ETFs as a result of adjustments to Indices. The iShares ETFs may, however, implement changes to their portfolios to ensure that these portfolios will match, as closely as possible, the Constituent Issuers in the relevant Index.

For an iShares Fund that invests directly in Index Securities, the iShares Fund may implement these changes such that the portfolio of the iShares Fund will match, as closely as possible, the Constituent Issuers in the relevant Index (or the aggregate investment characteristics of the relevant Index) with the overall goal of continuing to manage the iShares Funds to meet their applicable investment objectives.

Use of the Indices

The iShares S&P/TSX Canadian Equity Funds, the iShares International Mining Sector Funds, XPF, XHC, XSP, XUS, XCD, XGI, XUU, XUH, XMC and XMH are permitted to use the Indices provided by S&P and to use certain trademarks in connection with the operation of the applicable iShares Fund pursuant to a license agreement between BFA and S&P, which agreement has been sublicensed by BFA to BlackRock Canada.

The iShares Dow Jones Canadian Equity Funds are permitted to use the Dow Jones Canadian Equity Fund Indices and to use certain trademarks in connection with the operation of the iShares Dow Jones Canadian Equity Funds pursuant to a license agreement between BTC and S&P, which agreement has been sublicensed by BTC to BlackRock Canada.

XEN is permitted to use the Jantzi Social Index provided by Jantzi and certain trademarks in connection with the operation of XEN pursuant to a license agreement between BlackRock Canada and Jantzi.

The iShares Canadian Fixed Income Funds are permitted to use the Canadian Fixed Income Fund Indices provided by FTSE TMX and to use certain trademarks in connection with the operation of the iShares Canadian Fixed Income Funds pursuant to a license agreement between BlackRock Canada and FTSE TMX.

XSU is permitted to use the Russell 2000® Index – Canadian Dollar Hedged and certain trademarks in connection with the operation of XSU pursuant to a license agreement between BTC and FRC, which agreement has been sublicensed by BTC to BlackRock Canada.

XEM, XWD, XBZ, XIN, XMI, XMM, XMU, XMV, XMW, XEF, XEC, XEU, XEH, XAW, XFH, the iShares Currency Hedged Minimum Volatility Funds and the iShares Multifactor Funds are permitted to use the Indices provided by MSCI and to use certain trademarks in connection with the operation of the applicable iShares Fund pursuant to a license agreement between BTC and MSCI, which agreement has been sublicensed by BTC to BlackRock Canada.

XCH is permitted to use the Index provided by FTSE and to use certain trademarks in connection with the operation of XCH pursuant to a license agreement between BlackRock and FTSE, which agreement has been sublicensed by BlackRock to BlackRock Canada.

XID is permitted to use the Index provided by IISL and to use certain trademarks in connection with the operation of XID pursuant to a license agreement between BTC and IISL, which agreement has been sublicensed by BTC to BlackRock Canada.

XEB is permitted to use the Index provided by J.P. Morgan and to use certain trademarks in connection with the operation of XEB pursuant to a license agreement between BTC and J.P. Morgan, which agreement has been sublicensed by BTC to BlackRock Canada.

XHY and XIG are permitted to use the Indices provided by Markit and to use certain trademarks in connection with the operation of the applicable iShares Fund pursuant to a license agreement between BTC and Markit, which agreement has been sublicensed by BTC to BlackRock Canada.

XQQ is permitted to use the Index provided by NASDAQ and to use certain trademarks in connection with the operation of XQQ pursuant to a license agreement between BTC and NASDAQ, which agreement has been sublicensed by BTC to BlackRock Canada.

XHD and XHU are permitted to use the Indices provided by Morningstar and to use certain trademarks in connection with the operation of the applicable iShares Fund pursuant to a license agreement between BlackRock and Morningstar, which agreement has been sublicensed by BlackRock to BlackRock Canada.

The iShares Funds do not accept responsibility for or guarantee the accuracy or completeness of the Indices or any data included in the Indices. See “Organization and Management Details of the iShares Funds – License Agreements”.

INVESTMENT STRATEGIES

iShares Canadian Equity Funds

The investment strategy of each iShares Canadian Equity Fund is to invest primarily in and hold the Index Securities of the applicable Canadian Equity Fund Index from time to time. The applicable Canadian Equity Fund Index for each iShares Canadian Equity Fund is identified in this prospectus under “Investment Objectives – iShares Canadian Equity Funds”. Such Index Securities are held by the iShares Canadian Equity Fund in substantially the same proportion based on Relative Weight, as the Index Securities are reflected in that Canadian Equity Fund Index. The iShares Canadian Equity Funds may also employ a “stratified sampling” strategy. Under a stratified sampling strategy, an iShares Canadian Equity Fund may not hold all of the securities that are included in the applicable index, but instead will hold a portfolio of securities that closely matches the aggregate investment characteristics (e.g., sector and market capitalization) of the securities included in the applicable index.

An iShares Canadian Equity Fund may invest in and hold units of iShares ETFs, and/or other equity securities, provided that such holding by the iShares Canadian Equity Fund is consistent with its stated investment objectives.

The iShares Canadian Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Canadian Equity Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Canadian Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares Canadian Fixed Income Funds

The investment strategy of each iShares Canadian Fixed Income Fund is to invest in a regularly rebalanced portfolio of bonds, selected by BlackRock Canada from time to time, that closely matches the characteristics of the applicable Canadian Fixed Income Fund Index. The applicable Canadian Fixed Income Fund Index for each iShares Canadian Fixed Income Fund is identified in this prospectus under “Investment Objectives – iShares Canadian Fixed Income Funds”. The iShares Canadian Fixed Income Funds may employ a “stratified sampling” strategy, whereby each iShares Canadian Fixed Income Fund may not hold all of the bonds that are included in the applicable Canadian Fixed Income Fund Index, but instead will hold a portfolio of bonds that closely matches the characteristics of the applicable Canadian Fixed Income Fund Index. Bonds selected for inclusion in an iShares Canadian Fixed Income Fund’s portfolio will have aggregate investment characteristics such as sector, credit quality, yield and term to maturity similar to those of the applicable Canadian Fixed Income Fund Index. BlackRock Canada expects to rebalance each iShares Canadian Fixed Income Fund’s holdings at least monthly in order to reflect changes in the composition and characteristics of the applicable Canadian Fixed Income Fund Index.

An iShares Canadian Fixed Income Fund may invest in and hold units of iShares ETFs provided that such holding by the iShares Canadian Fixed Income Fund is consistent with its stated investment objectives.

The iShares Canadian Fixed Income Funds may invest in bond futures contracts in order to provide market exposure for cash held by such iShares Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Canadian Fixed Income Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

XFR may also invest in fixed-rate bonds and then enter into interest rate swap agreements in order to convert a fixed-rate income stream into a floating-rate income stream, provided that doing so is consistent with its stated investment objectives.

XSQ may also invest in other securities provided that such investment is consistent with its stated investment objectives.

iShares International Equity Funds

The investment strategy of each iShares International Equity Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable International Equity Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable International Equity Fund Index. The applicable International Equity Fund Index for each iShares International Equity Fund is identified in this prospectus under “Investment Objectives – iShares International Equity Funds”.

An iShares International Equity Fund may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives.

The iShares International Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares International Equity Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares International Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares International Mining Sector Funds

The investment strategy of each iShares International Mining Sector Fund is to invest primarily in and hold the Index Securities of the applicable International Mining Sector Fund Index from time to time. The applicable International Mining Sector Fund Index for each iShares International Mining Sector Fund is identified in this prospectus under “Investment Objectives – iShares International Mining Sector Funds”. Such Index Securities are held by the iShares International Mining Sector Fund in substantially the same proportion based on Relative Weight, as the Index Securities are reflected in that International Mining Sector Fund Index.

An iShares International Mining Sector Fund may invest in and hold units of iShares ETFs, and/or other equity securities, provided that such holding by the iShares International Mining Sector Fund is consistent with its stated investment objectives.

The iShares International Mining Sector Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares International Mining Sector Fund and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares International Mining Sector Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares Currency Hedged International Equity Funds

The investment strategy of each iShares Currency Hedged International Equity Fund, other than XQQ and XHD, is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Hedged International Equity Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Hedged International Equity Fund Index, and to hedge any resulting foreign currency

exposure back to Canadian dollars. The applicable Hedged International Equity Fund Index for each iShares Currency Hedged International Equity Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged International Equity Funds”.

XEH, XFH, XPF and XUH may pursue a “stratified sampling” strategy where XEH, XFH, XPF or XUH may not hold all of the securities that are included in the applicable Index, but instead will hold a portfolio of securities that closely matches the aggregate investment characteristics (e.g., sector, yield, liquidity, and market capitalization) of the securities included in the applicable Index.

The investment strategy of XQQ is to invest primarily in and hold the Index Securities of the NASDAQ Index in substantially the same proportion as they are reflected in the NASDAQ Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The investment strategy of XHD is to invest primarily in and hold the Index Securities of the Morningstar Index in substantially the same proportion as they are reflected in the Morningstar Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars.

The iShares Currency Hedged International Equity Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102.

An iShares Currency Hedged International Equity Fund may also invest in iShares ETFs and/or other equity or preferred securities, provided that such investment is consistent with its stated investment objectives.

The iShares Currency Hedged International Equity Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged International Equity Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares Currency Hedged International Fixed Income Funds

The investment strategy of each iShares Currency Hedged International Fixed Income Fund, other than XHY, is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Hedged International Fixed Income Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Hedged International Fixed Income Fund Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars. The applicable Hedged International Fixed Income Fund Index for each iShares Currency Hedged International Fixed Income Fund is identified in this prospectus under “Investment Objectives – iShares Currency Hedged International Fixed Income Funds”.

The investment strategy of XHY is to invest primarily in a regularly rebalanced portfolio of U.S. dollar denominated high yield corporate bonds, selected by BlackRock Canada from time to time, that in aggregate closely match the characteristics of the High Yield Index, and to hedge any resulting U.S. dollar currency exposure back to Canadian dollars

The iShares Currency Hedged International Fixed Income Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars by entering into currency forward contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102.

An iShares Currency Hedged International Fixed Income Fund may also invest in iShares ETFs, and/or in other fixed income securities, provided that such investment is consistent with its stated investment objectives.

The iShares Currency Hedged International Fixed Income Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged International Fixed

Income Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares Minimum Volatility Funds

The investment strategy of XMV and XMU is to invest primarily in and hold the Index Securities of the applicable Index from time to time. The applicable Minimum Volatility Fund Index for each of XMV and XMU is identified in this prospectus under “Investment Objectives”. Such Index Securities will be held by XMV and XMU in substantially the same proportion based on Relative Weight, as the Index Securities are reflected in the applicable Minimum Volatility Fund Index.

XMV and XMU may invest in and hold units of iShares ETFs, and/or other equity securities, provided that such holding by any such iShares Fund is consistent with its stated investment objectives.

The investment strategy of XMI, XMM and XMW is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Minimum Volatility Fund Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Minimum Volatility Fund Index. The applicable Minimum Volatility Fund Index for each of XMI, XMM and XMW is identified in this prospectus under “Investment Objectives”.

XMI, XMM and XMW may also invest in other equity securities, provided that such investment is consistent with its stated investment objectives.

An iShares Minimum Volatility Fund may invest in futures contracts in order to provide market exposure for cash held by such iShares Minimum Volatility Fund and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. An iShares Minimum Volatility Fund may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares Currency Hedged Minimum Volatility Funds

The investment strategy of each of the iShares Currency Hedged Minimum Volatility Funds is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index, and to hedge any resulting foreign currency exposure back to Canadian dollars. Each of the iShares Currency Hedged Minimum Volatility Funds may also invest in other iShares ETFs and/or other equity securities, provided that such investment is consistent with its stated investment objectives.

The iShares Currency Hedged Minimum Volatility Funds intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designed rating” as defined in NI 81-102.

The iShares Currency Hedged Minimum Volatility Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Currency Hedged Minimum Volatility Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Currency Hedged Minimum Volatility Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

iShares Multifactor Funds

The investment strategy of each iShares Multifactor Fund is to invest in securities of one or more iShares ETFs, and/or in Index Securities of the applicable Index, such that the resulting portfolio will have characteristics that closely match the characteristics of the applicable Index and, in the case of XFF and XFA, to hedge any resulting U.S. dollar or other foreign currency exposure, as applicable, back to Canadian dollars. The applicable Index for each iShares Multifactor Fund is identified in this prospectus under “Investment Objectives – iShares Multifactor Funds”.

Each of XFF and XFA intends to employ a currency hedging strategy that is designed to hedge its exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward contracts, futures contracts and/or other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102.

An iShares Multifactor Fund may also invest in other iShares ETFs and/or other equity securities, provided that such investment is consistent with its stated investment objective. The iShares Multifactor Funds may invest in futures contracts in order to provide market exposure for cash held by such iShares Multifactor Funds and may also hold money market instruments, securities of money market funds or cash to meet their current obligations. The iShares Multifactor Funds may also invest in or use derivative instruments as described in “Investment Strategies – Use of Derivative Instruments”.

Investment in Other iShares ETFs

Canadian iShares Funds

The Canadian iShares Funds are exchange-traded funds that are listed on the TSX or other recognized stock exchange and managed by BlackRock Canada or an affiliate. The investment objectives of each Canadian iShares Fund are to provide long-term capital growth or income, as applicable, or another specified investment objective, by replicating the performance of its applicable index, net of expenses. To achieve their objectives, the Canadian iShares Funds, directly or indirectly, invest in a portfolio of securities that as far as possible and practicable consists of the constituent securities of the applicable index in the same proportion as they are reflected in such index.

Certain Canadian iShares Funds whose objective is to replicate, to the extent possible, the performance of an index, net of expenses, may employ a “stratified sampling” strategy. Under this stratified sampling strategy, such Canadian iShares Funds may not hold all of the securities that are included in the applicable index, but instead will hold a portfolio of securities that closely matches the aggregate investment characteristics (e.g., sector, credit quality, yield and term to maturity) of the securities included in the applicable index.

U.S. iShares Funds

The U.S. iShares Funds are exchange-traded funds that are listed on one or more recognized U.S. stock exchanges and managed by BFA. Each U.S. iShares Fund seeks to achieve its objective by investing primarily in securities issued by issuers that comprise its index (an “**Underlying Index**”) and through transactions that provide substantially similar exposure to securities in the Underlying Index. The U.S. iShares Funds may also generally invest a percentage of their assets in securities not included in the Underlying Index, but which BFA believes will help track the Underlying Index, and in futures contracts, options on futures contracts, options and swaps as well as cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates. Shares of the U.S. iShares Funds are denominated in U.S. dollars.

In the case of a U.S. iShares Fund which tracks an Underlying Index, BFA may use a “representative sampling” indexing strategy. Representative sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the Underlying Index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability, duration, maturity or credit quality and/or yield) and liquidity measures similar to those of the relevant Underlying Index. A U.S. iShares Fund may or may not hold all of the securities that are included in the relevant Underlying Index.

Securities Lending

An iShares Fund may engage in securities lending transactions in accordance with NI 81-102 to provide incremental returns to the iShares Fund in a manner that is consistent with the investment objectives of the iShares Fund. Securities lending is also a means of generating income for the purpose of meeting an iShares Fund’s current obligations.

An iShares Fund may lend securities that it holds through an agent, to brokers, dealers, other financial institutions or other borrowers wishing to borrow securities provided that such securities lending qualifies as a “securities lending arrangement” for the purposes of the Tax Act.

Each iShares Fund has engaged BTC as a lending agent, subject to the overriding authority of BlackRock Canada. BTC is a national banking association organized under the laws of the United States of America. In addition, each iShares Fund has engaged BRAL, a corporation incorporated under the laws of England and Wales, as a lending agent, again subject to the overriding authority of BlackRock Canada. BRAL is authorized and regulated by the Financial Conduct Authority in the United Kingdom. The iShares Funds may engage other affiliates of BlackRock Canada as lending agents.

Under Canadian securities legislation, the collateral posted by a securities borrower to a lending iShares Fund is required to have an aggregate value of not less than 102% of the market value of the loaned securities.

The total value of the securities loaned by an iShares Fund at any time is not permitted to exceed 50% of the Net Asset Value of the iShares Fund. Any cash collateral received by an iShares Fund may only be invested in securities permitted under NI 81-102 that have a remaining term to maturity of no longer than 90 days.

Securities lending is managed by a dedicated BlackRock team supported by BlackRock's quantitative analysis, proprietary technology and risk management systems. Cash and securities are permitted to be received as collateral under securities lending arrangements for the securities on loan. BlackRock employs an investment style for securities lending collateral that emphasizes quality, liquidity and interest rate risk management. Disciplined risk management, including a credit surveillance process, is an integral part of the investment process. Lending on behalf of certain clients and/or funds, including the iShares Funds, is conducted pursuant to applicable regulatory requirements, enabling BTC and BRAL to act as securities lending agents to, and receive a share of securities lending revenues from, the iShares Funds.

There are potential conflicts of interests in managing a securities lending program, including but not limited to: (i) BTC or BRAL as lending agent may have an incentive to increase or decrease the amount of securities on loan or to lend particular securities in order to generate additional risk-adjusted revenue for BlackRock and its affiliates; and (ii) BTC and BRAL allocate securities lending opportunities among their securities lending clients and seek to provide all of them with equal securities lending opportunities over time in order to approximate pro-rata allocation.

As part of its securities lending program, BlackRock indemnifies certain clients and/or funds, including the iShares Funds, against a shortfall in collateral in the event of borrower default. BlackRock's Risk and Quantitative Analytics Group ("**RQA**") calculates, on a regular basis, the potential dollar exposure to the risk of collateral shortfall upon counterparty default ("**shortfall risk**") under the securities lending program for both indemnified and unindemnified clients and/or funds. On a periodic basis, RQA also determines the maximum amount of potential indemnified shortfall risk arising from securities lending activities ("**indemnification exposure limit**") and the maximum amount of counterparty-specific credit exposure ("**credit limits**") BlackRock is willing to assume as well as the program's operational complexity. RQA oversees the risk model that calculates projected shortfall values using loan-level factors such as loan and collateral type and market value as well as specific borrower counterparty credit characteristics. When necessary, RQA further adjusts other securities lending program attributes by restricting eligible collateral or reducing counterparty credit limits. As a result, the management of the indemnification exposure limit may affect the amount of securities lending activity BlackRock may conduct at any given point in time and impact indemnified and non-indemnified clients by reducing the volume of lending opportunities for certain loan types (e.g., lower revenue loans) and increasing the volume of lending opportunities for other loan types (e.g., higher revenue loans).

Securities lending across BlackRock portfolios requires BlackRock to manage the potential conflicts of interest between BlackRock and its clients, and among clients, by allocating loans on an equitable basis over time. BlackRock uses a predetermined systematic and fair process in order to approximate pro-rata allocation. In order to allocate a loan to a portfolio: (i) BlackRock as a whole must have sufficient lending capacity pursuant to the various program limits (i.e. indemnification exposure limit and counterparty credit limits); (ii) the lending portfolio must hold the asset at the time a loan opportunity arrives; and (iii) it must also have enough inventory, either as an individual portfolio or when grouped with other portfolios into one single market delivery, to satisfy the loan request. In doing so, BlackRock seeks to provide equal lending opportunities and not equal outcomes for all portfolios, independent of whether BlackRock indemnifies the portfolio. Short and long-term outcomes for individual clients may vary due to asset mix, asset/liability spreads on different securities, and the overall limits imposed by BlackRock.

Use of Derivative Instruments

Each of the iShares Funds may invest in or use derivative instruments, including options, futures contracts, forward contracts and swaps, and in the case of XFR, interest rate swap agreements, provided that the use of such derivative instruments is in compliance with NI 81-102 and is consistent with the investment objectives of the iShares Fund.

An iShares Fund may use derivatives for hedging purposes and for non-hedging purposes. “Hedging” refers to investments that are intended to offset or reduce a specific risk associated with all or a portion of an existing investment or position or group of investments or positions.

For non-hedging purposes, an iShares Fund may, as an alternative to or in conjunction with investing in Index Securities and securities of iShares ETFs, as applicable, use derivative instruments to obtain exposure to the performance of the applicable Index. An iShares Fund cannot use derivatives for speculative trading or to create a portfolio with excess leverage. If an iShares Fund uses derivatives for non-hedging purposes, NI 81-102 requires that the iShares Fund hold certain assets and/or cash so as to restrict the use of leverage and ensure the iShares Fund is able to meet its obligations under the derivative contracts. This seeks to limit the amount of losses that could result from the use of derivatives.

Derivatives are instruments that derive their value from the market price, value or level of an underlying security, index or financial instrument and which enable investors to speculate on or hedge against future changes in the price or value of the underlying interest of the derivative. The underlying interests of derivatives include a wide variety of assets or financial instruments, such as currencies, interest rates and stock and bond indices.

Swap and Forward Agreements

XFR may enter into interest rate swap agreements in order to convert a fixed-rate income stream into a floating-rate income stream.

In general, swap and forward agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a day to more than one year. A forward contract is an agreement between two parties to buy or sell an asset at a specified point in time in the future at a predetermined price. In a standard “swap” transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged between the parties are calculated with respect to a “notional amount”. For example, the return on or increase in the value of a particular dollar amount invested in a specified list of securities.

In addition to assisting in the pursuit of the investment objectives for each of the iShares Funds, total return forward or swap agreements may be entered into by an iShares Fund as a substitute for investing directly in securities (or shorting securities), or to hedge a position. Certain iShares Funds may hedge their exposure to U.S. dollar or other foreign currency, as applicable, by entering into currency forward agreements.

Currency Hedging

The iShares Currency Hedged International Equity Funds, the iShares Currency Hedged International Fixed Income Funds, the iShares Currency Hedged Minimum Volatility Funds, XFF and XFA intend to employ a currency hedging strategy that is designed to hedge their exposure to U.S. dollars or other foreign currency, as applicable, by entering into currency forward or futures contracts and other derivative instruments with financial institutions that have a “designated rating” as defined in NI 81-102.

INVESTMENT RESTRICTIONS

The iShares Funds are subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102 and NI 81-107. The iShares Funds are managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities or as permitted by NI 81-107. See “Exemptions and Approvals”. A change to the fundamental investment objective of

an iShares Fund requires the approval of its Unitholders. See “Unitholder Matters – Matters Requiring Unitholder Approval”.

Each iShares Fund is also restricted from undertaking any activity that would result in such iShares Fund failing to qualify as a “mutual fund trust” within the meaning of the Tax Act.

FEES AND EXPENSES

Fees and Expenses Payable by the iShares Funds

Management Fees

Annual management fees (the “**management fee**”) are paid by the iShares Funds to BlackRock Canada in consideration for providing, or arranging for the provision of, management, trustee and portfolio advisory services, maintaining portfolio systems used to manage the iShares Funds, maintaining the website of the iShares Funds, marketing and promotional services and the payment of fees for sub—advisory services. See “Organization and Management Details of the iShares Funds – Details of the Management Services to be Provided by BlackRock Canada”.

The management fee is based on a percentage of the Net Asset Value of each of the following iShares Funds and is listed below:

<u>iShares Fund</u>	<u>Annual Management Fee⁽¹⁾</u>
<i>iShares Canadian Equity Funds</i>	
XCG	0.50%
XCS	0.55%
XCV	0.50%
XDV	0.50%
XEG	0.55%
XEI	0.20%
XEN	0.50%
XFN	0.55%
XIC	0.05%
XIT	0.55%
XIU	0.15% ⁽³⁾
XMA	0.55%
XMD	0.55%
XRE	0.55%
XST	0.55%
XUT	0.55%
<i>iShares Canadian Fixed Income Funds</i>	
XBB	0.30%
XCB	0.40%
XFR	0.20%
XGB	0.35%
XHB	0.45%
XLB	0.18%
XRБ	0.35%
XSB	0.25%
XSH	0.12%
XSQ	0.12%

<u>iShares Fund</u>	<u>Annual Management Fee⁽¹⁾</u>
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iShares International Equity Funds

XAW	0.20%
XBZ	0.75% ⁽⁴⁾
XCH	0.85% ⁽⁴⁾
XEC	0.25% ⁽⁴⁾
XEF	0.20% ⁽⁴⁾
XEM	up to 0.82% ⁽⁵⁾
XEU	0.25%
XHU	0.30%
XID	0.98% ⁽⁴⁾
XMC	0.15% ⁽⁴⁾
XUS	0.10% ⁽⁴⁾
XUU	0.07% ⁽⁴⁾⁽⁹⁾
XWD	0.44% ⁽⁴⁾

iShares International Mining Sector Funds

XBM	0.55%
XGD	0.55%

iShares Currency Hedged International Equity Funds

XCD	0.63% ⁽⁴⁾
XEH	0.25%
XFH	0.20%
XGI	0.63% ⁽⁴⁾
XHC	0.63% ⁽⁴⁾
XHD	0.30%
XIN	up to 0.50% ⁽⁶⁾
XMH	0.15% ⁽⁴⁾
XPF	0.45% ⁽⁴⁾
XQQ	0.35%
XSP	0.10% ⁽⁴⁾
XSU	up to 0.35% ⁽⁷⁾
XUH	0.07% ⁽⁴⁾⁽⁹⁾

iShares Currency Hedged International Fixed Income Funds

XEB	0.52% ⁽⁴⁾⁽⁸⁾
XHY	0.60%
XIG	0.30% ⁽⁴⁾

iShares Minimum Volatility Funds

XMI	0.35% ⁽⁴⁾⁽¹⁰⁾
XMM	0.79% ⁽²⁾⁽⁴⁾
XMU	0.30%
XMV	0.30%
XMW	0.45% ⁽⁴⁾

iShares Currency Hedged Minimum Volatility Funds

XML	0.35% ⁽⁴⁾
XMS	0.30% ⁽⁴⁾
XTY	0.45% ⁽⁴⁾

iShares Multifactor Funds

XFC	0.45% ⁽⁴⁾
XFI	0.45% ⁽⁴⁾
XFF	0.45% ⁽⁴⁾
XFS	0.45% ⁽⁴⁾
XFA	0.45% ⁽⁴⁾

- (1) The management fees paid directly to BlackRock Canada by each iShares Fund listed above are calculated and accrued daily and are generally paid monthly, but in any case not less than quarterly. The management fee is exclusive of HST.
- (2) On December 3, 2015, BlackRock Canada announced that it agreed to a partial waiver of the management fee that would otherwise be payable by XMM (the “**XMM Waiver**”). The XMM Waiver will expire on December 31, 2018. After giving effect to the XMM Waiver, BlackRock Canada is entitled to receive an annual management fee from XMM equal to 0.40% of the Net Asset Value of XMM. BlackRock Canada may discontinue, amend or extend the XMM Waiver at any time without giving notice to (other than by press release) or seeking approval from Unitholders of XMM.
- (3) BlackRock Canada has agreed to be responsible for certain fees and expenses of XIU in excess of 0.17% per year of the daily average Net Asset Value of XIU (the “**expense ceiling**”).
- (4) If applicable, BlackRock Canada or an affiliate is entitled to receive a fee for acting as manager of each iShares ETF in which this iShares Fund may invest (an “**underlying product fee**” and together with the management fee payable to BlackRock Canada, the “**total annual fee**”). As the underlying product fees are embedded in the market value of the iShares ETFs in which this iShares Fund may invest, any underlying product fees are borne indirectly by this iShares Fund. BlackRock Canada will adjust the management fee payable to it by this iShares Fund to ensure that the total annual fees paid directly or indirectly to BlackRock Canada and its affiliates by this iShares Fund will not exceed the percentage of the Net Asset Value set out in this table. The total annual fee is exclusive of HST. Any underlying product fees borne indirectly by this iShares Fund are calculated and accrued daily and are paid not less than annually.
- (5) This fee is the sum of (i) a fee of up to 0.75% per year paid by the U.S. iShares Fund in which XEM invests to an affiliate of BlackRock Canada; and (ii) a fee of up to 0.10% per year (as of the date of this prospectus, 0.10%) paid by XEM to BlackRock Canada. BlackRock Canada will adjust the fee payable to it by XEM to ensure that the annual management fee paid directly or indirectly to BlackRock Canada and its affiliates by XEM will not exceed 0.82%.
- (6) This fee is the sum of (i) up to a maximum of 0.35% per year paid by the U.S. iShares Fund in which XIN invests to an affiliate of BlackRock Canada (the “**XIN Underlying Management Fee**”); and (ii) a fee of 0.15% per year paid by XIN to BlackRock Canada. The XIN Underlying Management Fee fluctuates based on the net asset value of the U.S. iShares Fund and is borne indirectly by XIN.
- (7) This fee is the sum of (i) up to a maximum of 0.20% per year paid by the U.S. iShares Fund in which XSU invests to an affiliate of BlackRock Canada (the “**XSU Underlying Management Fee**”); and (ii) a fee of 0.15% per year paid by XSU to BlackRock Canada. The XSU Underlying Management Fee fluctuates based on the net asset value of the U.S. iShares Fund and is borne indirectly by XSU.
- (8) Effective March 4, 2015.
- (9) Effective January 12, 2016.
- (10) Effective March 29, 2016.

Where an iShares Fund invests in securities of an iShares ETF, there will be: (i) no management fees or incentive fees payable by the iShares Fund that, to a reasonable person, would duplicate a fee payable by an iShares ETF for the same service, and (ii) no sales fees or redemption fees payable by the iShares Fund in relation to its purchases or redemptions of the securities of an iShares ETF; provided, however, that the restriction in (ii) does not apply to brokerage fees incurred on the purchase or sale of index participation units issued by an iShares ETF. See “Investment Strategies – Investment in Other iShares ETFs”.

For all iShares Funds, except XIU, BlackRock Canada is responsible for each of the iShares Fund’s fees and expenses except the fees and expenses payable by the iShares Fund described under “Fees and Expenses Payable by the iShares Funds”. The fees and expenses for which BlackRock Canada is responsible include the fees payable to the sub-advisor, custodian, registrar and transfer agent and other service providers retained by BlackRock Canada as described under “Organization and Management Details of the iShares Funds – Details of the Management Services to be Provided by BlackRock Canada”.

XIU is also responsible for additional fees and expenses but such fees and expenses are subject to the expense ceiling as noted above in the footnote (3) and as described below under “Fees and Expenses Payable by the iShares Funds - Operating Expenses”.

Management Fee Distributions

BlackRock Canada may agree to charge a reduced fee as compared to the fee it otherwise would be entitled to receive from the iShares Funds with respect to investments in the iShares Funds by a Unitholder that, on average during any period specified by BlackRock Canada from time to time, hold a minimum number of Units having a specified aggregate value. An amount equal to the difference between the fee otherwise chargeable and the reduced

fee of the iShares Fund will be distributed periodically, as determined by BlackRock Canada, in cash to such Unitholder as “Management Fee Distributions”.

The availability, eligible Unitholders and amounts of Management Fee Distributions with respect to Units of an iShares Fund will be determined by BlackRock Canada in its sole discretion. Management Fee Distributions will generally be calculated and applied based on a Unitholder’s average holdings of Units (excluding Units lent under the terms of securities lending agreements) over each applicable period as specified by BlackRock Canada from time to time. Management Fee Distributions will be available only to beneficial owners of Units and not to the holdings of Units by dealers, brokers or other participants in CDS who hold Units in CDS on behalf of beneficial Unitholders. Management Fee Distributions will be paid first out of income and capital gains of the iShares Funds and then out of capital. See “Income Tax Considerations – Taxation of Unitholders” for further details. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner’s behalf and provide BlackRock Canada with such further information as BlackRock Canada may require in accordance with the terms and procedures established by BlackRock Canada from time to time.

BlackRock Canada reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by the iShares Funds generally will be borne by the Unitholders receiving these distributions.

Operating Expenses

The iShares Funds, including XIU, are also responsible for fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, brokerage expenses and commissions, income tax, HST, withholding and other taxes. BlackRock Canada allocates the fees and expenses of the IRC on an equitable and reasonable basis amongst the iShares Funds and other investment funds for which the IRC has been appointed.

XIU is responsible for all fees and expenses of XIU, including the management fee, any fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, brokerage expenses and commissions, registrar and transfer agency fees, securities movement charges payable to XIU’s custodian, legal and audit fees, the preparation, printing, filing and distribution of prospectuses, financial statements, MRFPs, proxy voting reports, press releases, material change reports, annual reports, and annual filing fees payable to Canadian securities regulatory authorities relating to the issuance of Units of XIU, income tax, HST, withholding and other taxes. BlackRock Canada has agreed to be responsible for the fees and expenses of XIU in excess of 0.17% per year of the daily average Net Asset Value of XIU, except for fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, income tax, HST, withholding and other taxes.

The iShares Funds pay the fees and expenses of their IRC. Expenses of the IRC include premiums for insurance coverage, legal fees, travel expenses and reasonable out-of-pocket expenses. Currently, each member receives \$50,000 (\$70,000 for the Chair) per annum as a general retainer and as compensation for attendance at meetings. IRC members are reimbursed for any costs incurred in attending meetings or otherwise incurred in fulfilling their obligations as IRC members. BlackRock Canada allocates the fees and expenses of the IRC on an equitable and reasonable basis amongst the iShares Funds and other investment funds for which the IRC has been appointed. See “Organization and Management Details of the iShares Funds – Independent Review Committee” for disclosure of the compensation paid by the iShares Funds to each member of their IRC for the most recently completed financial year.

An iShares Fund is required to pay HST on management fees charged to the iShares Fund. In general, the total HST paid by an iShares Fund will depend on the distribution by provincial residence of an iShares Fund’s Unitholders. Changes in existing HST rates, changes to the group of provinces that have adopted harmonization, and changes in the distribution by provincial residence of an iShares Fund’s Unitholders will have an impact on the management expense ratio of an iShares Fund year over year.

When an iShares Fund invests in securities of an iShares ETF, there are certain expenses payable by the underlying iShares ETF, in addition to the expenses directly payable by the iShares Fund. The iShares Fund indirectly bears its share of such expenses of the underlying iShares ETF.

Fees and Expenses Payable Directly by You

Administrative Fee to Offset Certain Costs of Transactions with Underwriters

In connection with exchanges or redemptions of Units of an iShares Fund by an Underwriter, BlackRock Canada may charge the Underwriter effecting the exchange or redemption, at its discretion, an administrative fee as a percentage of the exchange or redemption proceeds to offset certain transaction costs incurred in connection with the exchange or redemption, which is payable to the iShares Fund. Currently, BlackRock Canada has set these discretionary administrative fees as follows:

- iShares Canadian Fixed Income Funds (other than XHB) – up to 0.05% of proceeds
- XIN, XHB, XPF, XMH, the iShares International Equity Funds (other than XEU) and the iShares Currency Hedged International Fixed Income Funds, XML, XMY and the iShares Multifactor Funds (other than XFC) – up to 0.15% of proceeds
- All other iShares Funds – up to 0.07% of proceeds

The administrative fee will not be charged to a Unitholder in connection with the buying or selling of Units of an iShares Fund on the TSX.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

The rates of return below are historical total returns, including changes in NAV per Unit, and assume reinvestment of cash distributions, which increases returns. The returns are net of MER and TER but do not take into account customary brokerage expenses or commissions incurred by Unitholders when buying or selling Units on the TSX, administrative fees or income taxes payable by any Unitholder that would have reduced the Unitholder's returns. Where an iShares Fund was in distribution for less than a full financial year, the MER and TER indicated have been annualized. Annual return data is provided only for full calendar years in which an iShares Fund was in distribution.

<u>XAW</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.21%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	5.39%	N/A	N/A	N/A	N/A
<u>XBB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.33%	0.34%	0.33%	0.33%	0.33%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	1.36%	3.14%	8.46%	-1.50%	3.26%
<u>XBM</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.60%	0.61%
TER ⁽²⁾	0.00%	0.01%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	53.46%	-34.79%	-8.30%	-2.48%	1.79%
<u>XBZ</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.76%	0.77%	0.77%	0.76%	0.76%
TER ⁽²⁾	0.01%	0.01%	0.02%	0.02%	0.01%
Annual return at NAV per Unit ⁽³⁾	58.28%	-30.44%	-8.49%	-12.48%	-2.14%

<u>XCB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.44%	0.45%	0.46%	0.44%	0.44%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	3.32%	2.21%	7.13%	0.39%	5.70%
<u>XCD</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.65%	0.64%	0.65%	0.65%	N/A
TER ⁽²⁾	0.00%	0.00%	0.00%	0.01%	N/A
Annual return at NAV per Unit ⁽³⁾	3.84%	7.91%	7.87%	N/A	N/A
<u>XCG</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.55%	0.56%	0.55%	0.55%
TER ⁽²⁾	0.00%	0.01%	0.01%	0.02%	0.02%
Annual return at NAV per Unit ⁽³⁾	6.89%	-3.26%	25.58%	6.75%	-0.21%
<u>XCH</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.86%	0.86%	0.87%	0.86%	0.86%
TER ⁽²⁾	0.00%	0.02%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	-2.92%	4.01%	20.95%	3.58%	16.10%
<u>XCS</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.01%	0.01%	0.00%	0.01%
Annual return at NAV per Unit ⁽³⁾	38.18%	-13.50%	-2.70%	7.17%	-2.56%
<u>XCV</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.55%	0.56%	0.55%	0.55%
TER ⁽²⁾	0.00%	0.01%	0.01%	0.01%	0.02%
Annual return at NAV per Unit ⁽³⁾	24.89%	-9.92%	7.16%	15.10%	10.37%
<u>XDV</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.56%	0.55%	0.55%	0.55%
TER ⁽²⁾	0.02%	0.02%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	23.82%	-12.98%	6.26%	18.98%	8.80%
<u>XEB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.53%	0.57%	0.74%	0.73%	0.73%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	7.85%	1.11%	5.83%	-8.12%	16.40%
<u>XEC</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.26%	0.26%	0.27%	0.37%	N/A
TER ⁽²⁾	0.02%	0.03%	0.04%	0.12%	N/A
Annual return at NAV per Unit ⁽³⁾	5.98%	2.33%	4.82%	N/A	N/A

<u>XEF</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.22%	0.22%	0.32%	N/A
TER ⁽²⁾	0.01%	0.02%	0.04%	0.04%	N/A
Annual return at NAV per Unit ⁽³⁾	-2.34%	20.40%	2.42%	N/A	N/A

<u>XEG</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.62%	0.62%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.01%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	38.85%	-24.55%	-16.79%	12.62%	-5.37%

<u>XEH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.28%	0.25%	0.25%	N/A	N/A
TER ⁽²⁾	0.02%	0.04%	0.08%	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	8.98%	6.78%	N/A	N/A	N/A

<u>XEI</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.22%	0.30%	0.61%	0.61%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	28.20%	-14.67%	4.89%	15.11%	7.08%

<u>XEM</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.82%	0.81%	0.78%	0.78%	0.79%
TER ⁽²⁾	0.03%	0.02%	0.03%	0.02%	0.02%
Annual return at NAV per Unit ⁽³⁾	6.66%	0.16%	4.36%	2.26%	16.01%

<u>XEN</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.55%	0.55%	0.56%	0.55%	0.55%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.01%	0.01%
Annual return at NAV per Unit ⁽³⁾	21.95%	-8.06%	10.38%	15.87%	11.87%

<u>XEU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.28%	0.27%	0.28%	N/A	N/A
TER ⁽²⁾	0.01%	0.03%	0.07%	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	-4.06%	18.30%	N/A	N/A	N/A

<u>XFA</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.45%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.02%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	12.61%	N/A	N/A	N/A	N/A

<u>XFC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.50%	N/A	N/A	N/A
TER ⁽²⁾	0.02%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	15.01%	N/A	N/A	N/A	N/A

<u>XFF</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.45%	N/A	N/A	N/A
TER ⁽²⁾	0.04%	0.13%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	5.52%	N/A	N/A	N/A	N/A
<u>XFH</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.22%	0.20%	N/A	N/A	N/A
TER ⁽²⁾	0.02%	0.04%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	6.88%	N/A	N/A	N/A	N/A
<u>XFI</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.51%	N/A	N/A	N/A
TER ⁽²⁾	0.03%	0.11%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	-4.60%	N/A	N/A	N/A	N/A
<u>XFN</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.63%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	23.35%	-3.59%	11.83%	25.87%	16.38%
<u>XFR</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.23%	0.23%	0.22%	0.22%	0.13%
MER before absorptions ⁽¹⁾	0.23%	0.23%	0.22%	0.22%	0.21%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	1.02%	0.41%	1.21%	1.43%	1.90%
<u>XFS</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.50%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.00%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	8.86%	N/A	N/A	N/A	N/A
<u>XGB</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.39%	0.39%	0.40%	0.39%	0.38%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	0.51%	3.45%	8.89%	-2.36%	2.26%
<u>XGD</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.61%	0.60%
TER ⁽²⁾	0.00%	0.01%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	49.96%	-10.54%	-6.30%	-47.69%	-15.21%
<u>XGI</u>					
	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.65%	0.64%	0.65%	0.65%	N/A
TER ⁽²⁾	0.00%	0.00%	0.00%	0.01%	N/A
Annual return at NAV per Unit ⁽³⁾	14.16%	-0.23%	6.20%	N/A	N/A

<u>XHB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.51%	0.49%	0.51%	0.50%	0.50%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	6.65%	0.44%	6.90%	1.85%	8.74%

<u>XHC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.65%	0.65%	0.64%	0.64%	0.65%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.01%
Annual return at NAV per Unit ⁽³⁾	-5.20%	8.13%	22.39%	35.99%	17.30%

<u>XHD</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.33%	0.34%	0.33%	0.33%	0.33%
TER ⁽²⁾	0.01%	0.01%	0.00%	0.01%	0.00%
Annual return at NAV per Unit ⁽³⁾	14.33%	-1.42%	12.34%	23.72%	N/A

<u>XHU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	0.34%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	10.93%	N/A	N/A	N/A	N/A

<u>XHY</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.67%	0.66%	0.67%	0.62%	0.61%
TER ⁽²⁾	-	-	-	0.03%	0.00%
Annual return at NAV per Unit ⁽³⁾	13.79%	-5.58%	2.64%	6.87%	11.00%

<u>XIC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.06%	0.06%	0.10%	0.27%	0.27%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	21.01%	-8.35%	10.42%	12.71%	6.89%

<u>XID</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	1.03%	1.00%	0.99%	0.99%	0.99%
TER ⁽²⁾	0.01%	0.03%	0.02%	0.04%	0.07%
Annual return at NAV per Unit ⁽³⁾	-2.63%	9.44%	39.12%	1.29%	23.74%

<u>XIG</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.32%	0.32%	0.32%	0.31%	0.31%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	5.39%	-0.55%	8.48%	-1.27%	10.51%

<u>XIN</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.49%	0.50%	0.50%	0.51%	0.50%
TER ⁽²⁾	0.00%	0.00%	0.01%	0.01%	0.01%
Annual return at NAV per Unit ⁽³⁾	5.57%	4.52%	4.15%	25.06%	18.12%

<u>XIT</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.61%	0.60%	0.61%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	3.78%	13.88%	36.30%	35.97%	6.60%

<u>XIU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾⁽⁴⁾	0.18%	0.18%	0.18%	0.17%	0.18%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	21.14%	-7.91%	12.04%	13.03%	7.87%

<u>XLB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.20%	0.21%	0.28%	0.38%	0.39%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	2.32%	3.50%	17.13%	-6.55%	4.88%

<u>XMA</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	40.29%	-21.47%	-3.16%	-29.44%	-6.19%

<u>XMC</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.16%	0.15%	N/A	N/A	N/A
TER ⁽²⁾	0.00%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	16.13%	N/A	N/A	N/A	N/A

<u>XMD</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.62%	0.62%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.01%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	19.84%	-10.60%	5.13%	11.60%	4.24%

<u>XMH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.16%	0.15%	N/A	N/A	N/A
TER ⁽²⁾	0.00%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	19.40%	N/A	N/A	N/A	N/A

<u>XMI</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾⁽⁵⁾	0.37%	0.37%	0.37%	0.37%	0.37%
MER before absorptions ⁽¹⁾	0.39%	0.46%	0.47%	0.47%	0.47%
TER ⁽²⁾	0.02%	0.01%	0.00%	0.00%	0.02%
Annual return at NAV per Unit ⁽³⁾	-6.07%	28.50%	12.10%	23.07%	N/A

<u>XML</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.37%	N/A	N/A	N/A	N/A
TER ⁽²⁾	0.02%	N/A	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

<u>XMM</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾⁽⁵⁾	0.42%	0.43%	0.41%	0.41%	0.41%
MER before absorptions ⁽¹⁾⁽⁵⁾	0.80%	0.80%	0.80%	0.80%	0.79%
TER ⁽²⁾	0.04%	0.04%	0.04%	0.06%	0.23%
Annual return at NAV per Unit ⁽³⁾	-0.86%	4.93%	8.20%	4.73%	N/A

<u>XMS</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	N/A	N/A	N/A	N/A
TER ⁽²⁾	0.01%	N/A	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

<u>XMU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	0.34%	0.33%	0.34%	0.34%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	6.05%	25.87%	26.15%	32.64%	N/A

<u>XMV</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.34%	0.35%	0.32%	0.33%	0.34%
TER ⁽²⁾	0.01%	0.01%	0.01%	0.01%	0.00%
Annual return at NAV per Unit ⁽³⁾	17.16%	-3.86%	16.80%	11.75%	N/A

<u>XMW</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.48%	0.48%	0.48%	0.48%	0.48%
TER ⁽²⁾	0.02%	0.03%	0.04%	0.01%	0.02%
Annual return at NAV per Unit ⁽³⁾	3.10%	22.66%	20.16%	24.05%	N/A

<u>XYM</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.48%	N/A	N/A	N/A	N/A
TER ⁽²⁾	0.03%	N/A	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	N/A	N/A	N/A	N/A	N/A

<u>XPF</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.47%	0.47%	0.47%	0.47%	0.48%
TER ⁽²⁾	0.03%	0.03%	0.02%	0.03%	0.02%
Annual return at NAV per Unit ⁽³⁾	3.92%	-5.40%	10.21%	-1.90%	11.14%

<u>XQQ</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.39%	0.39%	0.39%	0.39%	0.39%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	6.40%	8.66%	19.35%	36.91%	17.50%

<u>XRБ</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.39%	0.39%	0.39%	0.39%	0.39%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	2.42%	2.44%	12.68%	-13.43%	2.43%

<u>XRE</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.60%	0.60%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	16.92%	-5.17%	9.67%	-6.03%	16.23%

<u>XSB</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.28%	0.28%	0.28%	0.27%	0.28%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	0.76%	2.33%	2.80%	1.50%	1.72%

<u>XSH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.13%	0.14%	0.15%	0.27%	0.28%
TER ⁽²⁾	-	-	-	-	-
Annual return at NAV per Unit ⁽³⁾	2.17%	2.62%	3.39%	2.23%	3.79%

<u>XSP</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.11%	0.11%	0.13%	0.23%	0.25%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	11.19%	0.54%	13.80%	32.50%	15.56%

<u>XSQ</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.13%	0.14%	0.14%	N/A	N/A
TER ⁽²⁾	-	-	0.00%	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	0.80%	2.51%	N/A	N/A	N/A

<u>XST</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.61%	0.61%	0.61%	0.61%	0.62%
TER ⁽²⁾	0.00%	0.00%	0.01%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	8.41%	10.72%	47.26%	22.80%	21.82%

<u>XSU</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.36%	0.37%	0.37%	0.36%	0.36%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.00%	0.01%
Annual return at NAV per Unit ⁽³⁾	20.52%	-5.15%	5.41%	38.93%	16.28%

<u>XUH</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.07%	0.10%	N/A	N/A	N/A
TER ⁽²⁾	0.01%	0.01%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	11.95%	N/A	N/A	N/A	N/A

<u>XUS</u>	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.10%	0.10%	0.11%	0.15%	N/A
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	N/A
Annual return at NAV per Unit ⁽³⁾	7.88%	21.02%	23.41%	N/A	N/A

XUT

	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.62%	0.58%	0.63%	0.60%	0.60%
TER ⁽²⁾	0.01%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	16.88%	-3.96%	15.33%	-4.94%	3.37%

XUU

	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.07%	0.10%	N/A	N/A	N/A
TER ⁽²⁾	0.00%	0.00%	N/A	N/A	N/A
Annual return at NAV per Unit ⁽³⁾	9.48%	N/A	N/A	N/A	N/A

XWD

	2016	2015	2014	2013	2012
MER ⁽¹⁾	0.47%	0.47%	0.46%	0.46%	0.47%
TER ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Annual return at NAV per Unit ⁽³⁾	3.91%	18.50%	13.55%	33.93%	13.48%

- (1) “**MER**” means management expense ratio and is based on total fees and expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. See “Fees and Expenses - Fees and Expenses Payable by the iShares Funds”.
- (2) “**TER**” represents total commissions and portfolio transaction costs and is expressed as an annualized percentage of daily average Net Asset Value for the period. Amounts listed as “0.00%” represent amounts rounded to less than 0.01%.
- (3) Assumes reinvestment of all cash distributions during the period in additional Units of the applicable iShares Fund at the NAV per Unit as of ex-dividend date. Amounts listed as “N/A” represent that, in accordance with applicable securities legislation, annual returns at NAV per Unit for each applicable iShares Fund have not been disclosed for the stated period since the iShares Fund was not a reporting issuer for at least 12 consecutive months during such period.
- (4) BlackRock Canada has agreed to be responsible for certain fees and expenses of XIU in excess of 0.17% per year, before applicable sales taxes, of the daily average Net Asset Value of XIU (the “**expense ceiling**”).
- (5) On December 3, 2015, BlackRock Canada announced that it agreed to a partial waiver of the management fee that would otherwise be payable by XMM (the “**XMM Waiver**”). The XMM Waiver will expire on December 31, 2018. After giving effect to the XMM Waiver, BlackRock Canada is entitled to receive an annual management fee from XMM equal to 0.40% of the Net Asset Value of XMM. BlackRock Canada may discontinue, amend or extend the XMM Waiver at any time without giving notice to (other than by press release) or seeking approval from Unitholders of XMM.

RISK FACTORS

The risks associated with making an investment in the iShares Funds are described below.

General Risks Relating to an Investment in the iShares Funds

General Risks of Investments

An investment in an iShares Fund should be made with an understanding that the value of the underlying securities (whether held directly or indirectly) may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities (particularly those that are more heavily weighted in a particular Index), the condition of equity, bond and currency markets generally and other factors. The identity and weighting of the Constituent Issuers and Index Securities may also change from time to time.

The risks inherent in investments in equity and/or fixed income securities (whether held directly or indirectly) include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock or bond market may deteriorate (either of which may cause a decrease in the value of the Indices and thus in the value of its Units). Equity securities are susceptible to general stock market fluctuations and perception of the financial condition of the issuer. Investments in foreign equity and debt markets carry even greater risk. Fixed income securities are susceptible to general interest rate fluctuations and to changes in investors’ inflation expectations and the condition of the issuer. These investor perceptions are based on various and unpredictable factors, including

expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises.

General Risks of Investing in an Index Fund and Passive Investment Risk

Investments in an iShares Fund should be made with an understanding that the Index Level of the applicable Index may fluctuate in accordance with the financial condition of the Constituent Issuers or bonds that are represented in such Index (particularly those that are more heavily weighted), the value of the securities generally and other factors.

Because the investment objectives of each of the iShares Funds is to replicate the performance of the applicable underlying Index, the iShares Funds are not actively managed by traditional methods, and BlackRock Canada will not attempt to take defensive positions in declining markets. Therefore, the adverse financial condition of a Constituent Issuer represented in an Index will not necessarily result in the elimination of exposure to its securities, whether direct or indirect, by an iShares Fund unless the Index Securities are removed from the applicable Index. Even if an issuer's securities are removed from the applicable Index, there is no guarantee that an iShares Fund will be able to sell such securities. If an iShares Fund is able to sell such securities, there is no guarantee that such sale will take place at an attractive price.

Risks Relating to Index Replication Strategies

An investment in the iShares Funds should be made with an understanding that the iShares Funds will not replicate exactly the performance of the applicable Index. The total return generated by the securities held directly or indirectly by the iShares Funds will be reduced by transaction costs (including transaction costs incurred in adjusting the actual balance of the securities held by the iShares Funds) as well as taxes (including withholding taxes) and other expenses borne by the iShares Funds, whereas such transaction costs, taxes and expenses are generally not included in the calculation of the returns of the applicable Index.

It is possible that an iShares Fund may not fully replicate the performance of the applicable Index due to transaction costs, the temporary unavailability of certain securities or instruments in the secondary market or otherwise or due to other extraordinary circumstances. It is also possible that an iShares Fund will not fully replicate the performance of the applicable Index where the iShares Fund's expenses exceed income received from the underlying securities.

A deviation could also occur in the tracking of an iShares Fund with its applicable Index due to transaction costs, timing differences with respect to corporate actions (such as mergers and spin-offs), index adjustments, and other timing variances, for example, where an iShares Fund tenders under a successful takeover bid for less than all Index Securities where the Constituent Issuer is not taken out of the applicable Index and that iShares Fund buys replacement Index Securities for more than the takeover bid proceeds. In general, the iShares Funds will not replicate exactly the composition of the applicable Index, which may also lead to differences between the performance of the iShares Funds and the performance of the applicable Index.

The accuracy with which an iShares Fund replicates (net of expenses) the performance of the applicable Index will depend on several factors, including the investment strategy used and the characteristics of the applicable Index and Index Securities. The difference between the performance of an index fund and its applicable benchmark index is generally called "tracking error". In general, if an iShares Fund or an underlying iShares ETF uses a stratified sampling strategy, then that iShares Fund or underlying iShares ETF may experience greater tracking error than an iShares Fund or underlying iShares ETF that holds, on a proportionate basis, all Index Securities of the applicable Index. See "*Non-Replication Strategies Risk*" below. The quantity of Index Securities selected using a stratified sampling strategy will be based on a number of factors, including the asset base of the applicable iShares Fund or underlying iShares ETF. In selecting securities for an iShares Fund using a stratified sampling strategy, BlackRock Canada or an affiliate will not "actively manage" the iShares Fund or underlying iShares ETF by undertaking any fundamental analysis of Index Securities nor will BlackRock Canada or an affiliate buy or sell securities for the iShares Fund or underlying iShares ETF based on market, financial or economic analysis. Because BlackRock Canada or an affiliate will not attempt to take defensive positions in declining markets, the adverse financial condition of an issuer represented in an applicable Index will not necessarily result in the iShares Fund or underlying iShares ETF ceasing to hold the issuer's securities, unless such securities are removed from the applicable Index. The level of tracking error experienced by an iShares Fund may also be affected by the characteristics of the applicable Index, including

the market capitalization, liquidity, and volatility of the applicable Index Securities, as well as the overall quantity of Index Securities included in the Index and the level of tracking error associated with an underlying iShares ETF at the time its securities are purchased by an iShares Fund. In general terms, tracking error is positively correlated to volatility, and negatively correlated to liquidity and market capitalization.

The iShares Funds may hold securities of iShares ETFs that employ a representative sampling strategy. Representative sampling is an index strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the underlying index. Where an iShares ETF employs a representative sampling strategy, any resulting performance differences between the iShares ETF and the relevant underlying index could also affect the performance of the iShares Fund relative to its Index. A representative sampling strategy can be expected to result in a greater deviation in performance relative to the underlying index than a replication strategy.

Non-Replication Strategies Risk

An iShares Fund may employ a stratified sampling strategy or hold securities of an iShares ETF that employs a stratified sampling or representative sampling strategy. A stratified sampling strategy involves seeking to replicate the performance of an index by holding a portfolio of securities selected such that the aggregate characteristics of the portfolio are reflective of the aggregate characteristics of the applicable index. Representative sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the underlying index.

The stratified sampling strategy employed by certain iShares Funds can be expected to result in a greater deviation in performance relative to the applicable Index than a replication strategy. Replication is a strategy in which a fund invests in substantially all of the securities in an Index in approximately the same proportions as they are represented in that Index.

In the case of an iShares Fund which invests in securities of one or more iShares ETFs, where such iShares ETF employs a stratified sampling strategy or a representative sampling strategy, any resulting performance differences between the iShares ETF and the relevant underlying index could also affect the performance of the iShares Fund relative to its applicable Index. A stratified sampling strategy or a representative sampling strategy can be expected to result in a greater deviation in performance relative to the underlying index than a replication strategy.

Index-Related Risks

To meet their investment objectives, the iShares Funds seek to replicate the performance of an Index, either through directly held investments or through investments in one or more underlying iShares ETFs or other securities, which themselves may seek to replicate the performance of an index. As a result, some or all of the iShares Funds' returns will correspond generally to the price and yield performance, before fees and expenses, of an index as published by its applicable index provider. There is no assurance that an index provider (including an Index Provider) will determine, compose or calculate an index (including an Index) accurately. While the index provider does provide descriptions of what the index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of its indices, and does not guarantee that the index will be in line with its described index methodology. An index provider may apply eligibility screens to securities included in an index, including with respect to credit ratings. There is no assurance that an index provider will apply eligibility screens accurately or consistently. To the extent BlackRock Canada or an affiliate of BlackRock Canada is the manager of an iShares Fund or an underlying iShares ETF that replicates the performance of an index, its mandate is to manage such fund consistently with the index. Consequently, BlackRock Canada does not provide any warranty or guarantee for index provider errors that may directly or indirectly affect an iShares Fund. In addition, BlackRock Canada does not review or verify the application of any eligibility screens by an index provider. Errors in respect of the quality, accuracy and completeness of data may occur from time to time and may not be identified or corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne directly by the iShares Fund and its Unitholders or indirectly through exposure to the Underlying Fund held by the iShares Fund. For example, during a period where an index contains incorrect constituents, an Underlying Fund held by an iShares Fund that is tracking such published index would have market exposure to such constituents and would be underexposed to the index's other constituents. As such, errors may have a negative or positive performance impact on the iShares Fund and its Unitholders either directly or through exposure to the Underlying Fund. Unitholders should understand that any gains from index provider errors

will be kept by the iShares Fund and its Unitholders and any losses resulting from index provider errors will be borne by the iShares Fund and its Unitholders.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to an index in order, for example, to correct an error in the selection of index constituents. Where an index is rebalanced and the iShares Fund or underlying iShares ETF in turn rebalances its portfolio to bring it in line with the index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne either directly or indirectly, as applicable, by the iShares Fund. Unscheduled rebalances to an index may also expose the iShares Fund directly or indirectly, to tracking error risk, which is the risk that the iShares Fund's returns may not track exactly those of the Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to an index may directly or indirectly increase the costs and market exposure risk of the iShares Fund.

Calculation of Index Levels and Termination of the Indices Risk

The Indices are maintained and calculated by the Index Providers. Trading in Units of an iShares Fund may be suspended for a period of time if, for whatever reason, the calculation of an Index Level is delayed. In the event an Index Level ceases to be calculated or is discontinued, BlackRock Canada may terminate the applicable iShares Fund on not less than 60 days' and not more than 90 days' notice to Unitholders, change the investment objectives of that iShares Fund to invest primarily in underlying securities or to seek to replicate an alternative index (subject, where applicable, to Unitholder approval in accordance with the Master Declaration of Trust), or make such other arrangements as BlackRock Canada considers appropriate and in the best interests of Unitholders in the circumstances.

Purpose of the Indices Risk

Generally, the Indices were not created for the purpose of the applicable iShares Funds. The Index Providers have reserved the right to make adjustments to the Indices or to cease calculating the applicable Index Levels without regard to the particular interests of the iShares Funds, BlackRock Canada, the Unitholders and Underwriters, but rather solely with a view to the original purpose of the applicable Index.

Risk that Units Will Trade at Prices Other than Net Asset Value per Unit

The Units of the iShares Funds may trade below, at, or above their respective Net Asset Values per Unit. The Net Asset Values per Unit will fluctuate with changes in the market value of an iShares Fund's holdings. The trading prices of the Units will fluctuate in accordance with changes in the applicable iShares Fund's Net Asset Value per Unit, as well as market supply and demand on the TSX. However, given that Underwriters may subscribe for, and Unitholders and Underwriters may exchange, the Prescribed Number of Units of any iShares Funds at the Net Asset Value per Unit, BlackRock Canada believes that large discounts or premiums to the Net Asset Value per Unit of the iShares Funds should not be sustained.

If a Unitholder purchases Units of an iShares Fund at a time when the market price of a Unit is at a premium to the Net Asset Value per Unit or sells Units of an iShares Fund at a time when the market price of a Unit is at a discount to the Net Asset Value per Unit, the Unitholder may sustain a loss.

Issuer Concentration Risk

The iShares Funds or underlying iShares ETFs may invest more of their net assets in one or more issuers than is permitted for actively managed mutual funds. This may increase the liquidity risk of the iShares Funds which may, in turn, have an effect on the iShares Funds' ability to satisfy redemption requests. This may also lower the diversification of an iShares Fund and may make the general risk of equity investments, fixed income investments and the volatility of Net Asset Value of the iShares Fund relatively greater. This issuer concentration risk may be enhanced for iShares Funds or underlying iShares ETFs that seek to replicate the performance of an Index that is more concentrated and includes a smaller number of Constituent Issuers than an iShares Fund that seeks to replicate the performance of a broader Index that includes a larger number of Constituent Issuers.

Securities Lending Risk

The iShares Funds may engage in securities lending. The iShares Funds will benefit from a borrower default indemnity from BlackRock and will also receive collateral in excess of the value of the securities on loan in connection with all loans of securities and such collateral will be marked to market daily. An iShares Fund would be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities, the collateral is insufficient to replace the securities that are not returned and the iShares Fund is unable to realize on BlackRock's indemnity. In addition, such iShares Funds would bear the risk of loss of any investment of cash collateral.

Index Adjustments Risk

Adjustments to an Index may require corresponding adjustments to the portfolio assets held by an iShares Fund, directly or indirectly. Such adjustments could cause a minor deviation in the tracking of the Index Levels by the iShares Funds.

Adjustments to the portfolio held directly or indirectly by an iShares Fund related to adjustments to an Index will depend on the ability of BlackRock Canada or its affiliate, as applicable, to perform its respective obligations. To achieve this, the applicable iShares Fund or iShares ETF may be required to sell or purchase, as the case may be, Index Securities in the market. If a sale of Index Securities is required, there is no guarantee that an iShares Fund will be able to sell such securities. If an iShares Fund is able to sell such securities, there is no guarantee that such sale will take place at an attractive price.

Derivative Investments Risk

An iShares Fund may invest in derivatives from time to time. For example, the iShares Currency Hedged International Equity Funds, the iShares Currency Hedged International Fixed Income Funds, XFF and XFA will use derivatives to hedge the currency exposure resulting from any investments, direct or indirect, in foreign securities. In the case of forward contracts, there can be no assurance that a market will exist to permit an iShares Fund to realize its profits or limit its losses by closing out positions. In the case of exchange-traded futures contracts, there may be a risk of a lack of liquidity when an iShares Fund wants to close out positions. Each iShares Fund is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange-traded instruments, or other third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is the risk of loss by an iShares Fund of margin deposits in the event of bankruptcy of a dealer with whom the iShares Fund has an open position in a futures contract.

Derivative instruments traded in non-North American markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of each iShares Fund to close out its positions may also be affected by daily trading limits imposed by futures exchanges on certain derivatives. If an iShares Fund is unable to close out a position, it will be unable to realize its profits or limit its losses until such time as the contract becomes exercisable, expires or matures, as the case may be. The inability to close out futures and forward positions also could have an adverse impact on an iShares Fund's ability to use derivative instruments to effectively implement its investment strategy.

There is no assurance that an iShares Fund's use of derivatives will be effective. There may be an imperfect historical correlation between the behaviour of the derivative instrument and the underlying investment. Any historical correlation may not continue for the period during which the derivative instrument is used.

Securities Regulatory Risk

The investment decisions for the iShares Funds may, at times, be restricted as a result of aggregation limits. For example, with respect to certain industries and markets, corporate and/or regulatory requirements may limit the aggregate amount of investment in certain issuers by iShares Funds and other funds and client accounts managed by BlackRock Canada and its affiliates. Exceeding these limits without reporting or the grant of a license, exemption or other corporate or regulatory consent may result in fines or other adverse consequences to BlackRock Canada and/or the iShares Funds. As a consequence of these limits, the ability of an iShares Fund to achieve its investment objectives may be affected. BlackRock Canada, in order to avoid exceeding these limits may, among other actions, limit

purchases, sell existing investments and/or transfer, outsource or limit voting rights of securities held by the iShares Funds.

Risks Relating to Tax Changes

There can be no assurance that changes will not be made to the tax rules affecting the taxation of an iShares Fund or an iShares Fund's investments, or in the administration of such tax rules.

There can be no assurance that the CRA will agree with the tax treatment adopted by the iShares Funds in respect of any particular transaction.

Rules in the Tax Act that apply to "loss restriction events" (as defined in the Tax Act) of certain trusts (the "**LRE Rules**") may have an impact on an iShares Fund in certain circumstances. Generally, unless an iShares Fund qualifies for the exemption from the LRE Rules described below, the iShares Fund will have a "loss restriction event" if any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires Units of the iShares Fund having a fair market value that is greater than 50% of the fair market value of all the Units of the iShares Fund. Upon the occurrence of a "loss restriction event", the iShares Fund would have a deemed tax year end resulting generally in a short taxation year, any undistributed income and realized capital gains (net of any applicable losses) would be expected to be made payable as a distribution on the Units held by Unitholders before the deemed year-end and the iShares Fund would be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the "loss restriction event". Trusts that qualify as "investment funds" as defined in the LRE Rules are exempt from such adverse consequences. An "investment fund" for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a "mutual fund trust" for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements.

In addition, a Canadian iShares Fund, the securities of which are held by an iShares Fund, could potentially have a "loss restriction event", and could thereby become subject to the related tax consequences described above, unless the Canadian iShares Fund qualifies as an "investment fund".

Liquidity Risk

Under certain circumstances, such as a market disruption, an issuer default or a foreign jurisdiction holiday, an iShares Fund may not be able to dispose of its investments quickly or at prices that represent the fair market value of such investments. This may be the case for an iShares Fund that invests most of its assets in securities of a single iShares ETF and needs to dispose of securities of the iShares ETF under certain extraordinary circumstances. Certain securities or derivatives held by an iShares Fund may be illiquid, which may prevent the iShares Fund from being able to limit its losses or realize gains.

Borrowing Risk

From time to time, an iShares Fund may borrow cash as a temporary measure to fund the portion of any distributions payable to Unitholders that represents amounts that have not yet been received by the iShares Fund. An iShares Fund is limited to borrowing up to the amount of the unpaid distribution and, in any event, not more than 5% of the net assets of that iShares Fund. There is a risk that an iShares Fund will not be able to repay the borrowed amount because it is unable to collect the distribution from the applicable issuer. Under these circumstances, the iShares Fund would be required to repay the borrowed amount by disposing of portfolio assets.

Interest Rate Risk

Interest rate risk is the risk that fixed income securities and other instruments held directly or indirectly by any iShares Fund will decline in value because of an increase in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a Fund, directly or indirectly, is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The values of equity and other non-fixed income securities may also decline due to fluctuations in interest rates.

Cyber Security Risk

A cyber-attack or a failure to implement effective information and cyber security policies, procedures and capabilities could disrupt operations and cause financial losses to the iShares Funds.

BlackRock and its affiliates, including BlackRock Canada, are dependent on the effectiveness of the information and cyber security policies, procedures and capabilities it maintains to protect its computer and telecommunications systems and the data that reside on or are transmitted through them. An externally caused information security incident, such as a hacker attack, virus, phishing scam or the unauthorized access to and misappropriating of digital systems or data, or an internally caused issue, such as failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential client or competitive information.

There have been a number of recent highly publicized cases involving financial services and consumer-based companies reporting the unauthorized disclosure of client or customer information, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties, including actions by cyber criminals. BlackRock has been the target of attempted cyber-attacks, as well as the co-opting of its brand to create fraudulent websites, and must continuously monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption, as the failure to do so could disrupt BlackRock's operations and cause financial losses. In addition, due to BlackRock's interconnectivity with third-party vendors, central agents, exchanges, clearing houses and other financial institutions, BlackRock and its affiliates, including BlackRock Canada, may be adversely affected if any of them are subject to a successful cyber-attack or other information security event. Any information security incident or cyber-attack against BlackRock Canada or third parties with whom it is connected could result in material financial loss, loss of competitive position, regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability, which, in turn, may cause financial losses to BlackRock Canada and the iShares Funds.

Operational Risk

The iShares Funds are exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the iShares Funds' service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The iShares Funds and BlackRock Canada seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address those risks.

Additional Risks Relating to an Investment in Certain iShares Funds

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Canadian Equity Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Canadian Equity Funds																
	XCG	XCS	XCV	XDV	XEG	XEI	XEN	XFN	XIC	XIT	XIU	XMA	XMD	XRE	XST	XUT
Cease Trading of Securities Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Developed Countries Investments Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
General Risks of Equity Investments	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Income Trust Investments Risks	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Non-Capitalization Weighted Strategy Risks				√												
North American Economic Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Sector Risk	√		√	√	√		√	√		√		√		√	√	√
Small Capitalization Companies Risk	√	√	√	√	√	√	√	√	√	√		√	√	√	√	√

Additional Risks Relating to an Investment in the iShares Canadian Equity Funds																
	XCG	XCS	XCV	XDV	XEG	XEI	XEN	XFN	XIC	XIT	XIU	XMA	XMD	XRE	XST	XUT
Voting of Index Securities Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Canadian Fixed Income Funds, XPF and the iShares Currency Hedged International Fixed Income Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Canadian Fixed Income Funds, XPF and the iShares Currency Hedged International Fixed Income Funds																
	XBB	XCB	XFR	XGB	XHB	XLB	XRBB	XSB	XSH	XSO	XPF	XEB	XHY	XIG		
Call Risk	√	√	√		√	√		√	√	√	√	√	√	√		
Cease Trading of Securities Risk	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√
Credit Risk	√	√	√		√	√	√	√	√	√		√	√	√		√
Currency Hedging Strategies Risk											√	√	√	√		√
Currency Risk											√	√	√	√		√
Developed Countries Investments Risk	√	√	√	√	√	√	√	√	√	√	√		√	√		√
Emerging Markets Risk												√				
Foreign Debt Issuer Risk									√							
General Risks of Debt Instruments	√	√		√	√	√	√	√	√	√		√	√	√		√
General Risks of Equity Investments											√					
General Risks of Floating-Rate Debt Instruments			√													
General Risks of Foreign Equity Investments											√					
General Risks of Preferred Share Investments											√					
General Risks of U.S. Debt Investments												√	√	√		√
Geographic Risk												√				
High Yield Securities Risk					√							√	√			
North American Economic Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√		√
Real Return Bonds Investments Risk							√									
Risks Inherent to Significant Investors									√							
Small Capitalization Companies Risk	√	√	√		√	√		√	√	√	√	√	√	√		√
Underlying Securities NAV Risk									√	√	√	√		√		√

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares International Equity Funds, the iShares International Mining Sector Funds and the iShares Currency Hedged International Equity Funds (other than XPF), as indicated in the table below:

Additional Risks Relating to an investment in the iShares International Equity Funds, the iShares International Mining Sector Funds and the iShares Currency Hedged International Equity Funds (other than XPF)																											
	XBZ	XCH	XEC	XEF	XEM	XID	XUS	XWD	XBM	XGD	XCD	XGI	XHC	XIN	XMC	XMH	XQQ	XSP	XSU	XHD	XAW	XEH	XEU	XFH	XHU	XUH	XUU
Brazil Investments Risks	✓											✓									✓						

Additional Risks Relating to an investment in the iShares International Equity Funds, the iShares International Mining Sector Funds and the iShares Currency Hedged International Equity Funds (other than XPF)																											
	XBZ	XCH	XEC	XEF	XEM	XID	XUS	XWD	XBM	XGD	XCD	XGI	XHC	XIN	XMC	XMH	XQQ	XSP	XSU	XHD	XAW	XEH	XEU	XFH	XHU	XUH	XUU
Cease Trading of Securities Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
China Investments Risks		√							√												√						
Currency Hedging Strategies Risk											√	√	√	√		√	√	√	√	√		√		√		√	
Currency Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Developed Countries Investments Risk				√			√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Emerging Markets Risk	√	√	√		√	√					√	√									√						
European Economic Risk				√				√	√	√				√							√	√	√	√			
General Risks of Equity Investments								√	√	√	√	√	√		√	√				√	√	√	√	√	√	√	√
General Risks of Foreign Equity Investments	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Geographic Risk	√	√	√	√	√	√		√	√	√	√	√	√	√							√	√	√	√			
Income Trust Investments Risks								√	√	√	√	√	√														
India Investments and iShares India 50 ETF Risks						√			√																		
Latin America Investments Risks									√	√	√	√									√						
Micro Capitalization Companies Risk																									√	√	
Mid-Capitalization Companies Risk	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√					√	√	√	√		√	√
Non-Capitalization Weighted Strategy Risks																				√				√			
North American Economic Risk							√	√	√	√	√	√	√		√	√	√	√	√	√	√				√	√	√
Risks Inherent to Significant Investors											√	√	√		√	√											
Sector Risk									√	√	√	√	√				√					√	√				
Small Capitalization Companies Risk		√	√	√					√	√	√	√	√						√		√	√	√	√		√	√
U.K. Investments Risk				√				√	√	√	√	√	√	√							√	√	√	√			
U.S. Investments Risk							√	√	√	√	√	√	√		√	√	√	√	√	√	√			√	√	√	√
Underlying Securities NAV Risk	√	√	√	√	√	√	√	√			√	√	√	√	√	√		√	√		√	√	√	√	√	√	√
Volatility Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Voting of Index Securities Risk	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Minimum Volatility Funds and the iShares Currency Hedged Minimum Volatility Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Minimum Volatility Funds and the iShares Currency Hedged Minimum Volatility Funds									
	XMI	XMM	XML	XMS	XMU	XMV	XMW	XY	
Cease Trading of Securities Risk	√	√	√	√	√	√	√	√	
Currency Hedging Strategies Risk			√	√				√	
Currency Risk	√	√	√	√	√		√	√	
Developed Countries Investments Risk	√		√	√	√	√	√	√	
Emerging Markets Risk		√					√	√	
General Risks of Equity Investments	√	√	√	√	√	√	√	√	
Geographic Risk	√	√	√				√	√	
Income Trust Investments Risks						√			
Minimum Volatility Indices Risk	√	√	√	√	√	√	√	√	
Non-Capitalization Weighted Strategy Risks	√	√	√	√	√	√	√	√	
North American Economic Risk				√	√	√	√	√	
Small Capitalization Companies Risk	√	√	√	√	√		√	√	
Underlying Securities NAV Risk	√	√	√	√	√		√	√	
Volatility Risk	√	√	√	√	√	√	√	√	
Voting of Index Securities Risk	√	√	√	√	√	√	√	√	

In addition to the general risk factors applicable to all iShares Funds, there are certain risk factors inherent to an investment in the iShares Multifactor Funds, as indicated in the table below:

Additional Risks Relating to an Investment in the iShares Multifactor Funds					
	XFC	XFI	XFF	XFS	XFA
Cease Trading of Securities Risk	√	√	√	√	√
Currency Hedging Strategies Risk			√		√
Currency Risk		√	√	√	√
Developed Countries Investments Risk	√	√	√	√	√
European Economic Risk		√	√		
General Risks of Equity Investments	√	√	√	√	√
General Risks of Foreign Equity Investments		√	√	√	√
Geographic Risk		√	√		
Income Trust Investment Risk	√				
Mid-Capitalization Companies Risk	√	√	√	√	√
North American Economic Risk	√	√	√	√	√
Risks Inherent to Significant Investors	√	√	√	√	√
Risks Related to Factor-Based Indices	√	√	√	√	√
Security Risk		√	√		
Small Capitalization Companies Risk	√				
U.K. Investments Risk		√	√		
U.S. Investments Risk				√	√
Underlying Securities Net Asset Value Risk	√	√	√	√	√
Volatility Risk	√	√	√	√	√
Voting of Index Securities Risk	√	√	√	√	√

Brazil Investments Risks

XBZ intends to invest, directly or indirectly, a large percentage of its net assets in securities issued by issuers who are concentrated in Brazil. XBZ may be adversely affected by the performance of those securities, may be subject to increased price volatility, and may be more susceptible to the risks associated with these particular issuers, or to a single economic, political, or regulatory occurrence affecting these issuers or Brazil and its economy. Some particular risks associated with Brazil include:

- (a) **Commodity Exposure Risk** – The agricultural and mining sectors of Brazil’s economy account for a large portion of its exports. Any changes in these sectors or fluctuations in the commodity markets could have an adverse impact on the Brazilian economy.
- (b) **Privatization Risk** – The Brazilian government has begun a program of privatization, notably in the telecommunications and energy sectors. Historically, investors in some recently privatized entities have suffered losses due to the inability of the recently privatized company to adjust quickly to a competitive environment or changing regulatory and legal standards. There is no assurance that such losses will not recur.
- (c) **Reliance on Trading Partners Risk** – Brazil is highly dependent on trade with other countries. The Brazilian economy is affected by the economies of other Central and South American countries, some of which have experienced high interest rates, economic volatility, inflation, currency

devaluations, and high unemployment rates. Any adverse economic event in one country may have a significant effect on other countries of this region. In addition, commodities (such as oil, gas and minerals) represent a significant percentage of the region's exports and many economies in this region, including Brazil's, are particularly sensitive to fluctuations in commodity prices.

- (d) **Economic and Currency Risk** – Brazil is heavily dependent upon commodity prices and international trade and suffers from high inflation rates. Brazil, like some emerging market countries, is likely to experience currency devaluations and economic recessions causing a negative effect on its economy and securities market.
- (e) **Large Government Debt Risk** – Brazil continues to suffer from chronic structural public sector deficits. Brazil's outstanding government debt has in recent times been as high as 51% of gross domestic product. Total foreign debt is still large in relation to Brazil's export base.
- (f) **Political and Social Risk** – Disparities of wealth, the pace and success of democratization and capital market development, and ethnic, religious, and racial disaffection have led to social unrest, violence, and labour unrest. Unanticipated political or social developments may result in sudden and significant investment losses.

Call Risk

Certain iShares Funds may invest, directly or indirectly, in callable securities. During periods of falling interest rates, an issuer of a callable security may "call" or repay a security before its stated maturity, which may result in an iShares Fund having to reinvest the proceeds at lower interest rates, resulting in a decline in their respective income.

Cease Trading of Securities Risk

If the Index Securities or securities of the iShares ETFs or other securities held directly or indirectly by the iShares Funds are cease-traded by order of a securities regulatory authority or are halted from trading by the relevant exchanges, the iShares Fund may halt trading in its Units. Thus, Units of the applicable iShares Fund bear the risk of cease trading orders against a Constituent Issuer, an iShares ETF, or other issuer, the securities of which are held directly or indirectly by the iShares Fund. If Units of the iShares Fund are cease-traded by order of a securities regulatory authority, if normal trading is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for Units, the applicable iShares Fund may suspend the right to redeem Units for cash, subject to prior regulatory approval. If the right to redeem Units for cash is suspended, the applicable iShares Fund will return redemption requests to Unitholders who have submitted them. If Index Securities or securities of the respective iShares ETFs or other issuers in which the iShares funds invest are cease-traded, they may not be delivered on an exchange of a Prescribed Number of Units for a Basket until such time as the cease-trade order is lifted.

China Investments Risks

XCH intends to invest, directly or indirectly, a large percentage of its net assets in securities issued by a small number of issuers who are concentrated in China. XCH may be adversely affected by the performance of those securities, may be subject to increased price volatility, and may be more susceptible to the risks associated with these particular issuers, or to a single economic, political, or regulatory occurrence affecting these issuers or China and its economy. Some particular risks associated with China include:

- (a) **Asian Economic Risk** – Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports, and economic recessions. Economic events in any one country can have a significant economic effect on the entire Asian region and any adverse events in the Asian markets may have a significant adverse effect on Chinese companies.
- (b) **Privatization Risk** – China has begun a process of privatization of certain entities and industries. Historically, investors in some recently privatized entities have suffered losses due to the inability of the recently privatized company to adjust quickly to a competitive environment or changing

regulatory and legal standards or, in some cases, due to re-nationalization of such privatized entities. There is no assurance that such losses will not recur.

- (c) Reliance on Trading Partners Risk – Export growth continues to be a major driver of China’s rapid economic growth. To increase exports, China has pursued policies such as liberalizing trading rights and encouraging foreign companies to conduct manufacturing and assembly operations in China. Reduction in spending on Chinese products and services, institution of tariffs or other trade barriers, or a downturn in any of the economies of China’s key trading partners may have an adverse impact on the companies in which XCH invests.
- (d) Security Risk – China has strained international relations with Taiwan, India, Russia, Japan, and other neighbours due to territorial disputes, historical animosities, and other defense concerns. Relations between China and Tibet are also strained and have been marked by protests and violence. These situations may cause uncertainty in the Chinese market and may adversely affect the performance of the Chinese economy. China could be affected by military events on the Korean peninsula or internal instability within North Korea. These situations may cause uncertainty in the Chinese market and may adversely affect performance of the Chinese economy.
- (e) Political and Social Risk – The Chinese government is authoritarian and has periodically used force to suppress civil dissent. Disparities of wealth and the pace of economic liberalization may lead to social turmoil, violence, and labour unrest. In addition, China continues to experience disagreements related to integration with Hong Kong and religious and nationalist disputes with Tibet. Unanticipated political or social developments may result in sudden and significant investment losses.
- (f) Heavy Government Control and Regulations – The Chinese government has implemented significant economic reforms in order to liberalize trade policy, promote foreign investment in the economy, reduce government control of the economy and develop market mechanisms. There can be no assurance that these reforms will continue or that they will be effective. Despite recent reform and privatizations, heavy regulation of investment and industry is still pervasive and the Chinese government may restrict foreign ownership of Chinese corporations and repatriation of assets. The Chinese government continues to maintain a major role in economic policy making and investing in China involves risk of loss due to expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and on repatriation of capital invested. In addition, there is less regulation and monitoring of Chinese securities markets and the activities of investors, brokers and other participants than in the United States. Accordingly, issuers of securities in China are not subject to the same degree of regulation as are U.S. or Canadian issuers with respect to such matters as insider trading rules, tender offer regulation, stockholder proxy requirements and the requirements mandating timely and accurate disclosure of information. Stock markets in China are in the process of change and further development. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulation.
- (g) Economic Risk – The Chinese economy has grown rapidly during the past several years and there is no assurance that this growth rate will be maintained. China may experience substantial rates of inflation or economic recessions, causing a negative effect on the economy and securities market. Delays in enterprise restructuring, slow development of well-functioning financial markets and widespread corruption have also hindered performance of the Chinese economy and China continues to receive substantial pressure from trading partners to liberalize official currency exchange rates.
- (h) Expropriation Risk – The Chinese government maintains a major role in economic policy making, and investing in China involves risk of loss due to expropriation, nationalization, confiscation of assets and property, or the imposition of restrictions on foreign investments and on repatriation of capital invested.

Credit Risk

Certain iShares Funds may, directly or indirectly, be subject to credit risk. Credit risk is the risk that the government or company issuing a fixed income security will be unable to make interest payments or pay back the original investment. Securities that have a low credit quality have high credit risk. Lower-quality debt securities issued by companies or governments in emerging markets often have higher credit risk. Securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. Investments in companies or markets with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Currency Hedging Strategies Risk

While the iShares Currency Hedged International Equity Funds, iShares Currency Hedged Minimum Volatility Funds, the iShares Currency Hedged International Fixed Income Funds, XFF and XFA will hedge their exposure to foreign currency by entering into currency forward transactions with financial institutions that have a “designated rating” as defined in NI 81-102, there is no assurance that these currency forward transactions will be effective. BlackRock Canada expects these currency forward transactions to be substantially effective; however, some deviations from the returns of the applicable Index are expected to occur, in addition to those outlined in “General Risks Relating to an Investment in the iShares Funds – Risks Relating to Index Replication Strategies”.

In addition, in the case of XHY and XIG, the applicable Index may be denominated in U.S. Dollars and as such, its performance will not take into account any costs, risks or other performance impacts of currency hedging strategies. XHY and XIG may also not fully replicate the performance of their applicable Index for these reasons.

The effectiveness of the iShares Funds’ currency hedging strategy will in general be affected by the volatility of both the applicable Index, and the volatility of the Canadian dollar relative to the currencies to be hedged. Increased volatility will generally reduce the effectiveness of an iShares Fund’s currency hedging strategy.

The effectiveness of the iShares Funds’ currency hedging strategy will in general be affected by interest rates. Significant differences between Canadian dollar interest rates and foreign currency interest rates may affect the effectiveness of the currency hedging strategy employed by certain iShares Funds.

Currency Risk

Changes in foreign currency rates may affect the Net Asset Value of certain iShares Funds since certain iShares Funds will have direct and indirect investments denominated in currencies other than the Canadian dollar. The value of the currency of the countries in which certain iShares Funds have invested (directly or indirectly) could decline relative to the value of the Canadian dollar.

While certain iShares Funds will hedge their exposure to foreign currency by entering into currency forward transactions with financial institutions that have a “designated rating” as defined in NI 81-102, there is no assurance that these currency forward transactions will be effective. Additional risks relating to currency hedging are described under “Additional Risks Relating to an Investment in Certain iShares Funds - Currency Hedging Strategies Risk”. In addition, these currency forward transactions involve derivative investments and, therefore, expose these iShares Funds to the derivative risk described above under “General Risks Relating to an Investment in the iShares Funds – Derivative Investments”.

Developed Countries Investments Risk

Investment in a developed country may subject certain iShares Funds to regulatory, political, currency, security, economic and other risks associated with developed countries. Developed countries generally tend to rely on services sectors (e.g., the financial services sector) as the primary means of economic growth. A prolonged slowdown in services sectors is likely to have a negative impact on economies of certain developed countries, although individual developed country economies can be impacted by slowdowns in other sectors. In the past, certain developed countries have been targets of terrorism. Acts of terrorism in developed countries or against their interests may cause uncertainty in the financial markets and adversely affect the performance of the issuers to which certain iShares Funds have exposure. Heavy regulation of certain markets, including labour and product markets, may have an adverse effect on

certain issuers. Such regulations may negatively affect economic growth or cause prolonged periods of recession. Many developed countries are heavily indebted and face rising healthcare and retirement expenses. In addition, price fluctuations of certain commodities and regulations impacting the import of commodities may negatively affect developed country economies.

Emerging Markets Risk

Investments in emerging markets are subject to a greater risk of loss than investments in developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of a market shutdown and more governmental limitations on foreign investments than typically found in developed markets. Risks of investments in emerging markets include:

- (a) Custody Risk — Custody risk refers to the risks in the process of clearing and settling trades and to the holding of securities by local banks, agents and depositories. Low trading volumes and volatile prices in less-developed markets make trades harder to complete and settle, and governments or trade groups may compel local agents to hold securities in designated depositories that are not subject to independent evaluation. Local agents are held only to the standards of care in their local markets. The less developed a country's securities market is, the greater the likelihood of custody problems.
- (b) Reliance on Trading Partners Risk — Economies in emerging market countries generally are heavily dependent upon commodity prices and international trade and, accordingly, may be affected adversely by the economies of their trading partners, trade barriers, exchange controls, managed adjustments in relative currency values, and may suffer from extreme and volatile debt burdens or inflation rates. Trading partners' economies may be affected by such factors as over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, economic recessions, fluctuating exports or imports, changes in governmental regulations on trade and changes in exchange rates.
- (c) Security Risk — Some geographic areas in which certain iShares Funds invest, directly or indirectly, have experienced acts of terrorism or strained international relations due to territorial disputes, historical animosities or other defense concerns. These situations may cause uncertainty in the markets of these geographic areas and may adversely affect the performance of their economies.
- (d) Structural Risks — Certain emerging market countries are subject to a considerable degree of economic, political and social instability.
 - Economic Risk — Some emerging market countries have experienced currency devaluations and substantial (and, in some cases, extremely high) rates of inflation, while others have experienced economic recessions causing a negative effect on the economies and securities markets of such emerging countries.
 - Political and Social Risk — Some governments in emerging market countries are authoritarian in nature or have been installed or removed as a result of military coups, and some governments have periodically used force to suppress civil dissent. Disparities of wealth, the pace and success of democratization, and ethnic, religious and racial disaffection, have also led to social unrest, violence and/or labour unrest in some emerging market countries. Unanticipated political or social developments may result in sudden and significant investment losses, including on investments in sovereign debt issued by emerging market governments.
 - Expropriation Risk — Investing in emerging market countries involves a great risk of loss due to expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and repatriation of capital invested by certain emerging market countries.

European Economic Risk

Investing in European countries may expose the iShares Funds to the economic and political risks associated with Europe in general and the specific European countries in which they may invest. The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. The iShares Funds may make investments in securities of issuers that are domiciled in, or have significant operations in, member countries of the European Union. The European Union requires compliance by member countries with restrictions on inflation rates, deficits, interest rates and debt levels, as well as fiscal and monetary controls, each of which may significantly affect every country in Europe, including those countries that are not members of the European Union. Changes in imports or exports, changes in governmental or European Union regulations on trade, changes in the exchange rate of the euro (the common currency of certain European Union countries), the default or threat of default by a European Union member country on its sovereign debt, and/or an economic recession in a European Union member country may have a significant adverse effect on the economies of European Union member countries and their trading partners. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries, including Greece, Ireland, Italy, Portugal and Spain. These events have adversely affected the exchange rate of the euro and may continue to significantly affect other European countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching, including the United Kingdom, which is a significant market in the global economy. In a referendum held on June 23, 2016, the United Kingdom resolved to leave the European Union. The referendum may introduce significant new uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the European Union. Recently, the United Kingdom's real estate sector has experienced significant volatility and declines in the value of many real estate securities, including real estate funds, real estate investment trusts and real estate holding companies. Increased volatility and investor redemption requests in real estate funds may result in the continued decline in the value and liquidity of real estate securities, which may impair the ability of an iShares Fund to buy, sell, receive or deliver those securities. The occurrence of terrorist incidents throughout Europe also could impact financial markets. The impact of these events is not clear but could be significant and far-reaching and adversely affect the value of an iShares Fund. An iShares Fund's investments could be negatively impacted by any economic or political instability in any European country.

Foreign Debt Issuer Risk

XSH may invest, directly or indirectly, in fixed income securities issued in the Canadian market by foreign (non-Canadian) issuers. Information about foreign issuers may not be complete, may not reflect the extensive accounting or auditing standards or may not have been subject to the same level of government supervision or regulation as would have been the case in Canada. The creditworthiness of foreign issuers and the ability of foreign issuers to make interest payments and repay principal amounts may be affected by events, political factors, economic factors, and other factors that would not directly affect Canadian issuers. Securities issued in the Canadian market by foreign issuers may also be less liquid and more volatile than securities issued by Canadian issuers.

General Risks of Debt Instruments

Investment in certain iShares Funds should be made with an understanding that the value of the underlying bonds will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of these iShares Funds will fluctuate with interest rate changes and the corresponding changes in the value of the securities held, directly or indirectly, by these iShares Funds.

Distributions on the Units will generally depend upon the ongoing payment of coupon interest and there can be no assurance that bond issues will continue to pay coupon interest. iShares Funds that invest in bonds, directly or indirectly, may be affected by a general decline in the bond market.

The value of the corporate bonds held by certain iShares Funds, directly or indirectly, will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

General Risks of Equity Investments

Holders of equity securities of any given issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

In the case of certain iShares Funds distributions on the Units will generally depend upon the declaration of dividends or distributions on Index Securities. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the Constituent Issuers and general economic conditions. Therefore, there can be no assurance that the Constituent Issuers will pay dividends or distributions on Index Securities.

General Risks of Floating-Rate Debt Instruments

Investment in XFR should be made with an understanding that the value of the underlying bonds and the income paid by such bonds will be affected by changes in the general level of interest rates.

Floating-rate bonds are affected differently than traditional fixed-income securities when interest rates change. Generally, fixed income securities will decrease in value when interest rates rise and increase in value when interest rates decline. In the case of floating-rate bonds, generally, in periods when there are increases in interest rates, the coupon payments of a floating-rate bond, which are linked to these rates, increase. Conversely, in periods when short-term interest rates decrease, the coupon payments of a floating-rate bond will decrease. The value of floating-rate bonds is generally less sensitive to changes in interest rates than the value of comparable fixed-rate bonds. However, the income earned by XFR from investments in floating-rate bonds will fluctuate based on interest rates.

Certain derivatives, such as interest rate swaps, may be used by XFR to convert a fixed-rate income stream (and the associated risks) to a floating-rate income stream (and the associated risks).

The market value of floating-rate bonds held by XFR is also affected by their perceived creditworthiness in the market, and will decline if investors demand higher compensation (in the form of a higher yield) for bearing credit risk.

Distributions on the Units of XFR will generally depend upon the ongoing payment of coupon interest and there can be no assurance that bond issuers will continue to pay coupon interest. XFR may be affected by a general decline in the bond market.

The value of the bonds held by XFR will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

General Risks of Foreign Equity Investments

Holders of equity securities of any given issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

Certain iShares Funds may invest, directly or indirectly, in foreign equity securities. Investments in foreign equity securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when an iShares Fund or an iShares ETF in which an iShares Fund invests do not price their securities

and, therefore, the value of the securities in the portfolios of such iShares Fund or the iShares ETF may change on days when investors will not be able to purchase or sell Units. Information about foreign corporations may not be complete, may not reflect the extensive accounting or auditing standards or may not have been subject to the same level of government supervision or regulation as would have been the case in Canada. Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation.

In the case of an iShares ETF holding equity securities, distributions on the securities of the iShares ETF will generally depend upon the declaration of dividends or distributions on Index Securities. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the Constituent Issuers and general economic conditions. Therefore, there can be no assurance that the Constituent Issuers will pay dividends or distributions on Index Securities. Distributions on the securities of an iShares ETF will also generally be affected by the imposition of withholding taxes on portfolio dividends received from Constituent Issuers. The income available to be distributed by an iShares Fund or an iShares ETF will generally be reduced by the existence of such withholding taxes. Distributions paid on the securities of a foreign iShares ETF will also generally be subject to foreign withholding taxes. As a result, in certain circumstances, the iShares Funds may earn less income from investments in iShares ETFs than could have been otherwise earned from direct investments in Index Securities (see “Taxation of the iShares Funds” for additional information on the impact of withholding taxes on certain iShares Funds).

General Risks of Preferred Share Investments

Unlike interest payments on debt securities, dividend payments on preferred shares typically must be declared by the issuer’s board of directors. An issuer’s board of directors is generally not under any obligation to pay dividends (even if such dividends have accrued), and may suspend payment of dividends on preferred shares at any time. In the event an issuer of preferred shares experiences economic difficulties, the issuer’s preferred shares may lose substantial value due to the reduced likelihood that the issuer’s board of directors will declare a dividend and the fact that the preferred shares may be subordinated to other securities of the same issuer. Certain additional risks associated with preferred shares could adversely affect investments in XPF:

- *Default Risk.* There is a chance that the issuer of any of preferred shares held, directly or indirectly, by XPF will have its ability to pay dividends deteriorate or will default (fail to make scheduled dividend payments on the preferred shares or scheduled interest payments on other obligations of the issuer not held by XPF), which would negatively affect the value of any such holding.
- *Interest Rate Risk.* Because many preferred shares pay dividends at a fixed rate, their market price can be sensitive to changes in interest rates in a manner similar to bonds – that is, as interest rates rise, the value of the preferred shares held by XPF are likely to decline. To the extent that XPF invests a substantial portion of its assets in fixed rate preferred shares, rising interest rates may cause the value of XPF’s investments to decline significantly.
- *Issuer Risk.* Because many preferred shares allow holders to convert preferred shares into common shares of the issuer, their market price can be sensitive to changes in the value of the issuer’s common shares. To the extent that XPF invests a substantial portion of its assets in convertible preferred shares, directly or indirectly, declining common share values may also cause the value of XPF’s investments to decline.

General Risks of U.S. Debt Investments

Certain iShares Funds may invest, directly or indirectly, in U.S. debt securities. Investments in U.S. debt securities may involve unique risks not typically associated with investing in Canada. U.S. markets may be open on days when the applicable iShares Fund does not price its securities and, therefore, the value of the securities held, directly or indirectly, in the portfolios of the applicable iShares Fund may change on days when Unitholders will not be able to purchase or sell Units.

Geographic Risk

Some markets in which certain iShares Funds invest, directly or indirectly, are located in parts of the world that have historically been prone to natural disasters such as earthquakes, volcanoes, drought or tsunamis and may be more economically sensitive to environmental events than developed markets. Any such event could result in a significant adverse impact on the economies of these countries and investments made in these countries.

High Yield Securities Risk

Certain iShares Funds may invest, directly or indirectly, in high yield securities that are, at the time of purchase, rated below investment grade (or, as applicable, are determined by BlackRock Canada or an affiliate to be of similar quality). High yield securities risk is the risk that securities that are rated below investment grade (commonly referred to as “junk bonds,” which include those bonds rated lower than “BBB-” by Standard and Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., and by Fitch Rating Service Inc., or “Baa3” by Moody’s Investor’s Services, Inc.), or, as applicable, are determined by BlackRock Canada or an affiliate to be of similar quality to securities so rated, at the time of purchase, may be more volatile than higher-quality securities of similar maturity.

High yield securities may also be subject to greater levels of credit or default risk than higher-quality securities. Where applicable, the markets on which high yield securities are traded may be less liquid than the markets for higher-quality securities. The value of high yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price, or to value than higher-quality securities.

In particular, high yield securities are often issued by smaller, less creditworthy companies, or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms, to make scheduled payments of interest and principal. High yield securities may also be issued by sovereign governments of countries with less-well developed economies, political systems, and/or financial markets. An iShares Fund may, in certain circumstances, as a result of a restructuring or corporate action of an issuer of high yield securities in which an iShares Fund is invested, hold resulting securities of a different type and quality for a period of time which may not be of the type and quality in which such iShares Fund would normally invest.

Income Trust Investments Risks

Income trust securities may be included in the applicable Index of certain iShares Funds. The value of income trusts and the stability of distributions from income trusts may fluctuate in accordance with changes in the financial conditions of those income trusts, the condition of equity markets generally, economic conditions, interest rates and other factors.

Generally, the declaration of trust or trust agreement under which an income trust is governed provides that no Unitholder of such income trust shall be subject to any liability whatsoever to any person in connection with a holding of units. In addition, legislation in force in the Provinces of Ontario, Alberta, British Columbia, Manitoba, Saskatchewan and Quebec provides that the holders of units of an income trust that is (i) governed under the laws of such province and (ii) a reporting issuer under the securities laws of such province are not, as beneficiaries, liable for any act, default, obligation or liability of the income trust. However, there remains a risk that an iShares Fund that holds units in an income trust that is governed under the laws of a jurisdiction other than the Provinces of Ontario, Alberta, British Columbia, Manitoba, Saskatchewan or Quebec could be held liable for the obligations of such income trust to the extent that claims are not satisfied out of the assets of the income trust. Generally, income trusts publicly disclose that the risk of such liability is remote and undertake to manage their affairs to seek to minimize such risk wherever possible.

India Investments and iShares India 50 ETF Risks

XID intends to invest, directly or indirectly, a large percentage of its net assets in securities issued by a limited number of issuers who are concentrated in India. XID may be adversely affected by the performance of those securities, may be subject to increased price volatility, and may be more susceptible to the risks associated with these

particular issuers, or to a single economic, political, or regulatory occurrence affecting these issuers or India and its economy. Some particular risks associated with India include:

- (a) Asian Economic Risk – Certain Asian economies have experienced over—extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one country can have a significant economic effect on the entire Asian region and any adverse events in the Asian markets may have a significant adverse effect on Indian companies.
- (b) Privatization Risk – India has begun a process of privatization of certain entities and industries. Historically, investors in some recently privatized entities have suffered losses due to the inability of the recently privatized company to adjust quickly to a competitive environment or changing regulatory and legal standards or, in some cases, due to re-nationalization of such privatized entities. There is no assurance that such losses will not recur.
- (c) Reliance on Trading Partners Risk – The Indian economy is dependent on commodity prices and the economies of Asia (mainly Japan and China) and the United States as key trading partners. Reduction in spending on Indian products and services by any of these trading partners or a slowdown or recession in any of these economies could adversely affect the Indian economy.
- (d) Security Risk – India has experienced acts of terrorism and has strained international relations with Pakistan, Bangladesh, China, Sri Lanka, and other neighbours due to territorial disputes, historical animosities, terrorism and other defence concerns. These situations may cause uncertainty in the Indian market and may adversely affect performance of the Indian economy.
- (e) Political and Social Risk – Disparities of wealth, the pace of economic liberalization and ethnic, religious, and racial disaffection may lead to social turmoil, violence and labour unrest in India. In addition, India continues to experience religious and border disputes as well as separatist movement in certain Indian states. Unanticipated political or social developments may result in sudden and significant investment losses.
- (f) Heavy Government Control and Regulations – The Indian government has implemented significant economic reforms in order to liberalize trade policy, promote foreign investment in the Indian economy, control the rate of inflation, reduce government control of the economy and develop market mechanisms. There can be no assurance these reforms will continue or that they will be effective. Despite recent reform and privatizations, heavy regulation of investment and industry is still pervasive and the Indian government may restrict foreign ownership of Indian corporations and repatriation of assets. Foreign ownership limits may restrict XID's ability to hold, directly or indirectly, securities of certain Indian issuers from time to time and may result in a premium on securities permitted to be held by foreign entities.
- (g) Expropriation Risk – Investing in India involves a great risk of loss due to expropriation, nationalization, confiscation of assets and property or the abrupt imposition of restrictions on foreign investments and the repatriation of capital already invested.
- (h) Large Government Debt Risk – The government of India has experienced chronic structural public sector deficits. High amounts of debt and public spending may stifle Indian economic growth, cause prolonged periods of recession, or lower India's sovereign debt rating.
- (i) Economic Risk – The Indian economy has grown rapidly during the past several years and there is no assurance that this growth rate will be maintained. India may experience substantial (and, in some cases, extremely high) rates of inflation or economic recessions causing a negative effect on the Indian economy and securities market. India may also impose restrictions on the exchange or export of currency, institute adverse currency exchange rates or experience a lack of available currency hedging instruments. Any of these events could have a significant adverse effect on the Indian economy.

XID invests in the iShares India 50 ETF (the “**U.S. Nifty 50 Fund**”), which employs an investment strategy that involves investing substantially all of its assets in a wholly-owned subsidiary (the “**Subsidiary**”) in the Republic of Mauritius. The Subsidiary in turn invests in securities of Constituent Issuers in India. By using this structure, the U.S. Nifty 50 Fund expects to obtain certain benefits under the current Double Tax Avoidance Agreement between India and Mauritius (the “**DTAA**”).

In order to be eligible to claim benefits under the DTAA, the Subsidiary must satisfy certain conditions, including the establishment and maintenance of valid tax residence in Mauritius. The Indian tax authority concluded in guidance issued on April 13, 2000 that a valid tax residency certificate (a “**TRC**”) issued by the Mauritian authorities demonstrated Mauritian residency for purposes of establishing eligibility to qualify for benefits under the DTAA. The Subsidiary has obtained a TRC from the Mauritian authorities providing that it is a resident of Mauritius under the DTAA. In 2003, in response to a lower court challenge, the Supreme Court of India upheld the applicability of the DTAA to entities, such as the Subsidiary, that establish Mauritian residency for the purposes of qualifying for benefits under the DTAA by obtaining a valid TRC. However, since then the Finance Act, 2012 (the “**Finance Act**”) was enacted stating that a TRC may not be sufficient for claiming treaty benefits. Furthermore, recently issued rulings suggest that the Indian tax authority’s analysis may have changed, and that it may now focus on a number of factors when assessing whether a foreign entity is eligible for treaty benefits. In addition, both the Indian tax authority and Indian courts now seem to be taking aggressive efforts to challenge structures involving offshore funds investing directly or indirectly in India, in particular those investing from Mauritius. On May 10, 2016, India and Mauritius signed a protocol to amend the DTAA (the “**Protocol**”). The Protocol provides that capital gains will be taxable in India with respect to shares acquired on or after April 1, 2017. Further, the tax on capital gains arising for shares both acquired and sold during the period April 1, 2017 and March 31, 2019 will be limited to 50% of the applicable tax rate if certain conditions regarding eligibility to claim DTAA benefits are met. Capital gains arising after March 31, 2019 will be subject to tax in India at the full statutory rate.

The Finance Act also includes provisions that impose Indian tax and withholding obligations with respect to the transfer of interests in overseas entities that derive their value substantially from assets situated in India. XID invests in the securities of Constituent Issuers in India indirectly through the U.S. Nifty 50 Fund and Subsidiary and therefore on its face this legislation subjects redemptions and other dispositions of the Units of XID, of the shares of the U.S. Nifty 50 Fund and of the Subsidiary, to Indian tax and withholding obligations, both prospectively as well as retroactively. Although it is unclear, BlackRock Canada believes that this legislation was not intended to apply to transfers of interests in entities like XID, U.S. Nifty 50 Fund or the Subsidiary.

In addition, the Finance Act introduced the general tax anti-avoidance rule (“**GAAR**”), which disallows “impermissible avoidance arrangements” and is expected to come into force on April 1, 2017. GAAR may prevent the U.S. Nifty 50 Fund from realizing the planned tax benefits of the Subsidiary irrespective of existing beneficial treaty provisions, may lead to the imposition of tax liabilities and withholding obligations, and may lead it to modify or disassemble its subsidiary structure.

BlackRock Canada will continue to monitor developments in India with respect to these matters. Unitholders are urged to consult their own tax advisors with respect to their own tax situations and the tax consequences of an investment in XID.

Latin America Investments Risks

XBM, XGD, XCD, XGI and XAW intend to invest, directly or indirectly, a large percentage of their net assets in securities issued by issuers who are concentrated in Latin America. XBM, XGD, XCD, XGI and XAW may be adversely affected by the performance of those securities, may be subject to increased price volatility, and may be more susceptible to the risks associated with these particular issuers or to a single economic, political, or regulatory occurrence affecting these issuers or the economies of Latin America. Some particular risks associated with the region include:

- (a) Central and South American Economic Risk – The economies of certain Central and South American countries have experienced high interest rates, economic volatility, inflation, currency devaluations, and high unemployment rates. In addition, commodities (such as oil, gas, and minerals) represent a significant percentage of the region’s exports and many economies in this

region are particularly sensitive to fluctuations in commodity prices. Adverse economic events in one country may have a significant adverse effect on other countries of this region.

- (b) Security Risk – Some geographic areas in which XBM, XGD, XCD, XGI and XAW invest have experienced acts of terrorism or strained international relations due to territorial disputes, historical animosities, or other defence concerns. These situations may cause uncertainty in the markets of these geographic areas and may adversely affect the performance of the economies of the region.

Micro Capitalization Companies Risk

Stock prices of micro capitalization companies are significantly more volatile than those of larger companies and, therefore, certain iShares Funds' Unit prices may increase or decrease by a much greater percentage than those of funds that invest solely in stocks issued by larger capitalization companies. Stock prices of micro capitalization companies are also more vulnerable than those of large companies to adverse business and economic developments and the stocks of micro capitalization companies may be thinly traded, making it difficult for the iShares Fund to buy and sell them. In addition, micro capitalization companies are typically less financially stable than larger, more established companies and may depend on a small number of key personnel, making them highly vulnerable to loss of personnel. These companies also generally have less diverse product lines than larger capitalization companies and are more susceptible to adverse developments related to their products.

Mid-Capitalization Companies Risk

Stock prices of mid-capitalization companies may be more volatile than those of large capitalization companies and, therefore, certain iShares Funds' Unit prices may be more volatile than those of funds that invest a larger percentage of their assets in stocks issued by large capitalization companies. Stock prices of mid-capitalization companies are also more vulnerable than those of large capitalization companies to adverse business or economic developments, and the stocks of mid-capitalization companies may be less liquid, making it difficult for the iShares Fund to buy and sell them. In addition, mid-capitalization companies generally have less diverse product lines than large capitalization companies have and are more susceptible to adverse developments related to their products.

Minimum Volatility Indices Risk

Although the indices that the iShares Minimum Volatility Funds seek to replicate were created by the Index Provider to achieve lower volatility than the Parent Index, there is no guarantee that these strategies will be successful. The iShares Minimum Volatility Funds' names reflect the name of the underlying Index as provided by the Index Provider. However, the Index Provider may be unsuccessful in creating an index that minimizes volatility, and there is a risk that the iShares Minimum Volatility Funds may experience more than minimum volatility. Securities in the iShares Minimum Volatility Funds' portfolios may be subject to price volatility and the prices may not be any less volatile than the market as a whole, and could be more volatile.

Non-Capitalization Weighted Strategy Risks

Certain indices use a dividend-per-share or a constraints-based weighting methodology. Weighting methodologies that do not automatically reflect changes in the market price of Constituent Issuers, such as a dividend-per-share weighting methodology, may lead to higher turnover in relation to the weight of the Constituent Issuers than capitalization weighted methodologies. Higher turnover may result in an iShares Fund realizing capital gains sooner, which would be distributed to investors annually as taxable capital gains.

North American Economic Risk

A decrease in imports or exports, changes in trade regulations or an economic recession in any North American country may have a significant economic effect on the entire North American region and on some or all of the North American countries in which the iShares Fund invests.

The United States is Canada's largest trading and investment partner. The Canadian economy is significantly affected by developments in the U.S. economy. Since the implementation of the North American Free Trade Agreement in 1994 among Canada, the United States and Mexico, total merchandise trade among the three countries

has increased. Policy and legislative changes in one country may have a significant effect on North American markets generally, as well as on the value of certain securities held by the iShares Fund.

Real Return Bonds Investments Risk

XRB invests in real return bonds. Changes in levels of inflation may affect the value of XRB because the value of real return bonds is directly affected by inflation. The value of real return bonds tends to increase when inflation increases and tends to decrease when inflation decreases. This is the case even if the general level of interest rates is unchanged.

Risks Inherent to Significant Investors

A significant proportion of the Units of an iShares Fund may be held by a single investor, including by another iShares ETF. If a significant investor were to buy or sell a substantial portion of Units of an iShares Fund, the market value of those Units might temporarily decline or increase, as the case may be, resulting in the Units being bought or sold at a discount or premium to the Net Asset Value per Unit of the iShares Fund. However, given that Underwriters may subscribe for, and Unitholders and Underwriters may exchange, the Prescribed Number of Units of either iShares Fund at the Net Asset Value per Unit, BlackRock Canada believes that large discounts to the Net Asset Value per Unit of an iShares Fund should not be sustained. If a Unitholder purchases Units of an iShares Fund at a time when the market price of a Unit is at a premium to the Net Asset Value per Unit or sells Units of an iShares Fund at a time when the market price of a Unit is at discount to the Net Asset Value per Unit, the Unitholder may sustain a loss.

Risks Related to Factor-Based Indices

Certain iShares Funds seek to track indices that are constructed in order to maximize exposure to certain target investment style factors, based on an evaluation of the attributes of eligible individual securities by the Index Provider. While exposure to the target investment style factors has historically resulted in long-term outperformance relative to the overall market, there is no assurance that such outperformance will continue in the future. The degree to which a given index is able to reflect exposure to factor premiums may vary over time, and a given index may also be subject to certain constraints in its construction.

Indices constructed based on investment style factors use a weighting methodology that is not based on market capitalization, which may lead to higher turnover relative to capitalization-weighted methodologies. Higher turnover may result in an iShares fund realizing capital gains more frequently and incurring higher trading costs.

Sector Risk

Because certain iShares Funds are invested, directly or indirectly, in a specific sector or industry of the economy and are not diversified among different industry sectors, the trading price of each of these iShares Funds is expected to be more volatile than that of a fund with a more broadly diversified portfolio. The specific asset class risks applicable to these iShares Funds are as follows:

XBM. The market value of the Constituent Issuers held by XBM may vary with changes in the prices of industrial metals produced by Constituent Issuers operating in this sector. Prices for industrial metals can change quickly and are sensitive to changes in the world economy. Since the world economy is cyclical, the demand for industrial metals and their prices also move in cycles which will affect the market value of Constituent Issuers in this sector. The market value of Constituent Issuers may also be affected by changes in the production costs of industrial metals as well as the costs associated with regulatory compliance, including environmental regulations.

XEG. The trading price of Units of XEG may vary with changes in the price of energy and related commodities. Commodity prices can change quickly. Because the energy industry is sensitive to changes in the world economy and because the economy is cyclical, the demand for products in the energy industry also moves in cycles which will affect the share price of issuers in this sector.

XEH and XEU. Performance of Constituent Issuers in the financial sector may be adversely impacted by many factors, including, among others, government regulations, economic conditions, credit rating downgrades,

changes in interest rates, and decreased liquidity in credit markets. The financial sector has experienced significant losses in the recent past, and the impact of more stringent capital requirements and of recent or future regulation on any individual financial company or on the sector as a whole cannot be predicted. Constituent Issuers in the industrials sector may be affected by changes in the supply and demand for products and services, product obsolescence, claims for environmental damage or product liability and general economic conditions, among other factors.

XFN. Profitability of issuers represented in the applicable Index for XFN depends on the availability and cost of capital funds and can fluctuate significantly when interest rates change. Losses resulting from financial difficulties of borrowers can negatively impact financial services issuers. Similarly, the extensive governmental regulation to which financial services issuers are subject may affect their profitability.

XGD. Gold prices are affected by international monetary and political events, speculators, inflation pressures and world supply and demand, and can change quickly. These changes may be reflected in changes in the share price of Constituent Issuers comprising the applicable Index for XGD.

XHC. Constituent Issuers in the healthcare sector may be affected by government regulations and government healthcare programs, changes in the cost of medical products and services, and product liability claims among other factors. Pharmaceutical and biotechnology firms face intense competition, the potential for product obsolescence, and may be adversely affected by the loss or impairment of intellectual property rights.

XIT. The technology industry is very competitive. Technology firms can experience rapid growth or rapid decline in a short time period and may also have short operating histories and short product life cycles. They may have limited product lines, markets, financial resources or personnel. Technology firms are also heavily dependent on intellectual property rights, and may be adversely affected by the loss or impairment of those rights. The market value of Constituent Issuers in this sector may be affected by these and other factors.

XMA. The market value of the Constituent Issuers held by XMA may vary with changes in the prices of materials produced by Constituent Issuers operating in this sector. Prices for materials can change quickly and are sensitive to changes in the world economy. Since the world economy is cyclical, the demand for materials and their prices also move in cycles, which will affect the market value of Constituent Issuers in this sector. The market value of Constituent Issuers may also be affected by changes in the production costs of raw materials as well as the costs associated with regulatory compliance, including environmental regulations.

XQQ. The NASDAQ Index has a heavy concentration in Constituent Issuers from the technology industry. The technology industry is very competitive. Technology firms can experience rapid growth or rapid decline in a short time period and may also have short operating histories and short product life cycles. They may have limited product lines, markets, financial resources or personnel. Technology firms are also heavily dependent on intellectual property rights, and may be adversely affected by the loss or impairment of those rights. The market value of Constituent Issuers in this sector may be affected by these and other factors.

XRE. REITs generally are subject to certain risks related to their direct ownership of real estate. Real property investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon the vacancy rates of the property portfolio. There are also certain types of risks relating to the ownership of real estate, generally of a catastrophic nature, such as wars or environmental contamination, which may be either uninsurable or not insurable on an economically viable basis. In addition, environmental laws may render a REIT liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. Real estate ownership may also require certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges regardless of whether the property is producing any income.

XST. Constituent Issuers in the consumer staples sector may be affected by marketing campaigns, changes in consumer demands, government regulations, and changes to commodities prices. Firms involved in selling directly to consumers may be highly sensitive to the value of their product brands and operate in a highly competitive environment.

XUT. Constituent Issuers in the utilities sector are subject to significant government regulations and review. They may be adversely affected due to increases in fuel and operating costs, rising costs of financing capital construction and the costs of regulatory compliance.

XCD. The S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index has a heavy concentration in Constituent Issuers from the automotive, consumer discretionary, consumer durables and apparel, media and retail sectors. The automotive sub-industry can be highly cyclical and companies in the sub-industry may suffer periodic operating losses. Companies in the automotive sub-industry face intense competition, both domestically and internationally, which may have an adverse effect on their profitability. The success of consumer product manufacturers and retailers is tied closely to the performance of domestic and international economies, interest rates, exchange rates, competition, consumer confidence, changes in demographics and consumer preferences. Companies in the consumer discretionary sector depend heavily on disposable household income and consumer spending, and may be strongly affected by social trends and marketing campaigns. These companies may be subject to severe competition, which may have an adverse impact on their profitability.

XGI. The S&P Global 1200 Industrials Canadian Dollar Hedged Index has a heavy concentration in Constituent Issuers from the capital goods, commercial and professional services, industrials and transportation sectors. The capital goods industry group may be affected by fluctuations in the business cycle and by other factors affecting manufacturing demands. The capital goods industry group depends heavily on corporate spending. Companies in the capital goods industry group may perform well during times of economic expansion, and as economic conditions worsen, the demand for capital goods may decrease. Many capital goods are sold internationally and companies in this industry group are subject to market conditions in other countries and regions. The success of commercial and professional service providers is tied closely to the performance of domestic and international economies, interest rates, exchange rates, competition, availability of qualified personnel and corporate demand. The commercial and professional services industry group depends heavily on corporate spending. Companies in the commercial and professional services industry group may be subject to severe competition, which may also have an adverse impact on their profitability. The value of securities issued by companies in the industrials sector may be affected by supply and demand, both for their specific product or service and for industrials sector products in general. The products of manufacturing companies may face obsolescence due to rapid technological developments and frequent new product introduction. Government regulations, world events, economic conditions and exchange rates affect the performance of companies in the industrials sector. Companies in the industrials sector may be adversely affected by liability for environmental damage and product liability claims. The industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced by unpredictable factors. Aerospace and defense companies, a component of the industrials sector, can be significantly affected by government spending policies because companies involved in this industry rely, to a significant extent, on government demand for their products and services. Thus, the financial condition of, and investor interest in, aerospace and defense companies are heavily influenced by governmental defense spending policies, which are typically under pressure from efforts to control government budgets. Transportation stocks, a component of the industrials sector, are cyclical and can be significantly affected by economic changes, fuel prices, labor relations and insurance costs. Transportation companies in certain countries may also be subject to significant government regulation and oversight, which may adversely affect their businesses.

Security Risk

Some of the geographic areas in which the iShares Funds invest have experienced acts of terrorism or strained international relations due to territorial disputes, historical animosities or other defense concerns. These situations may cause uncertainty in the markets of such geographic areas and may adversely affect their economies.

Small Capitalization Companies Risk

Stock prices of small capitalization companies may be more volatile than those of larger companies and, therefore, an iShares Fund's Unit price may be more volatile than those of funds that invest a larger percentage of their assets in stocks issued by mid or large capitalization companies. Stock prices of small capitalization companies are generally more vulnerable than those of mid or large capitalization companies to adverse business and economic developments. Securities of small capitalization companies may be thinly traded, making it difficult for the iShares Fund to buy and sell them. In addition, small capitalization companies are typically less financially stable than larger, more established companies and may depend on a small number of essential personnel, making them more vulnerable

to experiencing adverse effects due to the loss of personnel. Small capitalization companies also normally have less diverse product lines than mid or large capitalization companies and are more susceptible to adverse developments concerning their products.

Underlying Securities NAV Risk

The securities of the iShares ETFs in which certain iShares Funds invest may trade below, at, or above their respective net asset values per security. The net asset value per security will fluctuate with changes in the market value of an iShares ETF's holdings. The trading prices of the securities of the iShares ETFs in which certain iShares Funds invest will fluctuate in accordance with changes in the applicable iShares ETF's net asset value per security, as well as market supply and demand on the stock exchanges on which the iShares ETF is listed. However, given that Underwriters may subscribe for, and Unitholders and Underwriters may exchange, a prescribed number of securities of the iShares ETF at the net asset value per security (subject to a minimum number of shares), BlackRock Canada believes that large discounts or premiums to the net asset value per security of the iShares ETF should not be sustained.

If an iShares Fund purchases a security of an iShares ETF at a time when the market price of a security is at a premium to the net asset value per security or sells a security at a time when the market price of a security is at a discount to the net asset value per security, the iShares Fund may sustain a loss.

U.K. Investments Risk

Investments in United Kingdom issuers may subject the iShares Funds to regulatory, political, currency, security, and economic risk specific to the United Kingdom. The United Kingdom's economy relies heavily on the export of financial services to the United States and other European countries. A prolonged slowdown in the financial services sector may have a negative impact on the United Kingdom's economy. In the past, the United Kingdom has been a target of terrorism. Acts of terrorism in the United Kingdom or against the United Kingdom's interests may cause uncertainty in the United Kingdom's financial markets and adversely affect the performance of the issuers to which the iShares Funds have exposure. In a referendum held on June 23, 2016, the United Kingdom resolved to leave the European Union. The referendum may introduce significant uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the European Union. Recently, the United Kingdom's real estate sector has experienced significant volatility and declines in the value of many real estate securities, including real estate funds, real estate investment trusts and real estate holding companies. Increased volatility and investor redemption requests in real estate funds may result in the continued decline in the value and liquidity of real estate securities, which may impair the ability of the iShares Funds to buy, sell, receive or deliver those securities.

U.S. Investments Risk

Certain iShares Funds may have significant exposure to U.S. issuers. Decreasing imports or exports, changes in trade regulations and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. The financial crisis that began in 2007 caused a significant decline in the value and liquidity of issuers in the United States. Policy and legislative changes in the United States are changing many aspects of financial and other regulation and may have a significant effect on the U.S. markets generally, as well as the value of certain securities. In addition, a continued rise in the U.S. public debt level or U.S. austerity measures may adversely affect U.S. economic growth and the securities to which the Fund has exposure.

Voting of Index Securities

Unitholders holding less than the Prescribed Number of Units of the following iShares Funds will not have any right to vote Index Securities held by such iShares Fund, while they would have the right to vote if they owned the Prescribed Number of Units of such iShares Funds or held the Index Securities directly: XCG, XCS, XCV, XDV, XEG, XFN, XIC, XIT, XIU, XMA, XMD, XRE and XGD.

Except as set out below in "Attributes of the Securities – Exercise of Voting Rights", Unitholders of all other iShares Funds will not have any right to vote Index Securities held directly or indirectly by those iShares Funds, while they would have the right to vote if they owned the Index Securities directly.

Volatility Risk

The value of securities in an iShares Fund's portfolio may fluctuate, sometimes rapidly and unpredictably. The value of a security may fluctuate due to factors affecting markets generally or particular industries. The value of a security may also be more volatile than the market as a whole. This volatility may affect an iShares Fund's Net Asset Value and the market price of the Units of an iShares Fund. There is a risk that an iShares Fund may experience more than minimum volatility. Securities in an iShares Fund's portfolio may be subject to price volatility and the prices may not be any less volatile than the market as a whole and could be more volatile. Events or financial circumstances affecting individual securities or sectors may increase the volatility of an iShares Fund.

Risk Ratings of the iShares Funds

BlackRock Canada assigns a risk rating to each iShares Fund as an additional guide to help investors decide whether an iShares Fund is right for them. BlackRock Canada's determination of the risk rating for each iShares Fund is guided by the methodology recommended by the Fund Risk Classification Task Force ("**Task Force**") of The Investment Funds Institute of Canada ("**IFIC**"). The Task Force concluded that the most common, easily understood form of risk is the historical volatility of a fund as measured by the standard deviation of its performance. Just as historical performance may not be indicative of future returns, an iShares Fund's historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return.

Using this methodology, BlackRock Canada assigns a risk rating to each iShares Fund as either low, low to medium, medium, medium to high, or high risk.

- Low – commonly associated with money market funds and Canadian fixed-income funds.
- Low to medium – commonly associated with balanced, higher yielding fixed income and asset allocation funds.
- Medium – commonly associated with equity funds investing in large capitalization companies in developed markets.
- Medium to high – commonly associated with equity funds investing in small capitalization companies or specific regions or sectors.
- High – commonly associated with equity funds investing in narrow sectors or emerging market countries where there may be substantial risk of loss over short to medium periods.

Generally, an iShares Fund's risk rating is determined by comparing its average rolling three-year and/or five-year standard deviation, where applicable, calculated monthly and annualized from the inception of the iShares Fund with the categories set out above. For those iShares Funds that are new and do not have at least three years of performance history, BlackRock Canada uses the iShares Fund's index or other benchmark as a proxy. There may be times when BlackRock Canada believes this methodology produces a result that does not reflect an iShares Fund's risk based on other qualitative factors. As a result, BlackRock Canada may place the iShares Fund in a different risk rating category, as appropriate. For example, when a comparable mandate already exists and the iShares Fund's performance history is too short, BlackRock Canada may assign a risk rating based on the historical standard deviation of performance of a comparable mandate in making its final determination of the iShares Fund's risk rating. BlackRock Canada reviews the risk rating for each iShares Fund on an annual basis.

A copy of the methodology used by BlackRock Canada to identify the investment risk levels of the iShares Funds is available on request, at no cost, by calling 1-866-474-2737. The risk ratings set forth in the table below do not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

iShares Fund	Risk Rating
XAW	Medium
XBB	Low
XBM	High
XBZ	High
XCB	Low
XCD	Medium to high
XCG	Medium to high
XCH	high
XCS	Medium to high
XCV	Medium
XDV	Medium
XEB	Low to medium
XEC	Medium to high
XEF	Medium
XEG	High
XEH	Medium
XEI	Medium
XEM	Medium to high
XEN	Medium
XEU	Medium
XFA	Medium
XFC	Medium
XFF	Medium
XFH	Medium
XFI	Medium
XFN	Medium to high
XFR	Low
XFS	Medium
XGB	Low
XGD	High
XGI	Medium to high
XHB	Low to medium
XHC	Medium
XHD	Medium
XHU	Medium
XHY	Low to medium
XIC	Medium
XID	High
XIG	Low to medium
XIN	Medium
XIT	High
XIU	Medium
XLB	Low to medium
XMA	High
XMC	Medium to high
XMD	Medium to high
XMH	Medium to high

iShares Fund	Risk Rating
XMI	Medium
XML	Medium
XMM	Medium
XMS	Medium
XMU	Medium
XMV	Medium
XMW	Low to medium
XMY	Medium
XPF	Low to medium
XQQ	Medium
XRB	Low to medium
XRE	Medium to high
XSB	Low
XSH	Low
XSP	Medium
XSQ	Low
XST	Medium
XSU	High
XUH	Medium
XUS	Medium
XUT	Medium
XUU	Medium
XWD	Medium

DISTRIBUTION POLICY

It is intended that in each taxation year of an iShares Fund, any net income and net realized capital gains of the iShares Fund will be distributed to such an extent that the iShares Fund will not be liable for ordinary income tax thereon. The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations – Taxation of Unitholders”.

Income Distributions

The following table shows the expected frequency and potential composition of cash distributions of the iShares Funds:

Fund	Income Distribution Frequency ⁽¹⁾	Potential Sources of Income:		
		Interest Payments	Securities Lending	Dividends & Distributions
XAW ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XBB	Monthly	√	√	
XBM ⁽⁴⁾	Quarterly		√	√
XBZ ⁽⁴⁾	Semi-Annually		√	√
XCB	Monthly	√	√	
XCD ⁽³⁾⁽⁴⁾	Semi-Annually			√
XCG	Quarterly		√	√
XCH ⁽⁴⁾	Semi-Annually			√
XCS	Quarterly		√	√
XCV	Quarterly		√	√
XDV	Monthly		√	√
XEB ⁽³⁾⁽⁴⁾	Monthly	√		√

Fund	Income Distribution Frequency ⁽¹⁾	Potential Sources of Income:		
		Interest Payments	Securities Lending	Dividends & Distributions
XEC ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XE ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XEG	Quarterly		√	√
XEH ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XEI	Monthly		√	√
XEM ⁽⁴⁾	Semi-Annually		√	√
XEN	Quarterly		√	√
XEU ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XFA ⁽³⁾⁽⁴⁾	Quarterly		√	√
XFC ⁽³⁾⁽⁴⁾	Quarterly		√	√
XFF ⁽³⁾⁽⁴⁾	Quarterly		√	√
XFH ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XFI ⁽³⁾⁽⁴⁾	Quarterly		√	√
XFN	Monthly		√	√
XFR	Monthly	√	√	
XFS ⁽³⁾⁽⁴⁾	Quarterly		√	√
XGB	Monthly	√	√	
XGD ⁽⁴⁾	Quarterly		√	√
XGI ⁽³⁾⁽⁴⁾	Semi-Annually			√
XHB	Monthly	√	√	
XHC ⁽³⁾⁽⁴⁾	Semi-Annually			√
XHD ⁽³⁾⁽⁴⁾	Monthly		√	√
XHU ⁽³⁾⁽⁴⁾	Monthly		√	√
XHY ⁽³⁾⁽⁴⁾	Monthly	√		√
XIC	Quarterly		√	√
XID ⁽⁴⁾	Semi-Annually			√
XIG ⁽³⁾⁽⁴⁾	Monthly	√		√
XIN ⁽³⁾⁽⁴⁾	Semi-Annually			√
XIT	Semi-Annually		√	√
XIU	Quarterly		√	√
XLB	Monthly	√	√	
XMA	Quarterly		√	√
XMC ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XMD	Quarterly		√	√
XMH ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XMI ⁽⁴⁾	Semi-Annually		√	√
XML ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XMM ⁽⁴⁾	Semi-Annually		√	√
XMS ⁽³⁾⁽⁴⁾	Quarterly		√	√
XMU ⁽⁴⁾	Quarterly		√	√
XMV	Quarterly		√	√
XMW ⁽⁴⁾	Semi-Annually		√	√
XY ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XPF ⁽³⁾⁽⁴⁾	Monthly	√	√	√
XQQ ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XRB ⁽²⁾	Semi-Annually	√	√	
XRE	Monthly		√	√
XSB	Monthly	√	√	
XSH	Monthly	√	√	
XSP ⁽³⁾⁽⁴⁾	Semi-Annually			√
XSQ ⁽³⁾⁽⁴⁾	Monthly	√	√	
XST	Quarterly		√	√
XSU ⁽³⁾⁽⁴⁾	Semi-Annually			√
XUH ⁽³⁾⁽⁴⁾	Quarterly		√	√

Fund	Income Distribution Frequency ⁽¹⁾	Potential Sources of Income:		
		Interest Payments	Securities Lending	Dividends & Distributions
XUS ⁽³⁾⁽⁴⁾	Semi-Annually		√	√
XUT	Monthly		√	√
XUU ⁽³⁾⁽⁴⁾	Quarterly		√	√
XWD ⁽⁴⁾	Semi-Annually		√	√

(1) These are the current, expected frequencies of payment of income distributions. BlackRock Canada may, in its complete discretion, change the frequency or timing of these distributions.

(2) Income distributions representing inflation adjustments may be reinvested rather than paid in cash.

(3) Income distributions from derivatives such as currency forward transactions may be reinvested rather than paid in cash.

(4) Dividends and other distributions received on the securities of foreign issuers, including distributions on U.S. iShares Funds, will generally be foreign source income and may be designated as such when distributed. See “Income Tax Considerations – Taxation of the iShares Funds”.

Capital Gains Distributions

While capital gains distributions will generally be paid in the form of reinvested distributions, they may also be paid in cash.

Return of Capital

In addition to the income and capital gains distribution amounts described above, distributions made by an iShares Fund may also consist of returns of capital. See “Income Tax Considerations – Taxation of Unitholders”.

Reinvested Distributions

To the extent that an iShares Fund has not otherwise distributed the full amount of its net income or net realized capital gains in any taxation year, the difference between such amount and the amount actually distributed by the iShares Fund will be paid as a “reinvested distribution”. Reinvested distributions (if any), net of any required withholding tax, will be automatically reinvested in additional Units of the applicable iShares Fund at a price equal to the Net Asset Value per Unit of the applicable iShares Fund and the Units of that iShares Fund will be immediately consolidated such that the number of outstanding Units of the applicable iShares Fund following the distribution will equal the number of Units of the applicable iShares Fund outstanding prior to the distribution.

Distribution Reinvestment Plan

At any time, a Unitholder may elect to participate in the iShares Funds’ distribution reinvestment plan (the “**Reinvestment Plan**”) by contacting the CDS Participant through which the Unitholder holds its Units. Under the Reinvestment Plan, cash distributions will be used to acquire additional Units of the same class (“**Plan Units**”) by purchasing them at market price on an exchange and will be credited to the account of the Unitholder’s broker through CDS.

At BlackRock Canada’s discretion, upon notice by press release to Unitholders of an iShares Fund, cash distributions may be automatically reinvested in Units of the iShares Fund pursuant to the Reinvestment Plan. In such circumstance, a Unitholder may elect to receive distributions in cash by notifying CDS via the applicable CDS Participants through which such Unitholder holds its Units of the Unitholder’s intention not to participate in the Reinvestment Plan. The CDS Participant must, on behalf of such Unitholder, provide a notice to CDS that the Unitholder does not wish to participate in the Reinvestment Plan no later than 4:00 p.m. on the business day immediately prior to the applicable distribution record date (which is any date designated by BlackRock Canada as a record date for the determination of Unitholders entitled to receive a distribution) in respect of the next expected distribution in which the Unitholder does not wish to participate in the Reinvestment Plan. CDS shall, in turn, notify the Plan Agent no later than 5:00 p.m. on the applicable distribution record date that such Unitholder does not wish to participate in the Reinvestment Plan.

Fractional Units

No fractional Plan Units will be delivered under the Reinvestment Plan. Payment in cash for any remaining uninvested funds will be made in lieu of delivering fractional Plan Units by the Plan Agent to CDS or a CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the account of the Unitholder participating in the Reinvestment Plan via the applicable CDS Participant.

Amendments, Suspensions or Termination of the Reinvestment Plan

A Unitholder may withdraw from the Reinvestment Plan by providing notice to the CDS Participant through which the Unitholder holds Units. The Unitholder must provide such notice to the CDS Participant sufficiently in advance of the applicable distribution record date in respect of the next expected distribution in which the Unitholder does not wish to participate. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the Unitholder exercising its rights to terminate participation in the Reinvestment Plan.

BlackRock Canada is permitted to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days' notice to Unitholders and to the Plan Agent, subject to any required regulatory approval. BlackRock Canada is also permitted to amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it complies with certain requirements, gives notice of such amendment, modification or suspension to plan participants and to the Plan Agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner BlackRock Canada determines to be appropriate.

BlackRock Canada may from time to time adopt rules and regulations to facilitate the administration of the Reinvestment Plan. BlackRock Canada reserves the right to regulate and interpret the Reinvestment Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Reinvestment Plan.

Other Provisions

Participation in the Reinvestment Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act. Partnerships (other than "Canadian partnerships" as defined in the Tax Act) are not eligible to participate in the Reinvestment Plan. Upon becoming a non-resident of Canada or a partnership (other than a Canadian partnership), a Plan Participant shall notify its CDS Participant and terminate participation in the Reinvestment Plan immediately.

The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions. See "Income Tax Considerations".

Each Plan Participant will be provided annually with the information necessary to enable such Plan Participant to complete an income tax return with respect to amounts paid or payable by an iShares Fund to the Unitholder in the preceding taxation year.

Unitholders that are not Unitholders of record on the record date for any distribution will not be entitled to receive that distribution.

PURCHASE OF UNITS

Continuous Distribution

Units of the iShares Funds are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Issuance of Units

All orders to purchase Units directly from the iShares Funds must be placed by Underwriters. The iShares Funds reserve the absolute right to reject any subscription order placed by an Underwriter, so long as the rejection of the subscription order is made no later than one business day after receipt by the iShares Fund of the order and that, upon rejection of the order, all cash received with the order is refunded immediately.

No fees will be payable by an iShares Fund to an Underwriter in connection with the issuance of Units. On the issuance of Units, BlackRock Canada may, at its discretion, charge an administrative fee to an Underwriter to offset any expenses incurred in issuing the Units, which is payable to the iShares Fund.

On any Trading Day, an Underwriter may place a subscription order in the form and at the location prescribed by BlackRock Canada from time to time for the Prescribed Number of Units or for an integral multiple of the Prescribed Number of Units of the iShares Funds. The Prescribed Number of Units will be made available by BlackRock Canada on each Trading Day to Underwriters. BlackRock Canada may, at its discretion, increase or decrease the Prescribed Number of Units from time to time.

For a subscription order to be considered to be received and effective on a Trading Day, the subscription order must be received by the applicable iShares Fund at or before the cut-off time set out in the table below or such other time as BlackRock Canada may determine from time to time. If the subscription order is received by the applicable cut-off time and is accepted by the applicable iShares Fund, the iShares Fund generally will issue to the Underwriter the Prescribed Number of Units (or an integral multiple thereof) within three Trading Days after the effective Trading Day for the subscription, provided that payment for such Units has been received. The iShares Funds must receive payment for the Units subscribed for within three Trading Days following the effective Trading Day for the subscription, or such shorter period as may be determined by BlackRock Canada in response to general changes to settlement procedures in applicable markets. It is expected that the general settlement cycle for securities traded in Canada and the United States will be shortened to two Trading Days effective September 2017 following similar changes in Asia and Europe.

iShares Fund	Subscription Order Cut-off Time
iShares Canadian Equity Funds, iShares Canadian Fixed Income Funds, XMV, and XFC	4:00 p.m. on the effective Trading Day (9:00 a.m. on any Trading Day on which the applicable Index is to be adjusted)
XEU and XFI	4:00 p.m. on the Trading Day prior to the effective Trading Day for the subscription
Other iShares Funds	9:40 a.m. on the effective Trading Day for the subscription

Unless BlackRock Canada shall otherwise agree or the Master Declaration of Trust shall otherwise provide, as payment for a Prescribed Number of Units of any iShares Fund, an Underwriter must deliver subscription proceeds consisting of one Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the Net Asset Value per Unit multiplied by the Prescribed Number of Units of the applicable iShares Fund next determined on the effective Trading Day for the subscription order.

BlackRock Canada may, in its complete discretion, instead accept subscription proceeds consisting of: (i) cash in an amount equal to the Net Asset Value of the Prescribed Number of Units of the applicable iShares Fund next determined on the effective Trading Day for the subscription order, plus, if applicable, the Creation Transaction Fee; or (ii) a combination of securities and cash, as determined by BlackRock Canada, in an amount sufficient so that the value of the securities and cash received is equal to the Net Asset Value per Unit multiplied by the Prescribed Number of Units of the applicable iShares Fund next determined on the effective Trading Day for the subscription order, plus, if applicable, the Creation Transaction Fee in respect of the component of the payment that is comprised of cash or certain securities.

The applicable Creation Transaction Fee for each iShares Fund will be specified from time to time at the discretion of BlackRock Canada and will be made available upon request on each Trading Day to Underwriters.

In addition to the issuance of Units as described above, Units may also be issued by the iShares Fund to Unitholders on the automatic reinvestment of distributions as described under “Distribution Policy”, and “Income Tax Considerations - Taxation of the iShares Funds”. If necessary, Units of the applicable iShares Fund may also be issued in the case of an adjustment to an Index.

Buying and Selling Units

As the Units are listed on the TSX, investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders. An investor may buy or sell Units on the TSX only through a registered broker or dealer in the province or territory where the investor resides. Investors may incur customary brokerage commissions when buying or selling Units on the TSX. No fees are paid by a Unitholder to BlackRock Canada or the iShares Funds in connection with the buying or selling of Units on the TSX.

Registration and Transfer through CDS

Units of the iShares Funds may only be held through the book-entry only system administered by CDS. Unitholders in the iShares Funds will not have the right to receive certificates for Units. CDS is the owner of record for all Units of each iShares Fund. Unitholders owning Units are beneficial owners as shown on the records of CDS or CDS Participants. The iShares Funds allow Unitholders to exchange or redeem Units but in order to exercise this right, a Unitholder must rely on the procedures of CDS and CDS Participants. See “Exchange and Redemption of Units” for important details.

In addition, all other rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation.

Neither the iShares Funds nor BlackRock Canada will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner’s interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Non-Resident Unitholders

In order for an iShares Fund to qualify and/or maintain its status as a mutual fund trust (for the purposes of the Tax Act), in certain circumstances, the iShares Fund cannot be established or maintained primarily for the benefit of non-residents of Canada. No iShares Fund will accept any subscription for Units from any person, issue any Units to any person or register or otherwise recognize the transfer of Units to any person if prior to such subscription, issuance or transfer BlackRock Canada determines that, after giving effect thereto, the percentage of Units beneficially owned, directly or indirectly, by persons who are non-residents of Canada would be within 5% of, or would be otherwise approaching (as determined by BlackRock Canada), the limit permitted under the Tax Act, as amended from time to time. The Master Declaration of Trust includes a mechanism to permit the iShares Funds to sell Units held by non-resident persons when their holdings result in contravention of this restriction. Notwithstanding the foregoing, BlackRock Canada may determine not to take any of the actions described above if BlackRock Canada has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the iShares Fund as a “mutual fund trust” for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the iShares Fund as a “mutual fund trust” for purposes of the Tax Act. The Units of the iShares Funds are not designed for, or intended to be held by, non-residents of Canada.

The Units have not been and will not be registered under the 1933 Act or under the securities laws of any State. Subject to certain exceptions, the Units may not be offered or sold in the United States or offered or sold to U.S. persons (as such term is defined in the 1933 Act). The iShares Funds have not been and will not be registered under

the U.S. Investment Company Act of 1940, as amended. BlackRock Canada has not been registered under the U.S. Investment Advisers Act of 1940.

Units of the iShares Funds, including XID, have not been and will not be registered under the laws of India and are not intended to benefit from any laws in India promulgated for the protection of shareholders. No Units of XID shall be knowingly offered to, directly or indirectly, sold or delivered within India or to, transferred to, purchased by, held for or on the account of or for the benefit of, (i) any resident on India, including any corporation or other entity incorporated or registered under the Indian laws, (ii) any persons for re-offering or re-sale, directly or indirectly, in India or to a resident of India or any entity incorporated or registered in India or (iii) any non-resident Indian, Indian Overseas Corporate Body or Person of Indian Origin. XID will not accept any subscription for Units from any person, issue any Units to any person or register or otherwise recognize the transfer of any Units to any person, who is considered a resident of India. XID does not knowingly permit the sale or issuance of Units to residents of India.

Special Considerations for Unitholders

The provisions of the “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units of the iShares Funds. In addition, based upon exemptive relief granted by Canadian securities regulatory authorities, a Unitholder may acquire more than 20% of the Units of any iShares Fund through purchases on the TSX without regard to the takeover bid requirements of applicable securities legislation, provided that the Unitholder, as well as any person acting jointly or in concert with the Unitholder, undertakes to BlackRock Canada not to vote more than 20% of the Units of that iShares Fund.

Market participants are permitted to sell Units of any iShares Fund short and at any price without regard to the restrictions in the Universal Market Integrity Rules applicable to trading on the TSX that generally prohibit selling securities short unless the price is at or above the last sale price.

Units of the iShares Funds are, in the opinion of BlackRock Canada, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Units of an iShares Fund should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Units of the applicable iShares Fund should be considered index participation units, as well as the control, concentration and certain of the “fund-of-funds” restrictions. No purchase of Units of an iShares Fund should be made solely in reliance on the above statements.

Units of the iShares Funds may be “mark-to-market property” for purposes of the “mark-to-market” rules in the Tax Act. These rules require taxpayers that are financial institutions within the meaning of the rules to recognize annually on income account any accrued gains and losses on securities that are “mark-to-market property”.

EXCHANGE AND REDEMPTION OF UNITS

Exchange of Units at Net Asset Value per Unit for Baskets and/or Cash

Unitholders of the iShares Funds may exchange the Prescribed Number of Units (or an integral multiple thereof) of any iShares Fund on any Trading Day for Baskets and cash, subject to the requirement that a minimum Prescribed Number of Units be exchanged. For an exchange request to be considered to be received and effective on a Trading Day, a Unitholder must submit an exchange request in the form and at the location prescribed by BlackRock Canada from time to time at or before the applicable cut-off time set out in the table below or at such other time as BlackRock Canada may determine from time to time. The exchange price will be equal to the Net Asset Value per Unit multiplied by the Prescribed Number of Units tendered for redemption next determined on the effective Trading Day for the exchange request, payable by delivery of Baskets (constituted as most recently published prior to the effective Trading Day for the exchange request) and cash. The Units will be redeemed in the exchange. BlackRock Canada will make available to Underwriters the Prescribed Number of Units and Basket for each iShares Fund following the close of business on each Trading Day and to others on request.

iShares Fund	Exchange Request Cut-off Time
iShares Canadian Equity Funds, iShares Canadian Fixed Income Funds, XMV and XFC	4:00 p.m. on the effective Trading Day (9:00 a.m. on any Trading Day on which the applicable Index is to be adjusted)
XEU and XFI	4:00 p.m. on the Trading Day prior to the effective Trading Day for the exchange
Other iShares Funds	9:40 a.m. on the effective Trading Day for the exchange

Upon the request of a Unitholder and subject to the consent of BlackRock Canada, BlackRock Canada may satisfy an exchange request by the delivery of: (i) cash only in an amount equal to the Net Asset Value of the Prescribed Number of Units of the applicable iShares Fund next determined on the effective Trading Day for the exchange request; or (ii) a combination of securities and cash, as determined by BlackRock Canada, in an amount sufficient so that the value of the securities and cash received is equal to the Net Asset Value per Unit multiplied by the Prescribed Number of Units of the applicable iShares Fund next determined on the effective Trading Day for the exchange request, provided in either case that the Unitholder agrees to pay, if applicable, the Exchange Transaction Fee in respect of the component of the exchange price that is comprised of cash or certain securities.

For XHB only, the Exchange Transaction Fee will be specified from time to time at the discretion of BlackRock Canada and will be made available on each Trading Day to Underwriters, or to others on request.

If an exchange request is not received by an iShares Fund at or before the applicable cut-off time set out above for an exchange request to be considered received and effective on a Trading Day, the exchange request will be considered to be received and effective only on the next Trading Day. Settlement of exchanges for Baskets and cash generally will be made by the third Trading Day following the effective Trading Day for the exchange request, or by such earlier Trading Day as may be determined by BlackRock Canada in response to general changes to settlement procedures in applicable markets. It is expected that the general settlement cycle for securities traded in Canada and the United States will be shortened to two Trading Days effective September 2017 following similar changes in Asia and Europe.

If securities of any iShares ETF or other issuers in which an iShares Fund has invested are cease-traded at any time by order of a securities regulatory authority, the delivery of the Baskets to a Unitholder on an exchange in the Prescribed Number of Units may be postponed until such time as the transfer of the Baskets is permitted by law.

Redemption of Units for Cash

On any Trading Day, Unitholders may redeem Units of an iShares Fund for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on the TSX on the effective Trading Day for the redemption. However, a cash redemption request will be subject to a maximum redemption price payable to a Unitholder of the Net Asset Value per Unit of the applicable iShares Fund. Unitholders will generally be able to sell (rather than redeem) Units at the full market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions. Therefore, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash. No fees or expenses are paid by a Unitholder to BlackRock Canada or the iShares Funds in connection with selling Units on the TSX.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form and to the location prescribed by BlackRock Canada from time to time must be received by the iShares Fund at or before the applicable cut-off time set out in the table below or such other time as BlackRock Canada may determine from time to time. If a cash redemption request is not received by such time, the cash redemption request will be effective on the next Trading Day. Payment of the redemption price will generally be made on the third Trading Day following the effective Trading Day for the redemption, or by such earlier Trading Day as may be determined by BlackRock Canada in response to general changes to settlement procedures in applicable markets. The cash redemption request forms may be obtained from any registered broker or dealer. It is expected that the general settlement cycle for securities traded in Canada and the United States will be shortened to two Trading Days effective September 2017 following similar changes in Asia and Europe.

iShares Fund	Cash Redemption Request Cut-off Time
iShares Canadian Equity Funds, iShares Canadian Fixed Income Funds, XMV and XFC	4:00 p.m. on the effective Trading Day (9:00 a.m. on any Trading Day on which the applicable Index is to be adjusted)
XEU and XFI	4:00 p.m. on the Trading Day prior to the effective Trading Day for the redemption
Other iShares Funds	9:40 a.m. on the effective Trading Day for the redemption

Unitholders that have delivered a redemption request prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units, an iShares Fund will generally dispose of securities or other assets.

Suspension of Exchanges and Redemptions

The exchange or redemption of Units may be suspended or postponed by any iShares Fund provided that such suspension complies with applicable securities legislation.

Administrative Fee to Offset Certain Costs of Transactions with Underwriters

In connection with exchanges or redemptions of Units of an iShares Fund by an Underwriter, BlackRock Canada may charge the Underwriter effecting the exchange or redemption, at its discretion, an administrative fee as a percentage of the exchange or redemption proceeds to offset certain transaction costs incurred in connection with the exchange or redemption, which is payable to the iShares Fund. Currently, BlackRock Canada has set these discretionary administrative fees as follows:

- iShares Canadian Fixed Income Funds (other than XHB) – up to 0.05% of proceeds
- XIN, XHB, XPF, XMH, the iShares International Equity Funds (other than XEU) and the iShares Currency Hedged International Fixed Income Funds, XML, XMY and the iShares Multifactor Funds (other than XFC) – up to 0.15% of proceeds
- All other iShares Funds – up to 0.07% of proceeds

The administrative fee will not be charged to a Unitholder in connection with the buying or selling of Units of an iShares Fund on the TSX.

Short-Term Trading

BlackRock Canada does not believe that it is necessary to impose any short-term trading restrictions on the iShares Funds at this time as the iShares Funds are exchange-traded funds that are primarily traded in the secondary market.

PRICE RANGE AND TRADING VOLUME OF UNITS

The following tables set forth the market price range and trading volume of the Units of the iShares Funds on the TSX for the calendar periods indicated. The market price range and trading volume for each of the iShares Funds set out below for March 2017 reflect the period from March 1, 2017 to March 27, 2017.

	XAW			XBB			XBM		
	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	21.05	19.69	140	31.86	31.50	7,693	7.48	5.86	312
February	20.03	18.84	249	31.98	31.55	8,264	7.31	5.90	435

	XAW			XBB			XBM		
	<u>Price Range</u>		Volume	<u>Price Range</u>		Volume	<u>Price Range</u>		Volume
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
March	19.97	19.54	167	31.66	31.44	4,248	8.34	7.08	565
April	19.95	19.30	262	31.94	31.57	9,030	9.33	7.25	763
May	20.46	19.30	162	31.97	31.56	5,608	9.33	8.02	504
June	20.42	18.98	282	32.35	31.84	8,512	8.97	8.07	316
July	20.90	19.67	180	32.70	32.28	13,011	9.74	8.71	494
August	21.08	20.62	105	32.54	32.30	7,036	9.93	9.35	110
September	21.29	20.75	162	32.57	32.00	6,600	10.09	9.19	531
October	21.38	20.74	125	32.47	32.01	6,494	10.66	9.69	89
November	21.76	20.75	305	32.16	31.31	10,406	12.84	10.30	752
December	22.18	21.22	175	31.27	30.88	10,814	12.57	11.19	333

2017

January	22.20	21.61	734	31.27	30.87	16,557	13.38	11.19	453
February	22.74	21.73	827	31.27	30.98	1,786	13.36	11.99	555
March 1 - 27	23.25	22.98	1,086	31.31	30.83	888	12.64	11.69	492

	XBZ			XCB			XCD		
	<u>Price Range</u>		Volume	<u>Price Range</u>		Volume	<u>Price Range</u>		Volume
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	7.97	6.89	19	21.38	21.05	1,570	28.77	25.52	98
February	7.79	7.24	14	21.26	21.03	1,004	27.12	24.55	58
March	9.77	7.96	90	21.33	20.98	600	27.75	26.91	107
April	10.31	9.05	45	21.49	21.29	933	28.15	26.96	83
May	10.33	9.24	51	21.61	21.43	1,143	27.90	26.74	62
June	10.77	9.27	58	21.71	21.45	910	27.75	25.36	42
July	11.97	10.45	94	21.82	21.66	1,117	28.30	26.36	45
August	12.51	11.60	112	21.86	21.74	1,256	28.62	27.65	52
September	12.56	11.68	60	21.89	21.60	787	28.40	27.45	65
October	14.09	12.27	82	21.85	21.60	736	28.44	27.78	26
November	13.83	11.95	224	21.71	21.28	1,149	29.38	27.16	52
December	12.56	11.54	83	21.34	21.13	1,784	30.22	28.88	49

2017

January	13.75	12.30	89	21.37	21.17	1,369	30.13	29.43	32
February	14.54	13.40	209	21.45	21.28	1,072	30.55	29.70	42
March 1 - 27	14.24	13.57	64	21.48	21.17	1,232	30.90	30.18	36

	XCG			XCH			XCS		
	<u>Price Range</u>		Volume	<u>Price Range</u>		Volume	<u>Price Range</u>		Volume
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	27.83	25.47	75	23.66	20.21	177	12.38	10.79	548
February	27.51	25.88	42	20.65	19.20	119	12.48	11.51	295
March	28.10	26.86	44	21.28	20.28	57	13.42	12.53	234
April	27.79	26.69	23	21.65	20.31	100	14.97	13.20	555
May	27.68	26.88	39	21.30	19.43	179	15.28	14.42	390
June	28.17	26.70	62	21.34	20.24	326	15.70	14.92	446
July	29.00	27.59	15	22.72	20.94	219	16.51	15.62	344
August	29.75	28.93	48	23.62	22.19	62	16.93	15.88	346
September	30.04	29.10	78	24.55	23.55	164	16.82	15.91	410

	XCG			XCH			XCS		
	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
October	29.86	29.21	24	24.68	23.55	63	16.51	15.89	238
November	29.41	28.19	24	24.29	23.13	131	16.25	15.39	406
December	29.50	29.02	27	24.10	22.41	172	16.91	16.31	326

2017

January	29.81	29.19	37	23.43	22.47	70	17.27	16.80	449
February	30.19	29.18	97	24.73	22.94	68	17.78	16.86	313
March 1 - 27	29.87	29.43	20	25.50	24.35	62	17.18	16.38	309

	XCV			XDV			XEB		
	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	20.85	18.88	44	20.86	19.16	3,039	20.22	19.61	75
February	21.00	19.38	64	20.88	19.43	1,381	20.41	19.89	48
March	22.51	21.11	47	21.93	20.82	1,620	20.96	20.41	27
April	23.06	21.77	52	22.33	21.43	999	21.33	20.91	44
May	23.34	22.31	87	22.66	21.73	1,675	21.28	20.97	32
June	23.74	22.60	58	23.00	21.84	1,407	21.81	21.06	44
July	24.00	23.22	35	22.99	22.28	845	22.21	21.81	35
August	24.22	23.69	26	23.12	22.54	652	22.43	21.89	42
September	24.17	23.31	125	23.16	22.38	686	22.45	21.90	47
October	24.52	23.61	92	22.96	22.50	477	22.30	21.79	58
November	25.08	23.88	93	23.97	22.42	1,128	21.91	20.63	70
December	25.74	24.97	68	24.98	24.00	1,194	20.97	20.62	83

2017

January	26.04	25.34	43	25.50	24.70	1,109	21.28	20.91	98
February	26.44	25.58	54	25.78	24.99	1,044	21.45	21.14	40
March 1 - 27	26.06	25.57	150	25.46	24.82	1,221	21.49	21.06	39

	XEC			XEF			XEG		
	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	21.25	19.41	218	27.64	25.69	804	10.27	8.47	47,211
February	20.15	19.22	164	26.27	24.40	839	9.84	8.88	50,284
March	21.09	19.96	154	25.86	25.16	677	11.31	9.95	35,893
April	21.19	20.46	134	25.80	24.85	796	11.89	10.43	32,066
May	20.68	19.90	247	26.14	24.96	694	12.07	11.05	38,813
June	21.04	20.00	223	26.10	23.49	938	12.60	11.38	27,708
July	22.45	20.82	255	25.90	24.15	948	12.40	11.73	14,022
August	23.12	22.24	186	26.21	25.58	476	12.83	11.65	15,568
September	23.58	22.50	195	26.78	26.07	633	12.79	11.77	22,239
October	23.95	22.92	300	26.77	25.87	493	13.52	12.68	18,657
November	23.62	22.06	283	26.44	25.88	690	14.00	12.55	39,089
December	22.68	22.01	408	26.89	25.79	930	14.44	14.01	18,041

	XEC			XEF			XEG		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2017									
January	23.18	22.19	379	27.10	26.57	1,279	14.14	12.81	22,241
February	24.15	23.03	330	27.57	26.75	808	13.16	12.49	21,547
March 1 - 27	25.20	24.01	357	28.59	27.81	867	12.92	12.35	30,024

	XEH			XEI			XEM		
	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	20.97	18.87	571	17.72	16.20	910	25.03	22.81	278
February	19.89	17.96	420	17.85	16.67	1,074	23.88	22.63	210
March	20.29	19.63	448	18.92	18.02	621	25.08	23.66	166
April	20.89	19.55	198	19.38	18.46	694	25.12	24.19	143
May	20.99	19.90	353	19.67	18.86	812	24.43	23.45	127
June	20.77	18.72	634	20.14	19.14	593	25.00	23.71	642
July	20.61	19.36	394	20.27	19.61	710	26.75	24.70	100
August	21.03	20.20	124	20.51	19.98	534	27.58	26.48	191
September	21.23	20.55	162	20.67	20.00	435	28.09	26.78	400
October	21.33	20.91	406	20.80	20.28	420	28.50	27.25	325
November	20.97	20.18	719	20.85	20.02	565	28.14	26.22	479
December	22.00	20.66	404	21.60	20.76	645	27.05	26.17	369

2017									
January	22.36	21.97	219	21.74	21.40	712	27.51	26.34	282
February	22.76	22.15	241	22.02	21.38	733	28.61	27.29	195
March 1 - 27	23.35	22.87	163	21.82	21.48	701	29.91	28.39	225

	XEN			XEU			XFA		
	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>	<u>Price Range</u>		<u>Volume</u> <u>(000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	19.75	17.65	57	22.33	20.80	354	21.08	18.56	116
February	19.12	18.25	20	21.24	19.71	342	19.97	18.73	54
March	20.13	19.03	8	20.83	20.28	114	21.01	20.33	34
April	20.69	19.79	38	20.73	20.13	277	21.52	20.97	30
May	20.93	20.13	35	21.25	20.22	287	21.30	20.63	35
June	21.18	19.92	56	21.08	18.46	711	21.57	20.25	149
July	21.42	20.50	29	20.39	18.83	344	22.10	20.81	5
August	21.75	21.11	44	20.70	20.03	93	22.20	21.65	119
September	21.78	20.93	34	20.97	20.45	148	22.14	21.48	21
October	22.04	21.39	47	20.93	20.11	199	22.05	21.52	5
November	22.92	21.45	56	20.55	19.95	226	22.90	21.31	23
December	23.43	22.81	90	20.99	19.87	283	23.53	22.73	12

2017									
January	23.69	23.10	120	21.13	20.73	242	23.83	23.20	157
February	23.99	23.22	232	21.43	20.81	184	24.55	23.56	65
March 1 - 27	23.75	23.14	185	22.50	21.68	343	24.73	23.91	24

	XFC			XFF			XFH		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	19.78	17.63	15	21.76	19.73	72	19.54	17.40	174
February	19.39	18.14	194	20.73	18.53	32	18.61	16.63	200
March	20.15	19.60	25	20.54	19.96	197	18.69	18.09	311
April	20.71	20.02	29	21.04	19.84	36	19.25	17.81	434
May	21.26	20.35	18	21.04	20.09	19	19.09	18.23	179
June	21.60	20.45	40	20.88	18.66	11	19.03	17.07	217
July	21.98	20.70	33	20.65	19.18	40	18.87	17.58	219
August	22.29	21.88	39	20.95	20.30	29	19.12	18.34	213
September	22.43	21.69	76	21.31	20.54	36	19.32	18.60	180
October	22.26	21.63	9	21.27	20.90	10	19.46	19.10	231
November	22.13	21.31	55	21.65	20.88	14	19.60	18.58	259
December	22.45	21.99	106	22.67	21.30	17	20.47	19.43	399

2017									
January	23.08	22.40	34	22.73	22.25	28	20.80	20.23	185
February	23.88	22.93	28	22.92	22.32	25	20.98	20.38	286
March 1 - 27	23.44	22.90	55	23.35	23.08	35	21.31	20.98	144

	XFN			XFR			XFS		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>Low</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	29.58	26.89	10,813	20.04	19.97	332	21.35	20.37	40
February	28.78	26.50	12,566	20.01	19.97	564	20.39	19.20	18
March	30.46	28.74	4,639	20.01	19.96	505	20.49	20.08	10
April	31.24	29.58	5,358	20.04	20.01	124	20.61	19.58	29
May	31.62	30.11	6,085	20.05	20.03	307	20.69	19.58	89
June	31.67	29.66	4,651	20.07	20.04	169	20.64	19.60	54
July	31.43	30.13	2,333	20.08	20.04	527	21.48	20.21	38
August	31.99	30.74	4,493	20.09	20.05	427	21.41	20.81	9
September	32.11	31.18	6,550	20.08	20.05	126	21.53	20.94	18
October	32.75	31.83	2,676	20.10	20.07	151	21.47	21.02	38
November	34.51	32.15	4,327	20.09	20.07	468	22.86	21.17	87
December	35.84	34.24	4,474	20.10	20.06	427	23.46	22.41	67

2017									
January	36.55	35.34	6,822	20.08	20.05	459	23.11	22.70	24
February	37.45	35.95	4,417	20.09	20.06	394	24.11	22.81	44
March 1 - 27	37.39	35.78	7,808	20.12	20.07	447	24.48	23.79	74

	XGB			XGD			XGI		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	22.33	22.05	936	9.09	7.82	12,824	25.15	21.95	54
February	22.46	22.13	749	11.46	8.84	30,193	24.24	22.12	74
March	22.23	22.05	434	12.04	10.84	27,744	25.46	24.14	18
April	22.34	22.04	557	14.28	11.26	30,315	25.99	24.56	24
May	22.34	22.07	391	14.48	12.73	43,546	25.58	24.92	11
June	22.69	22.30	595	15.74	13.05	33,674	25.82	23.52	22
July	22.91	22.61	413	17.33	15.74	37,814	26.26	24.59	27
August	22.84	22.63	489	17.63	14.27	27,714	26.49	25.55	13
September	22.80	22.38	466	15.75	14.65	32,787	26.56	25.77	49
October	22.74	22.37	251	14.84	12.74	31,680	26.53	26.09	13
November	22.46	21.84	718	14.40	11.65	49,779	28.11	25.65	23
December	21.79	21.50	493	12.63	10.87	24,179	28.56	27.85	58
2017									
January	21.76	21.44	2,782	13.52	12.13	19,396	29.03	28.07	21
February	21.74	21.52	257	14.43	12.88	14,074	29.52	28.44	32
March 1 - 27	21.77	21.41	654	13.45	12.30	14,464	29.75	29.07	19
	XHB			XHC			XHD		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	19.54	18.91	472	41.23	37.84	376	24.21	22.80	247
February	19.45	19.10	542	38.47	35.82	253	24.64	23.66	344
March	19.75	19.28	340	38.67	37.47	200	25.58	24.57	397
April	20.46	20.06	264	40.40	38.25	177	26.07	25.50	460
May	20.64	20.24	335	40.15	38.60	132	26.15	25.55	220
June	20.79	20.44	339	40.61	38.19	198	26.88	25.79	195
July	20.88	20.55	418	41.82	40.20	131	27.45	26.80	147
August	20.97	20.76	439	41.80	40.18	133	26.99	26.59	141
September	21.07	20.63	350	40.82	39.60	116	27.00	26.07	281
October	21.03	20.77	521	40.11	37.65	180	26.68	25.81	194
November	20.99	20.46	365	39.52	36.86	326	26.34	25.44	244
December	20.65	20.45	257	38.90	37.57	236	27.17	25.92	276
2017									
January	20.83	20.49	416	39.75	38.21	180	27.03	26.55	183
February	20.89	20.61	280	41.26	39.00	141	27.52	26.48	170
March 1 - 27	20.83	20.63	291	42.11	41.18	104	27.81	27.34	115

	XHU			XHY			XIC		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	21.22	20.59	63	18.52	17.59	856	20.60	18.74	6,421
February	21.20	20.58	66	18.22	17.31	1,112	20.53	19.19	3,343
March	21.15	20.77	14	18.88	18.48	719	21.53	20.64	3,780
April	21.20	20.55	40	19.18	18.61	659	22.14	21.02	2,821
May	21.61	20.50	62	19.20	18.91	678	22.42	21.53	4,133
June	21.53	21.23	86	19.45	18.85	441	22.84	21.66	3,347
July	22.75	21.41	97	19.80	19.36	478	23.15	22.25	2,009
August	22.33	21.62	34	20.01	19.53	676	23.49	22.95	1,437
September	22.10	21.64	34	20.01	19.56	455	23.55	22.70	1,539
October	22.07	21.58	39	20.09	19.75	532	23.67	22.98	1,442
November	22.46	21.55	127	19.75	19.11	847	23.98	23.01	2,114
December	23.13	21.77	58	19.92	19.56	604	24.48	23.89	2,489
2017									
January	22.93	21.85	101	20.15	19.87	778	24.80	24.21	3,125
February	23.00	21.87	90	20.16	19.97	354	25.24	24.42	2,585
March 1 - 27	23.43	23.08	131	20.21	19.68	733	24.84	24.38	3,293
	XID			XIG			XIN		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	28.96	26.91	67	22.63	22.31	63	22.72	20.34	2,293
February	27.34	24.20	86	22.59	22.25	63	21.61	19.32	1,295
March	26.75	25.51	68	23.11	22.47	138	21.73	21.22	578
April	26.90	25.86	31	23.59	23.34	93	22.31	20.63	925
May	28.05	25.83	45	23.60	23.25	93	22.17	21.07	661
June	28.20	27.10	53	24.03	23.40	108	22.02	19.87	1,358
July	30.00	28.08	42	24.44	23.95	107	21.85	20.53	639
August	30.31	29.23	42	24.35	24.05	123	22.20	21.39	402
September	30.75	29.68	48	24.29	23.80	103	22.42	21.69	820
October	30.62	29.62	45	24.08	23.67	73	22.58	22.17	642
November	30.35	27.61	72	23.68	22.80	139	22.76	21.58	893
December	28.48	27.71	51	23.00	22.72	99	23.74	22.54	1,000
2017									
January	29.32	28.06	49	23.14	22.82	186	23.92	23.40	744
February	30.91	29.60	61	23.15	22.85	95	24.22	23.53	599
March 1 - 27	32.90	31.16	64	22.99	22.59	115	24.66	24.28	711

	XIT			XIU			XLB		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	13.18	11.90	267	19.22	17.48	78,250	24.05	23.55	437
February	12.75	11.44	270	19.20	17.92	76,368	24.28	23.65	691
March	12.86	12.37	128	20.08	19.24	67,544	23.89	23.55	349
April	13.15	12.20	233	20.54	19.55	73,315	24.37	23.93	373
May	13.26	12.15	120	20.82	19.94	72,042	24.44	23.98	651
June	13.27	12.06	84	21.18	20.01	62,935	25.15	24.34	362
July	13.57	12.25	111	21.42	20.56	40,770	25.78	25.15	702
August	13.66	13.24	97	21.71	21.18	46,702	25.69	25.35	445
September	13.87	13.16	79	21.62	20.95	74,958	25.71	24.72	517
October	13.91	13.29	70	21.98	21.34	56,077	25.48	24.69	425
November	13.85	13.36	58	22.48	21.46	75,617	24.96	23.63	401
December	13.76	13.21	141	22.84	22.17	57,888	23.62	22.96	1,182
2017									
January	14.07	13.57	101	23.29	22.64	51,348	23.66	22.92	429
February	14.31	13.66	96	23.56	22.77	74,851	23.51	23.04	421
March 1 - 27	14.64	14.17	124	23.17	22.64	66,793	23.62	22.92	355
	XMA			XMC			XMD		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>High</u>	
2016									
January	9.42	8.44	581	14.95	13.70	117	21.05	19.17	209
February	10.59	8.74	687	14.02	13.27	10	20.91	19.56	220
March	11.53	10.36	1,177	14.35	13.97	18	22.08	21.10	125
April	13.09	10.70	1,014	14.46	14.00	44	22.94	21.70	117
May	13.12	12.02	613	15.05	14.00	107	23.34	22.44	116
June	13.78	12.23	680	15.05	14.15	35	23.96	22.79	470
July	14.78	13.78	609	15.69	14.56	129	24.40	23.48	86
August	15.11	13.28	689	15.75	15.28	34	24.84	24.20	109
September	14.20	13.37	409	15.73	15.31	42	24.84	23.90	140
October	13.65	12.35	418	15.77	15.30	153	24.63	23.91	155
November	13.75	12.48	582	17.24	15.25	116	24.33	23.26	385
December	13.06	12.00	659	17.44	16.61	290	24.82	24.23	82
2017									
January	14.17	12.73	1,065	17.26	16.67	298	25.14	24.52	245
February	14.68	13.39	920	17.64	16.75	137	25.56	24.68	103
March 1 - 27	13.70	12.95	829	17.98	17.30	151	25.26	24.50	137

	XMH			XMI			XML		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>High</u>	
2016									
January	14.09	12.49	286	34.69	33.17	301	0.00	0.00	0
February	13.39	12.39	295	34.21	32.89	560	0.00	0.00	0
March	14.28	13.60	251	33.57	33.02	340	0.00	0.00	0
April	14.83	14.10	278	33.65	32.47	460	20.88	20.20	250
May	14.97	14.27	207	34.00	32.47	220	20.87	20.19	57
June	15.23	14.02	274	33.83	31.62	632	20.78	19.31	142
July	15.53	14.75	209	34.10	32.93	248	20.96	20.15	38
August	15.65	15.30	234	34.15	33.49	178	20.95	20.46	38
September	15.75	15.06	267	34.56	33.59	143	20.89	20.36	19
October	15.52	14.93	178	34.24	32.63	216	20.84	20.38	36
November	16.68	14.70	184	33.14	31.91	295	20.47	19.81	65
December	16.90	16.17	457	32.33	31.46	382	20.68	19.98	35

2017									
January	16.87	16.40	464	32.15	31.50	302	21.45	20.21	115
February	17.27	16.63	391	32.84	31.81	147	20.91	20.31	76
March 1 - 27	17.39	16.72	162	34.16	33.03	123	21.32	20.97	75

	XMM			XMS			XMU		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>High</u>	
2016									
January	24.56	23.04	143	0.00	0.00	0	39.78	38.63	236
February	23.94	23.12	59	0.00	0.00	0	39.43	37.87	177
March	24.24	23.53	100	0.00	0.00	0	39.26	38.42	250
April	24.33	23.39	35	20.35	20.02	32	39.33	37.43	293
May	23.94	23.35	90	20.39	19.93	168	39.73	37.43	147
June	24.32	23.39	119	21.09	20.33	23	40.66	38.93	211
July	25.47	24.07	97	21.57	21.09	42	42.34	40.63	163
August	25.88	25.17	66	21.41	20.99	13	41.76	40.37	119
September	26.04	25.11	60	21.00	20.34	7	41.06	39.86	86
October	26.23	25.22	43	20.83	19.99	22	40.58	39.62	90
November	25.88	24.28	91	20.70	19.98	8	41.20	39.59	70
December	24.53	23.85	326	20.83	20.15	5	42.02	39.90	109

2017									
January	24.45	23.85	150	20.87	20.64	7	41.34	40.48	173
February	25.05	24.05	98	21.72	20.84	43	43.24	40.38	174
March 1 - 27	26.25	25.12	48	21.96	21.67	25	43.87	43.29	66

	XMV			XMW			XMY		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>High</u>	
2016									
January	25.11	23.38	90	34.45	33.23	118	0.00	0.00	0
February	25.49	23.84	151	34.21	33.22	93	0.00	0.00	0
March	26.59	25.53	163	34.22	33.63	95	0.00	0.00	0
April	26.75	26.05	185	34.34	33.08	108	20.28	19.50	11
May	27.20	26.22	113	34.65	33.08	65	20.31	20.02	9
June	27.46	26.52	146	35.49	33.97	380	20.51	19.95	11
July	28.01	27.14	181	36.69	35.46	90	21.35	19.95	39
August	28.18	27.86	128	36.54	35.52	78	21.25	20.70	15
September	28.28	27.39	106	36.23	35.15	56	20.99	20.47	21
October	28.13	27.51	103	35.89	34.86	73	20.70	20.14	13
November	28.14	27.27	158	35.44	34.89	92	20.40	19.99	15
December	28.80	27.92	217	35.54	34.29	225	20.65	20.08	10
2017									
January	29.00	28.60	309	35.12	34.38	70	20.53	20.27	4
February	29.35	28.53	129	36.24	34.38	58	20.82	20.44	15
March 1 - 27	29.10	28.84	199	37.03	36.50	45	21.35	21.20	6
	XPF			XQQ			XRB		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>High</u>		<u>High</u>	<u>High</u>	
2016									
January	17.77	16.15	268	37.95	33.92	239	24.37	23.61	316
February	16.73	15.94	147	35.38	32.20	185	24.58	23.91	352
March	16.95	16.45	172	36.55	35.33	90	24.53	24.08	134
April	17.43	17.11	155	37.48	35.75	127	25.16	24.57	204
May	17.53	17.35	107	37.41	35.49	81	25.16	24.54	245
June	17.62	17.15	167	37.44	34.60	126	25.46	24.63	224
July	17.94	17.35	227	38.96	36.30	117	25.83	25.08	204
August	18.12	17.79	196	39.78	38.89	125	25.75	25.45	207
September	17.84	17.51	190	40.35	38.63	187	26.00	24.94	266
October	17.83	17.50	186	40.42	39.48	84	25.87	25.39	260
November	17.63	17.15	201	40.38	38.46	154	25.90	25.08	660
December	17.57	17.18	247	40.85	39.03	99	24.83	23.95	306
2017									
January	17.99	17.56	232	42.36	39.95	109	24.54	23.69	360
February	18.32	18.04	217	43.97	42.17	175	24.20	23.69	422
March 1 - 27	18.38	18.12	185	44.53	43.94	103	24.17	23.43	290

	XRE			XSB			XSH		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	14.50	13.55	4,873	28.69	28.49	2,905	19.80	19.60	520
February	14.86	13.91	5,279	28.62	28.42	1,949	19.71	19.52	288
March	15.92	14.99	3,405	28.49	28.40	1,872	19.64	19.51	273
April	16.11	15.67	3,367	28.50	28.32	1,192	19.70	19.56	479
May	16.55	15.85	3,898	28.51	28.36	1,013	19.79	19.62	378
June	16.98	16.11	4,974	28.52	28.36	1,251	19.77	19.62	429
July	17.35	16.98	5,252	28.53	28.40	1,930	19.75	19.64	448
August	17.23	16.33	4,013	28.48	28.35	1,416	19.76	19.67	557
September	16.57	15.85	6,926	28.44	28.31	1,431	19.76	19.63	387
October	16.16	15.57	4,300	28.41	28.31	1,075	19.76	19.65	513
November	15.62	15.02	8,864	28.37	28.14	1,950	19.72	19.54	1,934
December	16.00	15.39	4,422	28.16	28.03	2,540	19.57	19.49	481
2017									
January	16.22	15.77	5,034	28.13	28.01	3,207	19.61	19.52	938
February	16.47	15.83	2,965	28.14	28.05	1,120	19.64	19.53	500
March 1 - 27	16.42	15.97	5,020	28.13	28.02	1,043	19.62	19.54	1,023
	XSP			XSQ			XST		
	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)	<u>Price Range</u>		Volume (000's)
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	23.44	21.27	12,901	20.16	20.00	253	49.80	46.98	271
February	22.42	21.03	11,442	20.12	19.99	177	51.92	47.59	266
March	23.57	22.73	8,578	20.02	19.97	235	52.97	51.80	243
April	24.15	23.46	7,161	20.05	19.91	335	52.76	49.97	451
May	24.26	23.46	7,309	20.04	19.93	111	52.60	49.97	226
June	24.41	22.86	8,325	20.06	19.94	158	53.00	49.65	411
July	24.88	23.87	4,352	20.06	19.96	382	53.63	50.67	508
August	25.08	24.68	4,686	20.05	19.97	224	55.89	53.25	405
September	25.07	24.39	5,191	20.02	19.92	505	56.13	53.06	255
October	24.88	24.41	4,825	20.02	19.92	174	54.34	52.78	343
November	25.50	23.96	8,856	19.97	19.80	278	54.02	50.89	701
December	26.14	25.22	4,944	19.84	19.73	483	53.27	51.75	530
2017									
January	26.22	25.57	5,800	19.81	19.73	82	53.08	51.78	354
February	27.08	26.01	5,367	19.83	19.74	202	53.23	51.08	341
March 1 - 27	27.40	26.78	6,838	19.81	19.74	273	54.05	52.19	710

	XSU			XUH			XUS		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	24.48	21.29	1,712	19.58	17.43	48	35.21	33.07	1,310
February	22.31	20.53	1,002	18.38	17.17	67	33.75	31.85	1,104
March	23.67	22.68	617	19.30	18.61	42	33.67	32.94	541
April	24.80	23.48	793	19.83	19.24	61	33.85	32.43	712
May	24.87	23.51	522	19.93	19.21	42	34.55	32.43	854
June	25.58	23.39	1,116	20.06	18.76	56	34.61	32.54	556
July	26.17	24.46	662	20.56	19.67	29	35.69	33.76	435
August	26.81	25.79	433	20.77	20.36	58	35.81	34.84	593
September	27.11	26.04	654	20.76	20.08	132	35.68	34.67	681
October	26.89	25.51	644	20.56	20.03	37	36.05	34.93	486
November	29.05	24.87	1,213	21.16	19.70	84	37.62	35.00	835
December	29.84	28.24	1,169	21.74	20.94	78	38.45	36.52	784
2017									
January	29.61	28.77	1,237	21.84	21.30	137	37.70	36.87	1,257
February	30.14	28.98	2,149	22.49	21.59	101	39.21	37.01	797
March 1 - 27	30.23	28.76	3,597	22.78	22.08	58	39.93	39.13	1,057
	XUT			XUU			XWD		
	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>	<u>Price Range</u>		<u>Volume (000's)</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
2016									
January	20.30	18.00	328	21.81	20.21	86	41.83	39.22	286
February	20.68	19.06	708	20.63	19.35	53	39.90	37.49	321
March	20.65	19.80	177	20.64	20.23	49	39.63	38.81	266
April	20.97	20.21	140	20.68	19.92	64	39.50	38.36	163
May	22.38	20.60	292	21.19	19.92	67	40.48	38.36	158
June	22.12	21.25	297	21.17	20.01	100	40.50	37.36	360
July	22.72	22.12	231	22.06	20.82	76	41.14	38.83	178
August	22.69	21.94	159	22.18	21.49	61	41.38	40.50	637
September	22.24	21.55	513	22.01	21.48	71	41.59	40.69	210
October	22.24	21.25	415	22.10	21.48	87	41.82	40.55	121
November	22.06	20.34	194	23.32	21.50	120	42.67	40.69	352
December	21.68	21.04	146	23.88	22.68	134	43.70	41.72	304
2017									
January	21.93	21.50	200	23.51	22.96	186	43.31	42.36	519
February	22.15	21.74	234	24.34	23.02	225	44.46	42.57	268
March 1 - 27	22.99	22.01	210	24.81	24.09	172	45.43	44.90	538

Source: Bloomberg, L.P. Does not represent consolidated trading volume for all Canadian trading venues.

INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the iShares Funds and for a prospective investor in an iShares Fund that, for the purpose of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds Units of the iShares Fund as capital property, is not affiliated (as defined in the Tax Act) and deals at arm's length with the iShares Fund and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to Units of the iShares Fund. This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary is also based on the assumptions that (i) none of the issuers of securities held by an iShares Fund will be a foreign affiliate (as defined in the Tax Act) of the iShares Fund or any Unitholder, (ii) none of the securities held by an iShares Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act, (iii) none of the securities held by an iShares Fund will be an interest in a non-resident trust other than an "exempt foreign trust" as defined in the Tax Act, (iv) none of the securities held by an iShares Fund will be an interest in a non-resident trust that is deemed to be a controlled foreign affiliate of the iShares Fund for the purposes of the Tax Act, and (v) no iShares Fund will enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

Status of the iShares Funds

Each iShares Fund is, or intends to be, a mutual fund trust under Part I of the Tax Act. If an iShares Fund were to not qualify as a mutual fund trust, the iShares Fund may become subject to alternative minimum tax, Part X.2 and Part XII.2 tax, and would not be entitled to capital gains refunds. In that event, BlackRock Canada would use reasonable efforts to manage the investments of the iShares Fund so that it would not be liable for any of these taxes. In addition, if one or more "financial institutions", as defined in the Tax Act, owns more than 50% of the fair market value of the Units of such an iShares Fund which does not become or ceases to be a mutual fund trust, then that iShares Fund will be a "financial institution" for purposes of the Tax Act and as such subject to certain "mark-to-market" tax rules. In that case, the iShares Fund would be deemed to have disposed of and re-acquired its mark-to-market property at the end of each taxation year, as well as at such time as it becomes, or ceases to be, a financial institution; and the gains and losses from these deemed dispositions would be on income account, not capital account.

Provided that the Units of an iShares Funds are and continue to be listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the TSX, or that the iShares Fund qualifies and continues to qualify as a mutual fund trust under the Tax Act or as a registered investment under the Tax Act, the Units of that iShares Fund will be qualified investments under the Tax Act for Registered Plans. In the opinion of counsel, the Units will qualify as "marketable securities" as that term is used in the Tax Act provided that the Units are and continue to be listed on the TSX.

Notwithstanding the foregoing, in the case of a tax-free savings account ("TFSA"), a registered retirement savings plan ("RRSP") and a registered retirement income fund ("RRIF"), if the holder or annuitant of the TFSA, RRSP or RRIF holds a "significant interest" in an iShares Fund, or if such holder or annuitant does not deal at arm's length with an iShares Fund for purposes of the Tax Act, the Units of such iShares Fund will be a "prohibited investment" for such TFSA, RRSP or RRIF. If Units of an iShares Fund are a "prohibited investment" for a TFSA, RRSP or RRIF that acquires such Units, the holder or annuitant of the TFSA, RRSP or RRIF will be subject to a penalty tax as set out in the Tax Act. Generally, a holder or annuitant will not be considered to have a "significant interest" in an iShares Fund unless the holder or annuitant owns 10% or more of the value of the outstanding Units of such iShares Fund, either alone or together with persons and partnerships with which the holder or annuitant does not deal at arm's length. In addition, the Units of an iShares Fund will not be a "prohibited investment" if such Units are

“excluded property” as defined in the Tax Act for trusts governed by a TFSA, RRSP or RRIF or at any time during the first 24 months of existence of the iShares Fund provided that the iShares Fund qualifies as a mutual fund trust or as a registered investment under the Tax Act and remains in substantial compliance with NI 81-102 during that period (the “**Prohibited Investment Rules**”). On March 22, 2017, the Department of Finance released proposed legislative amendments to the Tax Act that would extend the application of the Prohibited Investment Rules to a holder of a registered education savings plan or a registered disability savings plan.

In the case of an exchange of Units of any iShares Fund for a Basket, a Unitholder will receive securities. The securities received by a Unitholder as a result of an exchange of Units may or may not be qualified investments or prohibited investments for Registered Plans. Unitholders should consult their own tax counsel for advice on whether or not such securities would be qualified investments or prohibited investments for Registered Plans.

At the date hereof, the assets of a pension plan may be invested in Units provided that the assets of such pension plan are invested in accordance with the applicable regulations, investment criteria and statement of investment policies and procedures established for such pension plan.

This summary assumes that none of the iShares Funds will at any time be a SIFT trust (as defined in the Tax Act). If an iShares Fund were a SIFT trust, the income tax considerations described below would, in some respects, be materially different for that iShares Fund and its Unitholders.

Taxation of the iShares Funds

In computing its income an iShares Fund will include taxable distributions received and considered to be received on securities held by it and the taxable portion of capital gains realized by the iShares Fund on the disposition of securities held by it, including securities of iShares ETFs, where applicable. The Master Declaration of Trust governing the iShares Funds requires that in each taxation year each iShares Fund distributes its net income and net realized capital gains, if any, for the taxation year of the iShares Fund to Unitholders to such an extent that the iShares Fund will not be liable in respect of the taxation year for ordinary income tax (after taking into account any applicable losses of each iShares Fund and the capital gains refunds to which the iShares Fund is entitled). If in a taxation year the income for tax purposes of an iShares Fund exceeds the cash available for distribution by the iShares Fund, the iShares Fund will distribute all or a portion of its income through a payment of reinvested distributions.

An iShares Fund will include in computing its income any interest accruing to it on bonds held in its portfolio. Where an iShares Fund invests in units of a Canadian iShares Fund, provided that the Canadian iShares Fund makes appropriate designations with respect to amounts distributed by it to the iShares Fund out of the Canadian iShares Fund’s dividends from taxable Canadian corporations, capital gains and foreign source income, where those items are applicable, such amounts will be treated as such dividends, capital gains and foreign source income in the hands of the iShares Fund. If such Canadian iShares Fund distributes amounts as return of capital to an iShares Fund, generally, such amounts will not be included in the iShares Fund’s income but will reduce the adjusted cost base of the iShares Fund’s investment in such Canadian iShares Fund. In the case of XRB or any other iShares Fund holding real return or inflation adjusted bonds, any amounts in respect of inflation-related adjustments to the principal amount of the bonds will be deemed to be interest for this purpose. Any such amounts of accrued interest and deemed interest will be reflected in distributions to Unitholders.

The iShares Funds are subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss when an iShares Fund acquires a property (a “**substituted property**”) that is the same as or identical to the property sold, within 30 days before and 30 days after the disposition and the iShares Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the applicable iShares Fund cannot deduct the loss from the iShares Fund’s capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale, which may increase the amount of net realized capital gains of the iShares Fund to be made payable to its Unitholders.

The LRE rules could potentially apply to an iShares Fund. In general, an iShares Fund is subject to a “loss restriction event” if a person (or group of persons) acquires more than 50% of the fair market value of the Units of the iShares Fund. If a “loss restriction event occurs”, then (i) the iShares Fund will be deemed to have a year-end for tax purposes immediately before the “loss restriction event” occurs, (ii) any net income and net realized capital gains of the iShares Fund at such year-end will be distributed to the Unitholders of the iShares Fund to the extent required for

the iShares Fund not to be liable for income tax, and (iii) the iShares Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the “loss restriction event”. However, the LRE rules will not apply if the iShares Fund is an “investment fund” which requires the fund to satisfy certain investment diversification rules. See “Risk Factors – Risks relating to tax changes”.

Each iShares Fund is required to compute its income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses in respect of investments that are not Canadian dollar denominated. Such foreign exchange gains and losses may be taken into account in computing its income for tax purposes, although in some cases such gains or losses may be offset by hedging transactions.

An iShares Fund may derive income or gains from investments in the United States and other foreign countries and, as a result, may be liable to pay tax to such countries. Such an iShares Fund may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the iShares Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

Investments in iShares ETFs and in Publicly-Traded Trust Securities

To the extent that an iShares Fund invests in securities of an iShares ETF that is a Canadian resident trust (an “**Underlying Fund**”), the Underlying Fund may designate a portion of amounts that it distributes to the iShares Fund as may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received by the Underlying Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized by the Underlying Fund. Any such designated amounts will be deemed for tax purposes to be received or realized by the iShares Fund as such a taxable dividend or taxable capital gain, respectively. An Underlying Fund that pays foreign withholding tax may make designations such that the iShares Fund may be treated as having paid its share of such foreign tax. As described above, the iShares Fund will make the appropriate designations in respect of amounts which form part of the net income of the iShares Fund that is distributed to its Unitholders so that such amounts will effectively retain their character in the hands of its Unitholders. If an Underlying Fund distributes amounts as return of capital to the iShares Fund, generally, such amounts will not be included in the iShares Fund’s income but will reduce the adjusted cost base of the iShares Fund’s investment in the Underlying Fund.

To the extent that an Underlying Fund holds REIT or income trust securities, the Underlying Fund will be required to include in computing its income for tax purposes for any year the amount (computed in Canadian dollars) of net income and net taxable capital gains, if any, of each REIT or Canadian income trust (“**Publicly-Traded Trust**”) included in its portfolio that are paid or payable to it in the year. Provided that the appropriate designations are made on a timely basis by each such Publicly-Traded Trust, taxable dividends including eligible dividends received by each Publicly-Traded Trust from taxable Canadian corporations, net taxable capital gains of each Publicly-Traded Trust and income received by each Publicly-Traded Trust from foreign sources will effectively retain their character in the hands of the Underlying Fund (and will effectively retain their character in the hands of an iShares Fund when distributed to the iShares Fund, provided that the appropriate designations are made on a timely basis by the Underlying Fund). Publicly-Traded Trusts in which the Underlying Fund may invest generally claim capital cost allowance and other tax deductions such that their cash distributions may exceed the amount required to be included in the income of their security holders. Any such excess amount received by the Underlying Fund from a Publicly-Traded Trust will generally not be included in the Underlying Fund’s income for the year; however, it will reduce the adjusted cost base of the Underlying Fund’s investment in the securities of the Publicly-Traded Trust by that amount. To the extent that the adjusted cost base of the Underlying Fund’s securities of a Publicly-Traded Trust would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Underlying Fund and the adjusted cost base of the applicable securities to the Underlying Fund will then be nil immediately thereafter.

Where a Publicly-Traded Trust is subject to the SIFT rules, distributions of the Publicly-Traded Trust’s “non-portfolio earnings” will not be deductible in computing the Publicly-Traded Trust’s net income. Non-portfolio earnings are generally defined as income (other than certain dividends) from, and capital gains from the disposition of, “non-portfolio properties”, as defined in the Tax Act. Such non-deductible distributions paid to a holder of units of the Publicly-Traded Trust will generally be treated as eligible dividends received by the holder on shares of a taxable Canadian corporation.

iShares Funds Holding Derivative Securities

Generally, to the extent that an iShares Fund holds derivatives as a substitute for direct investment, it will include gains and deduct losses on income account in connection with its derivative activities and will recognize such gains or losses for tax purposes at the time they are realized by the iShares Fund. Where an iShares Fund uses derivatives to hedge foreign currency exposure with respect to securities held on capital account, the derivatives are sufficiently linked to such securities and the derivatives are not subject to the derivative forward agreement rules (the “DFA Rules”) discussed below, gains or losses realized on such derivatives will be treated as capital gains or losses.

The DFA Rules in the Tax Act deem gains on the settlement of certain forward agreements (described as “**derivative forward agreements**”) to be included in ordinary income rather than treated as capital gains. Under the DFA Rules, the return on any derivative entered into by an iShares Fund or a Canadian iShares Fund that is a “derivative forward agreement” within the meaning of the Tax Act will be taxed as ordinary income rather than capital gains.

Taxation of Unitholders

Distributions

A Unitholder will be required to include in the Unitholder’s income for tax purposes for any year the amount (computed in Canadian dollars) of net income and net taxable capital gains of the iShares Fund, if any, paid or payable to the Unitholder in the year and deducted by the iShares Fund in computing its income, whether or not such amounts are reinvested in additional Units, including in the case of Unitholders who receive Management Fee Distributions to the extent they are paid out of net income and net taxable capital gains of the iShares Funds.

The non-taxable portion of any net realized capital gains of an iShares Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year and, provided appropriate designations are made by the iShares Fund, will not reduce the adjusted cost base of the Unitholder’s Units of that iShares Fund. Any returns of capital will generally reduce the Unitholder’s adjusted cost base. To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder’s adjusted cost base will be nil immediately thereafter.

Each iShares Fund will designate to the extent permitted by the Tax Act the portion of the net income distributed to Unitholders as may reasonably be considered to consist of, respectively, (i) taxable dividends (including eligible dividends) received or considered to be received by the iShares Fund on shares of taxable Canadian corporations and (ii) net taxable capital gains realized or considered to be realized by the iShares Fund. Any such designated amount will be deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend (including an eligible dividend) and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid to an individual by a taxable Canadian corporation (including the enhanced gross-up and dividend tax credit applicable to dividends designated by the paying corporation as eligible dividends in accordance with the provisions of the Tax Act) will apply to amounts designated by the applicable iShares Fund as such taxable dividends (or as such eligible dividends). Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, each iShares Fund will similarly make designations in respect of its income from foreign sources, if any, so that, for the purpose of computing any foreign tax credit that may be available to a Unitholder, the Unitholder will generally be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the iShares Fund to that country that is equal to the Unitholder’s share of the iShares Fund’s income from sources in that country. Any loss of an iShares Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of such iShares Fund.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends (eligible dividends or dividends other than eligible dividends), taxable capital gains, returns of capital and foreign source income, and whether foreign tax has been paid for which the Unitholder might be able to claim a foreign tax credit, where those items are applicable.

Tax Consequences of the iShares Funds' Distribution Policy

When a Unitholder acquires Units in an iShares Fund, a portion of the price paid may reflect income and realized capital gains of the iShares Fund that have not been distributed, and accrued capital gains that have not been realized, by the iShares Fund. This may particularly be the case near year-end before year-end distributions have been made. When and if such income and realized capital gains are distributed by the iShares Fund, and when and if such accrued capital gains are realized and distributed, such income and gains must be taken into account by the Unitholder in computing its income for tax purposes even though such amounts may have been reflected in the price paid by the Unitholder. If the amounts of such distributions are reinvested in additional Units of the iShares Fund, the amounts will be added to the Unitholder's adjusted cost base of its Units.

Capital Gains

Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. The adjusted cost base of Units held by Unitholders must be calculated separately for Units of each iShares Fund held by the Unitholder. In general, the adjusted cost base of all Units of a particular iShares Fund held by the Unitholder is the total amount paid for Units of that iShares Fund (including brokerage commissions paid and the amount of reinvested distributions), regardless of when the investor bought them, less any returns of capital and less the adjusted cost base of any Units of that iShares Fund previously redeemed/exchanged by the Unitholder. For the purpose of determining the adjusted cost base of Units of an iShares Fund to a Unitholder, when Units of the iShares Fund are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of that iShares Fund owned by the Unitholder as capital property immediately before that time.

If an iShares Fund realizes income or capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, all or a portion of the amount received by the Unitholder may be designated and treated for income tax purposes as a distribution to the Unitholder out of such income or capital gains rather than being treated as proceeds of disposition of the Units.

Where Units of an iShares Fund are exchanged by the redeeming Unitholder for Baskets, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Baskets so received, plus the amount of any cash received on the exchange, and less any capital gain or income realized by the iShares Fund as a result of the transfer of those Baskets which has been designated by the iShares Fund to the Unitholder. The cost for tax purposes of securities acquired by a redeeming Unitholder on the exchange or redemption of Units of the iShares Fund for Baskets will generally be the fair market value of such securities at that time. Where, on an exchange of Units for Baskets, a Unitholder receives a bond on which interest has accrued but is not payable at the time of the exchange, the Unitholder will generally include such interest in income in accordance with the Tax Act, but will be entitled to offset such amount by a deduction for such accrued interest. The Unitholder's adjusted cost base for tax purposes of the bond will be reduced by such amount of accrued interest.

One half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by an iShares Fund and designated by the iShares Fund in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One half of a capital loss realized by a Unitholder will be an allowable capital loss that will be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Any additional Units acquired by a Unitholder on the reinvestment of distributions will generally have a cost equal to the amount reinvested. It is the administrative position of the CRA that if, pursuant to a distribution reinvestment plan of a trust (for example, the Reinvestment Plan of an iShares Fund), a unitholder acquires a unit from the trust at a price that is less than the then fair market value of the unit, the unitholder must include the difference in income and the cost of the unit will be correspondingly increased.

Taxation of Registered Plans

In general, the amount of a distribution paid or payable to a Registered Plan from an iShares Fund and gains realized by a Registered Plan on a disposition of a Unit will not be taxable under the Tax Act. As is the case for all

investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from a registered education savings plan or certain withdrawals from a registered disability savings plan) will generally be subject to tax.

INTERNATIONAL INFORMATION REPORTING

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the United States (the “**IGA**”) and related Canadian legislation found in Part XVIII of the Tax Act, Unitholders will be required to provide their dealer with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number, or in the case of certain entities with such information relating to their controlling persons. If a Unitholder does not provide the information or is identified as, or in the case of certain entities as having one or more controlling persons who is, a “Specified U.S. Person”, as defined under the IGA (including U.S. citizens who are residents of Canada), certain account information and other personal identifying details of the Unitholder (and, if applicable, of such controlling persons) will generally be reported to the CRA, unless the investment is held within a Registered Plan. The CRA will then provide the information to the U.S. Internal Revenue Service.

In addition, pursuant to the rules in the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the “**CRS Rules**”), beginning July 1, 2017, Canadian financial institutions will be required to have procedures in place to identify accounts held by residents of foreign countries that have agreed to bilateral information exchange with Canada under the Common Reporting Standard (“**Participating Jurisdictions**”) or by certain entities any of whose “controlling persons” are resident in a Participating Jurisdiction. The CRS Rules provide that, beginning in 2018, Canadian financial institutions must report required information to the CRA annually. Such information will be exchanged by the CRA on a reciprocal, bilateral basis with the Participating Jurisdictions in which the account holders or such controlling persons are resident. Under the CRS Rules, Unitholders of an iShares Fund will be required to provide required information reflecting their investment in the iShares Fund to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

ADDITIONAL TAX DISCLOSURE RELATED TO INVESTMENTS IN XID

XID invests in a U.S. iShares Fund that employs an investment strategy that involves investing substantially all of its assets in a wholly-owned Subsidiary in the Republic of Mauritius. The Subsidiary in turn invests in Constituent Issuers in India. By using this structure, the U.S. iShares Fund held by XID expects to obtain certain benefits under the DTAA. In order to be eligible to claim benefits under the DTAA, the Subsidiary must satisfy certain conditions, including the establishment and maintenance of valid tax residence in Mauritius. The Subsidiary has obtained a certificate from the Mauritius authorities providing that it is a resident of Mauritius under the DTAA. The certificate must be renewed annually. The Subsidiary is expected to maintain its Mauritius tax residency. It cannot be assured that the Mauritius authorities will successfully renew its certificate of tax residence annually. On May 10, 2016, India and Mauritius signed the Protocol. The Protocol provides that capital gains will be taxable in India with respect to shares acquired on or after April 1, 2017. Further, the tax on capital gains arising for shares both acquired and sold during the period April 1, 2017 and March 31, 2019 will be limited to 50% of the applicable tax rate if certain conditions regarding eligibility to claim DTAA benefits are met. Capital gains arising after March 31, 2019 will be subject to tax in India at the full statutory rate. The Subsidiary is subject to tax in Mauritius on its net income at a rate of 15%. However, a system of foreign tax credits effectively reduces the Mauritius income tax rate to a maximum of 3%. Further, the Subsidiary is not subject to capital gains tax in Mauritius nor is it subject to tax in Mauritius on any gains from the sale of securities. Any dividends paid by the Subsidiary to the U.S. iShares Fund held by XID will also be exempt from tax in Mauritius. The foregoing is based upon current interpretation and practice and is subject to future changes in the tax laws of India or Mauritius, in the DTAA or in the administrative practice relating to the interpretation or application of either of such laws or the DTAA. See “Risk Factors – India Investments and Nifty 50 Index Fund Risks”.

ORGANIZATION AND MANAGEMENT DETAILS OF THE iSHARES FUNDS

Trustee, Manager and Portfolio Advisor of the iShares Funds

BlackRock Canada is the trustee, manager and portfolio advisor of the iShares Funds and is responsible for the operations of the iShares Funds, including the management of the iShares Funds’ investment portfolios and the

valuation of each of the iShares Funds' assets. BlackRock Canada is entitled to a management fee for acting as trustee, manager and portfolio advisor of the iShares Funds as described under "Fees and Expenses – Fees and Expenses Payable by the iShares Funds – Management Fees".

The principal office of BlackRock Canada is 161 Bay Street, Suite 2500, P.O. Box 614, Toronto, Ontario M5J 2S1.

BlackRock Canada is an indirect, wholly-owned subsidiary of BlackRock.

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At December 31, 2016, BlackRock's AUM was US\$5.1 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, *iShares*® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*®. As of December 31, 2016, the firm had approximately 13,000 employees in 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa.

Details of the Management Services to be Provided by BlackRock Canada

Pursuant to the Master Declaration of Trust, BlackRock Canada is the trustee and manager of the iShares Funds and, as such, is responsible for providing managerial, administrative and compliance services to the iShares Funds, including purchasing and selling portfolio securities on behalf of the iShares Funds, and for providing or arranging for required administrative services to the iShares Funds including, without limitation:

- (a) authorizing the payment of fees, expenses or disbursements incurred on behalf of the iShares Funds that are the responsibility of the iShares Funds;
- (b) preparing reports to Unitholders and the securities regulatory authorities, including interim and annual MRFPs and financial statements;
- (c) determining the amount of distributions to be made by the iShares Funds;
- (d) adopting a distribution reinvestment plan in accordance with the Master Declaration of Trust and administering such plan or engaging a plan agent to administer such plan; and
- (e) negotiating contractual agreements with service providers, including the Underwriters, sub-advisor, custodian, registrar and transfer agent, securities lending agents and auditor.

BlackRock Canada is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the iShares Funds and, in connection therewith, must exercise the degree of care, diligence, and skill that a reasonably prudent trustee and manager would exercise in comparable circumstances.

BlackRock Canada and its agents, and each of their respective directors, officers and employees (each an "**Indemnified Party**") will at all times be indemnified and saved harmless out of the assets of the iShares Funds from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it or them for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its or their duties hereunder and also from and against all other costs, charges, and expenses which it or they sustain or incur in or about or in relation to the affairs of the iShares Funds, including legal fees and an amount paid to settle an action or satisfy a judgment reasonably incurred by the Indemnified Party in connection with services provided by it to the iShares Funds in respect of any civil, criminal or administrative action or proceeding to which the Indemnified Party is a party. Neither BlackRock Canada nor any other Indemnified Party will be liable to the iShares Funds or to any Unitholder for any loss or damage relating to any matter regarding the iShares Funds, including any loss or diminution in the value of the iShares Funds or their assets.

The foregoing paragraph does not apply in any circumstance where there has been gross negligence, wilful default or dishonesty on the part of BlackRock Canada or its agents, or where BlackRock Canada or its agents have otherwise failed to act in compliance with the standard of care set forth in the Master Declaration of Trust and, in the case of legal fees, judgments and amounts paid in settlement of any civil, criminal or administrative proceeding as contemplated by the Master Declaration of Trust and the limitation of liability relating to any loss or damage relating to any matter regarding the iShares Funds, including any loss or diminution in the value of the iShares Funds or their assets, does not apply unless such fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in the Master Declaration of Trust and the iShares Funds have reasonable grounds to believe that the action or inaction that caused the payment of such fees, judgments and amounts paid in settlement was in the best interests of the iShares Funds.

The management and trustee services of BlackRock Canada under the Master Declaration of Trust are not exclusive and nothing in the Master Declaration of Trust prevents BlackRock Canada from providing similar services to other investment funds and clients (whether or not their investment objectives and policies are similar to those of the iShares Funds) or from engaging in other activities.

Pursuant to the Master Declaration of Trust, BlackRock Canada may resign as trustee and manager of the iShares Funds by giving not less than 60 days' prior written notice to Unitholders of the iShares Funds. BlackRock Canada may appoint a successor trustee, but if no such successor trustee is appointed within 30 days of BlackRock Canada's resignation, the iShares Funds will be terminated and their net assets distributed to Unitholders.

Governance

BlackRock Canada, as trustee, is responsible for governance of the iShares Funds. BlackRock Canada has established appropriate policies designed to recognize BlackRock Canada's obligation to act in the best interest of the iShares Funds and to place the interests of the iShares Funds ahead of the personal interests of the officers and employees of BlackRock Canada. These policies address:

- personal trading;
- insider trading;
- confidentiality;
- trade allocation; and
- a code of conduct governing business conduct.

In addition, each employee of BlackRock Canada is required to certify annually that such person has read and complied with these policies.

BlackRock Canada has implemented an appropriate system of procedures and internal controls, including designation of employees responsible for monitoring and complying with regulatory and corporate requirements.

Ownership of BlackRock Canada

BlackRock owns, directly or indirectly, 226,921,949 or 100% of the outstanding common shares of BlackRock Canada.

Executive Officers and Directors of BlackRock Canada

The following are the names, municipalities of residence, offices and principal occupations of the executive officers and directors of BlackRock Canada:

Name and Municipality of Residence	Office	Principal Occupation
MARCIA MOFFAT Toronto, Ontario	Chief Executive Officer and Director	Managing Director (Country Head – Canada), BlackRock Canada
ELEANOR MCINTYRE Scarborough, Ontario	Chief Operating Officer	Director, BlackRock Canada
LEE WANIE New York, New York	Managing Director and Director	Managing Director (Head of Canadian Institutional Client Business, BlackRock Canada, and Head of Core Institutional Team, BlackRock)
WARREN COLLIER Toronto, Ontario	Managing Director and Director	Managing Director (Head of iShares), BlackRock Canada
KEVIN PERRY Bronxville, New York	Chief Financial Officer	Managing Director (Finance), BlackRock
MARGARET GUNAWAN Toronto, Ontario	Chief Compliance Officer and Secretary	Managing Director (Legal and Compliance), BlackRock Canada

All executive officers and directors listed above held their current position or other positions with BlackRock Canada during the past five years except as follows:

Marcia Moffat, Chief Executive Officer and Director, is Managing Director (Country Head – Canada) of BlackRock Canada. Ms. Moffat joined BlackRock Canada in September 2015. Prior to joining BlackRock, Ms. Moffat acted as the founder and principal of Compasar Solutions where she provided strategic insights and advice to companies and their management teams. Previously, Ms. Moffat was an executive at Royal Bank of Canada, and held roles across both institutional and retail businesses over her twelve years with the company. Ms. Moffat began her career as a corporate lawyer at Shearman & Sterling LLP. She holds an MBA and a law degree from the University of Toronto, and a Bachelor of Science (Biology) from McGill University. She is also a member of the New York State Bar.

Eleanor McIntyre, Chief Operating Officer has been Chief Operating Officer at BlackRock Canada since October 2013 and joined BlackRock in 2006. She has held various positions on BlackRock’s Human Resources Team, and most recently was the Global HR Business Partner for the Corporate Operations Groups and Institutional Client Business based in New York. Ms. McIntyre has 25 years’ experience in the financial services industry. Prior to joining BlackRock in 2006, Ms. McIntyre was Managing Director of Human Resources for a Canadian mutual fund company.

Lee Wanie, Managing Director and Director, leads the Canadian Institutional Client Business as well as the Core Institutional Team within BlackRock globally. Mr. Wanie has been a director of BlackRock Canada since May 2016, and has been with BlackRock since 1999, including his years with Barclays Global Investors (“BGI”), which merged with BlackRock in 2009. At BGI in San Francisco, he was an Institutional relationship manager, responsible for servicing defined benefit, defined contribution, foundation and endowment clients. Previously, he worked as a financial advisor with Morgan Stanley Dean Witter. Mr. Wanie earned a BA degree in economics from the University of California at Berkeley in 1995 and is a Chartered Financial Analyst® charterholder.

Warren Collier, Managing Director and Director, is Managing Director (Head of iShares) of BlackRock Canada. Mr. Collier’s service with BlackRock dates back to 1999, including his years with BGI. At BGI, he was the Chief Operating Officer for BGI in Canada and Latin America. He was also a member of BGI’s Global Legal Leadership team with responsibility for the legal teams outside the U.S. and United Kingdom. Most recently, Mr. Collier was the Chief Operating Officer for BlackRock’s U.S. iShares business and, before that, for the firm’s Latin America and Iberia business. Before his time with BlackRock, Mr. Collier was in private legal practice focusing on the investment management industry at a leading Canadian business law firm. Mr. Collier earned a BA degree in political science from York University in 1991 and his law degree from Osgoode Hall Law School in 1994.

Kevin Perry, Chief Financial Officer, has been Chief Financial Officer of BlackRock Canada since April 2016 and joined BlackRock in 2006. Currently, Mr. Perry is a Managing Director in BlackRock’s Finance Department

and is responsible for corporate accounting activities including financial reporting and regulatory reporting in the U.S., Latin America and Canada. Prior to joining BlackRock, Mr. Perry was employed by Morgan Stanley as well as Ernst & Young LLP. Mr. Perry earned a Bachelor of Business Administration degree from the University of Notre Dame.

Margaret Gunawan, Chief Compliance Officer and Secretary, has been counsel at BlackRock Canada since February 2005 and Head of Legal and Compliance at BlackRock Canada since 2009. She was re-appointed as Chief Compliance Officer and Secretary of BlackRock Canada effective September 14, 2015.

Sub-Advisor

BlackRock Canada has appointed BTC, a national banking association organized under the laws of the United States of America that operates as a limited purpose trust company, as the sub-advisor of the iShares Funds. As sub-advisor, BTC is responsible for the investment management activities of the iShares Funds, subject to the policies, control and supervision of BlackRock Canada. BTC is an indirect, wholly-owned subsidiary of BlackRock and an affiliate of BlackRock Canada.

BlackRock Canada remains responsible for the management of each of the iShares Funds, including the management of their investment portfolios and the investment advice provided by BTC. In particular, BlackRock Canada is responsible for any loss that arises out of the failure of BTC to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of BlackRock Canada and the iShares Funds or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. There may be difficulty in enforcing any legal rights against BTC (or its individual representatives) because it is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

BTC's principal office is located in San Francisco, California. Its primary regulator is the Office of the Comptroller of the Currency, the agency of the U.S. Treasury Department that regulates United States national banks.

Portfolio management at BTC is conducted by integrated teams of highly qualified investment professionals. Moreover, BTC uses a combination of technologically advanced investment systems, along with rigorous investment procedures and safeguards. A committee comprised of senior management and portfolio managers (the "**Investment Review Committee**") reviews the management of the investment portfolios on a regular basis. Performance exceptions are reported internally and are reviewed by the Investment Review Committee.

Portfolio Managers of the Sub-Advisor

Biographical information relating to the principal portfolio managers of BTC who oversee the services provided to the iShares Funds is set forth below:

Name	Years of Service	Title	Notes
Greg Savage	18	Head of Americas iShares Beta Strategies Portfolio Management	Mr. Savage's service with the firm dates back to 1999, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. At BGI he was a senior portfolio manager and team leader in the iShares Index Equity Portfolio Management Group and was previously a transition manager in the Transition Management Group. Prior to BGI, Mr. Savage worked at Pacific Investment Management Company (PIMCO) from 1997 to 1999 in various roles. Mr. Savage earned a BS degree in Accounting from the University of Colorado at Boulder in 1994.
Creighton Jue	17	Head of Americas Alternative Beta	Mr. Jue's service with the firm dates back to 2000, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. At

Name	Years of Service	Title	Notes
		Strategies Portfolio Management	BGI, he was responsible for BGI's developed international market index funds. Prior to joining BGI, he was a senior portfolio manager at Mellon Capital Management where he managed index and enhanced index portfolios in the domestic and international markets. Mr. Jue earned a BA degree in economics from University of California, Irvine, in 1992.
Scott Radell	14	Managing Director, Head of US Fixed Income Portfolio Solutions	Scott Radell, CFA, Managing Director, is the Head of US Fixed Income Portfolio Solutions within BlackRock's Model-Based Fixed Income Portfolio Management Group. Mr. Radell's service with the firm dates back to 2003, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. At BGI, Mr. Radell was the Head of Portfolio Solutions, a group responsible for management and oversight of all iShares, index and model-based active fixed income funds. Before founding the Portfolio Solutions Group, he was a portfolio manager responsible for BGI's active investment grade long-only and long/short cross-over portfolios. Prior to joining BGI, Scott served for over seven years as an analyst for corporate bond and Commercial Mortgage Backed Securities for Morgan Stanley Investment Management. Mr. Radell began his career as a fixed income client service and mortgage analysts at BARRA. Mr. Radell earned a BA degree in economics from quantitative economics and decision sciences from the University of California at San Diego in 1992.

Details of the Investment Sub-Advisory Agreement

An agreement has been entered into among BlackRock Canada, BTC and the iShares Funds amended and restated as of January 16, 2017 (as amended and/or restated from time to time, the “**Investment Sub-Advisory Agreement**”), under which BTC provides certain investment advisory and administrative services to the iShares Funds.

The Investment Sub-Advisory Agreement will remain in effect until terminated by any party, upon not less than 30 days' prior written notice, provided that, the Investment Sub-Advisory Agreement may be terminated by any party, upon 24 hours' written notice to the other parties, if, among other things, any party fails to perform its material duties and discharge its material obligations under the Investment Sub-Advisory Agreement.

The Investment Sub-Advisory Agreement also provides that BTC shall hold harmless and indemnify BlackRock Canada and the iShares Funds from and against any and all liability or loss which such indemnified party may incur or suffer to the extent such liability or loss was caused by the failure of BTC to meet its obligations and/or comply with its standard of care in the Investment Sub-Advisory Agreement.

Conflicts of Interest

BlackRock Canada and its principals and affiliates do not devote their time exclusively to the management of the iShares Funds. In addition, such persons perform similar or different services for others and may sponsor or establish other investment funds during the same period that they act on behalf of the iShares Funds. Such persons therefore will have conflicts of interest in allocating management time, services and functions to the iShares Funds and the other persons for which they provide similar services.

The directors and officers of BlackRock Canada or its affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which an iShares Fund may acquire securities. BlackRock Canada and its affiliates, including BlackRock, may be engaged as managers or portfolio managers for one or more issuers in which an iShares Fund may acquire securities and may be managers or portfolio managers of funds or accounts that invest in the same securities as the iShares Funds. The iShares Funds are permitted to purchase, sell and hold securities of certain issuers that are directly or indirectly related to BlackRock Canada (currently including, but not limited to, BlackRock and PNC Financial Services Group, Inc.). Such transactions will only be undertaken where permitted by applicable securities laws and upon obtaining any required regulatory approvals.

BlackRock and Chubb Limited (“**Chubb**”), a public company whose securities are held by BlackRock-advised funds and other accounts, partially funded the creation of a re-insurance company (“**Re Co**”) pursuant to which each has approximately a 9.9% ownership interest and each has representation on its board of directors. Certain employees and executives of BlackRock have a less than ½ of 1% ownership interest in Re Co. BlackRock manages the investment portfolio of Re Co, which is held in a wholly-owned subsidiary. Re Co participates as a reinsurer with reinsurance contracts underwritten by subsidiaries of Chubb. An independent director of certain BlackRock-advised funds also serves as an independent director of Chubb and has no interest or involvement in the Re Co transaction.

BlackRock or its affiliates own or have an ownership interest in certain trading, portfolio management, operations and/or information systems used by service providers of the iShares Funds. These systems are, or will be, used by a service provider of the iShares Funds in connection with the provision of services to accounts managed by BlackRock and funds managed and sponsored by BlackRock, including the iShares Funds, that engage the service provider (typically the custodian). A service provider of the iShares Funds remunerates BlackRock or its affiliates for the use of the systems. Payments by a service provider of the iShares Funds to BlackRock or its affiliates for the use of these systems may enhance the profitability of BlackRock and its affiliates. BlackRock’s or its affiliates’ receipt of fees from a service provider in connection with the use of systems provided by BlackRock or its affiliates may create an incentive for BlackRock to recommend that an iShares Fund enter into or renew an arrangement with the service provider.

Independent Review Committee

As required by NI 81-107, BlackRock Canada has established an IRC to review all conflict of interest matters identified and referred to the IRC by BlackRock Canada and to give its approval or recommendation, depending on the nature of the conflict of interest matter. A conflict of interest matter is a situation where a reasonable person would consider BlackRock Canada or an entity related to BlackRock Canada to have an interest that may conflict with the ability of BlackRock Canada to act in good faith and in the best interests of the iShares Funds.

The current members of the IRC, who constitute the IRC for the iShares Funds are as follows:

Name	Municipality of Residence	Aggregate Compensation Payable in 2016 ⁽²⁾
René Delsanne ⁽¹⁾	Longueuil, Québec	\$18,137.64
Francis Enderle ⁽³⁾	Oakland, California	\$83,122.22
Martha Fell	Toronto, Ontario	\$57,428.14
Paul Batho	Markham, Ontario	\$54,579.82
Geoffrey Creighton ⁽⁴⁾	Oakville, Ontario	\$46,950.50

(1) René Delsanne ceased to be a member of the IRC effective as of April 30, 2016.

(2) Represents actual amounts paid during the financial year ended December 31, 2016. Includes amounts paid in respect of services rendered for other investment funds for which the IRC provided services during the period. Includes any expenses reimbursed by the iShares Funds.

(3) Francis Enderle acts as Chair of the IRC.

(4) Geoffrey Creighton was appointed as a member of the IRC effective as of May 1, 2016.

Currently, each member receives \$50,000 (\$70,000 for the Chair) per annum as a general retainer, including for attendance at meetings. IRC members are reimbursed for any costs incurred in attending meetings or otherwise incurred in fulfilling their obligations as IRC members.

The IRC has a written charter describing its powers, duties and responsibilities.

Pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following:

- (i) BlackRock Canada's policies and procedures regarding conflict of interest matters;
- (ii) any standing instructions the IRC has given to BlackRock Canada for the conflict of interest matters related to the iShares Funds; and
- (iii) BlackRock Canada's and each iShares Fund's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to BlackRock Canada.

In addition, the IRC reviews and assesses, at least annually, the independence and compensation of its members, its effectiveness as a committee, and the contribution and effectiveness of each member.

The IRC prepares a report annually of its activities for Unitholders which is available on the iShares Funds' website at www.blackrock.com/ca, or at a Unitholder's request at no cost, by contacting the iShares Fund at iSharesCanada_inquiries@blackrock.com.

Custodian

SSTCC is the custodian of the iShares Funds pursuant to a service module (the "Custody Agreement") between BlackRock Canada, in its capacity as portfolio advisor and trustee of the iShares Funds, and SSTCC dated as of December 19, 2008, as amended from time to time. The Custody Agreement incorporates the terms and conditions of the Master Services Agreement (as amended and restated from time to time, the "MSA") between BlackRock Canada and BTC and certain U.S.-based funds and institutional accounts named therein and State Street Bank and Trust Company ("SSBT") and SSTCC. The term of the Custody Agreement will continue until the later of May 2018 or the expiration of the service modules entered into by certain U.S.-based funds and institutional accounts and SSBT. The Custody Agreement may be terminated earlier in accordance with the terms and conditions therein or in the MSA, including in the event of a breach of SSTCC's standard of care or where BlackRock Canada believes in its sole judgment acting in its capacity as a fiduciary that the continued provision of services by SSTCC would, in the circumstances, constitute a breach by BlackRock Canada of its duties as a fiduciary. Pursuant to the Custody

Agreement, SSTCC or SSBT, as the case may be, performs certain fund accounting and other services for the iShares Funds. SSTCC's principal office is located in Toronto, Ontario.

In order to secure SSTCC's obligations under the arrangements described above, State Street Bank, the U.S.-based controlling shareholder of SSTCC, entered into a guarantee and support agreement on July 31, 2003 pursuant to which State Street Bank guarantees SSTCC's obligations to the iShares Funds under the Custody Agreement and will covenant to cause SSTCC to perform such obligations.

Subcustodians

SSTCC appoints sub-custodians from time to time, including BTC, BRAL and SSBT, each of which have been appointed as subcustodians pursuant to subcustodial agreements entered into by SSTCC or its predecessor company, IBT Trust Company (Canada).

Auditor

The auditor of the iShares Funds is PricewaterhouseCoopers LLP, at its principal office located at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2.

Registrar and Transfer Agent

The registrar and transfer agent for the Units is SSTCC, at its principal office in Toronto, Ontario. SSTCC maintains the register of registered Unitholders of each iShares Fund.

Securities Lending Agents

BTC acts as a securities lending agent for the iShares Funds pursuant to a securities lending authorization agreement dated August 17, 2005, as amended (the "**Securities Lending Authorization Agreement**") between BlackRock Canada and BTC. BTC is a national banking association organized under the laws of the United States of America. BTC's principal office is located in San Francisco, California. The Securities Lending Authorization Agreement may be terminated by either party by giving the other party 30 days' prior written notice. BTC is an affiliate of BlackRock Canada.

BRAL acts as a securities lending agent for the iShares Funds pursuant to a securities lending management agreement dated August 19, 2004, as amended (the "**Securities Lending Management Agreement**") between BlackRock Canada and BRAL. BRAL is a corporation incorporated under the laws of England and Wales and is regulated by the Financial Conduct Authority in the United Kingdom. BRAL's principal office is located in London, England. The Securities Lending Management Agreement may be terminated by either party by giving the other party 30 days' prior written notice. BRAL is an affiliate of BlackRock Canada.

The securities lending agents act on behalf of the iShares Funds in administering the securities lending transactions entered into by the iShares Funds. The collateral posted by a securities borrower to a lending iShares Fund in a securities lending transaction is required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the iShares Funds, the iShares Funds also benefit from a borrower default indemnity provided by BlackRock. BlackRock's indemnity provides for full replacement of securities lent in the event the borrower defaults on its obligation to return the loaned securities and the collateral received is insufficient to reconstitute the portfolio of loaned securities.

License Agreements

S&P Dow Jones Indices LLC

BTC entered into an agreement dated December 9, 1999, as amended (the "**Dow Jones License Agreement**"), with DJI Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC and the successor to Dow Jones). The initial term of the Dow Jones License Agreement expired on May 15, 2010 but was subsequently renewed until the agreement terminated on May 15, 2015.

BFA has entered into an agreement dated April 27, 1999, as amended (the “**S&P License Agreement**”), with S&P providing for (i) the right to use the Canadian Equity Fund Indices, the International Mining Sector Indices and the Preferred Index as a basis for determining the composition of the iShares S&P/TSX Canadian Equity Funds, the iShares Dow Jones Canadian Equity Funds, the iShares International Mining Sector Funds and XPF and to use certain trademarks of S&P in connection with the iShares S&P/TSX Canadian Equity Funds, the iShares Dow Jones Canadian Equity Funds, the iShares International Mining Sector Funds and XPF, and (ii) the right to use the S&P 500 CAD Hedged Index, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, the S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Total Market Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index and the S&P MidCap 400 CAD Hedged Index as a basis for the operation of XSP, XHC, XCD, XGI, XUU, XUH, XMC and XMH and to use certain trademarks of S&P in connection with XSP, XHC, XCD, XGI, XUU, XUH, XMC and XMH. On May 16, 2015, the S&P License Agreement was amended by Amendment No. 56 to add certain trademarks and indices of Dow Jones that were previously licensed to BTC pursuant to the Dow Jones License Agreement described above. The S&P License Agreement will expire on April 27, 2024 but may be terminated prior to that date in certain limited circumstances. The applicable rights under the S&P License Agreement have been sublicensed by BFA to BlackRock Canada pursuant to an amended and restated sublicense agreement dated as of April 6, 2011 (as may be further amended, restated or supplemented from time to time, the “**S&P Sublicense Agreement**”). The terms of the S&P License Agreement provide that it may be amended or terminated without the consent of the Unitholders of the iShares S&P/TSX Canadian Equity Funds, the iShares Dow Jones Canadian Equity Funds, the iShares International Mining Sector Funds, XHC, XSP, XPF, XCD, XGI, XUU, XUH, XMC or XMH. If the S&P License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate the iShares S&P/TSX Canadian Equity Funds or the iShares Dow Jones Canadian Equity Funds based on the Canadian Equity Fund Indices, the iShares International Mining Sector Funds based on the International Mining Sector Indices, XHC based on the S&P Global 1200 Health Care Canadian Dollar Hedged Index, XSP based on the S&P 500 CAD Hedged Index, XPF based on the Preferred Index, XCD based on the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, XGI based on the S&P Global 1200 Industrials Canadian Dollar Hedged Index, XUU based on the S&P Total Market Index, XUH based on the S&P Total Market Index (CAD-Hedged), XMC based on the S&P MidCap 400 Index or XMH based on the S&P MidCap 400 CAD Hedged Index.

FRC

With respect to XSU, BTC has entered into an agreement dated December 17, 1999, as amended (the “**FRC License Agreement**”), with FRC and provides for, among other things, the right to use the Russell 2000® Index – Canadian Dollar Hedged as the basis for the operation of XSU and to use certain trademarks of FRC in connection with XSU. The FRC License Agreement will expire on the 25th anniversary of the initial launch date of the first iShares fund using an FRC index but may be terminated prior to that date in certain limited circumstances. The applicable rights under the FRC License Agreement have been sublicensed to BlackRock Canada for use in connection with XSU pursuant to a sublicense agreement between BTC and BlackRock Canada dated May 2, 2007 (the “**FRC Sublicense Agreement**”). The terms of the FRC License Agreement provide that it may be amended or terminated without the consent of the Unitholders of XSU. If the FRC License Agreement or the FRC Sublicense Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XSU based on the Russell 2000® Index – Canadian Dollar Hedged.

FTSE

BlackRock, Inc. has entered into a license agreement dated July 1, 2012, as amended, (the “**FTSE International License Agreement**”) with FTSE International Limited under which it has the right, on and subject to the terms of the FTSE International License Agreement, to use certain indices, including the FTSE China 50 Index, as a basis for the operation of XCH and to use certain trademarks in connection with XCH. These rights under the FTSE International License Agreement have been licensed to BlackRock Canada pursuant to a sublicense agreement dated as of July 1, 2012 (the “**FTSE International Sublicense Agreement**”). The initial term of the FTSE International License Agreement is for 5 years from the date of signing unless and until terminated earlier by either party pursuant to the terms of the FTSE International License Agreement. If the FTSE International License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XCH based on the FTSE China 50 Index.

FTSE TMX

BlackRock Canada has entered into a license agreement dated September 15, 2010, as amended (the “**FTSE TMX License Agreement**”) with FTSE TMX (which agreement was assigned to FTSE TMX from TSX Inc. doing business as PC-Bond) under which BlackRock Canada has the right, on and subject to the terms of the FTSE TMX License Agreement, to use the Canadian Fixed Income Fund Indices as a basis for the operation of the iShares Canadian Fixed Income Funds and to use certain trademarks in connection with the iShares Canadian Fixed Income Funds. The FTSE TMX License Agreement may be amended or terminated without the consent of the Unitholders of the iShares Canadian Fixed Income Funds. The FTSE TMX License Agreement automatically renews on an annual basis unless terminated in accordance with its terms. If the FTSE TMX License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate the iShares Canadian Fixed Income Funds based on the Canadian Fixed Income Fund Indices.

Markit

BTC has entered into an agreement dated September 18, 2006, as amended, (the “**Markit License Agreement**”) with Markit under which it has the right, on and subject to the terms of the Markit License Agreement, to use the Markit iBoxx USD Liquid Investment Grade Total Return Index hedged in CAD and the Markit iBoxx USD Liquid High Yield Total Return Index hedged in CAD (together, the “**iBoxx Indexes**”) as a basis for the operation of XIG and XHY, respectively, and to use certain trademarks of Markit in connection with XIG and XHY. These rights under the Markit License Agreement have been licensed to BlackRock Canada pursuant to an amended and restated sublicense agreement dated as of April 10, 2012 (the “**Markit Sublicense Agreement**”). The Markit License Agreement will terminate on the tenth anniversary of its commencement unless and until terminated earlier by either party pursuant to the terms of the Markit License Agreement. If the Markit License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XIG and XHY based on the respective iBoxx Indexes.

IISL

BTC has entered into a license agreement dated June 22, 2007, as amended, (the “**IISL License Agreement**”) with IISL under which it has the right, on and subject to the terms of the IISL License Agreement, to use the Nifty 50 Index as a basis for the operation of XID and to use certain trademarks in connection with XID. These rights under the IISL License Agreement have been licensed to BlackRock Canada pursuant to a sublicense agreement dated as of January 21, 2010 (the “**IISL Sublicense Agreement**”). The initial term of the IISL License Agreement was for a period of five years after which it was renewed for a further period on mutually agreeable terms. The IISL License Agreement may be terminated earlier by one of the parties pursuant to the terms of the IISL License Agreement. If the IISL License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XID based on the Nifty 50 Index.

Jantzi

With respect to XEN, BlackRock Canada has entered into an agreement with Jantzi dated April 30, 2007 (the “**Jantzi License Agreement**”) providing for, among other things, the rights to use the Jantzi Social Index as the basis for the operation of XEN and to use certain trademarks of Jantzi in connection with XEN. The Jantzi License Agreement may be amended or terminated without the consent of the Unitholders of XEN. The Jantzi License Agreement is automatically renewed on an annual basis unless terminated in accordance with its terms. If the Jantzi License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XEN based on the Jantzi Social Index.

J.P. Morgan

With respect to XEB, BTC has entered into a license agreement dated as of September 5, 2007, as amended (the “**J.P. Morgan License Agreement**”) with J.P. Morgan under which it has the right, on and subject to the terms of the J.P. Morgan License Agreement, to use the J.P. Morgan EMBI Global Core Hedged in CAD Index as a basis for the operation of XEB and to use certain trademarks in connection with XEB. These rights under the J.P. Morgan License Agreement have been licensed to BlackRock Canada pursuant to a sublicense agreement dated as of April 6, 2011 (the “**J.P. Morgan Sublicense Agreement**”). The initial term of the J.P. Morgan License Agreement is for a period of five years, but may be terminated prior to that date in certain circumstances. Following the expiration of the

initial term, the agreement shall be automatically renewed on an annual basis unless terminated in accordance with its terms. If the J.P. Morgan License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XEB based on the J.P. Morgan EMBI Global Core Hedged in CAD Index.

Morningstar

With respect to XHD and XHU, BlackRock and Morningstar, Inc., are parties to a licensing agreement dated November 30, 2010 and last amended on June 4, 2014 (the “**Morningstar License Agreement**”), under which BlackRock has the right, on and subject to the terms of the Morningstar License Agreement, to use the Morningstar Index and the Morningstar Dividend Yield Focus Index as a basis for the operation of XHD and XHU, respectively, and to use certain Morningstar trademarks in connection with XHD and XHU. The applicable rights under the Morningstar License Agreement have been sublicensed by BlackRock to BlackRock Canada pursuant to an amended and restated sublicense agreement dated as of June 4, 2012 (as may be further amended, restated or supplemented from time to time, the “**Morningstar Sublicense Agreement**”). The Morningstar License Agreement may be amended or terminated without the consent of the Unitholders of XHD or XHU. The initial term of the Morningstar License Agreement expired on November 30, 2016. Following the expiration of the initial term, the Morningstar License Agreement automatically renews on an annual basis unless terminated in accordance with its terms. If the Morningstar License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XHD based on the Morningstar Index or XHU based on the Morningstar Dividend Yield Focus Index.

MSCI

With respect to XIN, XEM, XWD, XBZ, XMV, XMU, XMI, XMM, XMW, XEF, XEC, XAW, XEH, XEU, XFH, the iShares Currency Hedged Minimum Volatility Funds and the iShares Multifactor Funds, BTC has entered into a license agreement dated May 18, 2001, as amended (the “**MSCI License Agreement**”), with MSCI under which BTC has the right, on and subject to the terms of the MSCI License Agreement, to use the MSCI EAFE Hedged 100% to CAD Index, the MSCI Emerging Markets Index, the MSCI World Index, the MSCI Brazil 25/50 Index, the MSCI Canada Minimum Volatility Index (CAD), the MSCI USA Minimum Volatility Index (USD), the MSCI EAFE Minimum Volatility Index (USD), the MSCI Emerging Markets Minimum Volatility Index (USD), the MSCI ACWI Minimum Volatility Index (USD), the MSCI EAFE Investable Market Index, the MSCI Emerging Markets Investable Market Index, the MSCI ACWI ex Canada IMI, the MSCI Europe Investable Market Index, the MSCI Europe IMI 100% Hedged to CAD Index, the MSCI EAFE IMI 100% Hedged to CAD Index, the MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index, the MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index, the MSCI ACWI Minimum Volatility (USD) 100% Hedged to CAD Index and the Multifactor Indices as a basis for the operation of XIN, XEM, XWD, XBZ, XMV, XMU, XMI, XMM, XMW, XAW, XEH, XEU, XFH, the iShares Currency Hedged Minimum Volatility Funds and the iShares Multifactor Funds, and to use certain trademarks of MSCI in connection with XIN, XEM, XWD, XBZ, XMV, XMU, XMI, XMM, XMW, XEF, XEC, XAW, XEH, XEU, XFH, the iShares Currency Hedged Minimum Volatility Funds and Multifactor Funds. The applicable rights under the MSCI License Agreement have been sublicensed by BTC to BlackRock Canada pursuant to an amended and restated sublicense agreement dated as of January 21, 2010 (as may be further amended, restated or supplemented from time to time, the “**MSCI Sublicense Agreement**”). The terms of the MSCI License Agreement provide that it may be amended or terminated without the consent of Unitholders of XIN, XEM, XWD, XBZ, XMV, XMU, XMI, XMM, XMW, XEF, XEC, XAW, XEH, XEU, XFH, the iShares Currency Hedged Minimum Volatility Funds and the iShares Multifactor Funds. The initial term of the MSCI License Agreement expired on May 18, 2006 and has been subsequently renewed with automatic renewal for successive three-year terms thereafter, and will remain in force unless terminated by either party by written notice given not later than 90 days prior to the end of any renewal term. If the MSCI License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XIN based on the MSCI EAFE Hedged 100% to CAD Index, XEM based on the MSCI Emerging Markets Index, XWD based on the MSCI World Index, XBZ based on the MSCI Brazil 25/50 Index, XMV based on the MSCI Canada Minimum Volatility Index (CAD), XMU based on the MSCI USA Minimum Volatility Index (USD), XMI based on the MSCI EAFE Minimum Volatility Index (USD), XMM based on the MSCI Emerging Markets Minimum Volatility Index (USD), XMW based on the MSCI ACWI Minimum Volatility Index (USD), XEF based on the MSCI EAFE Investable Market Index, XEC based on the MSCI Emerging Markets Investable Market Index, XAW based on the MSCI ACWI ex Canada IMI, XEH based on the MSCI Europe IMI 100% Hedged to CAD Index, XEU based on the MSCI Europe Investable Market Index, XFH based on the MSCI EAFE IMI 100% Hedged to CAD Index, XML based on the MSCI EAFE Minimum Volatility (USD) 100% Hedged to CAD Index, XMS based on the MSCI USA Minimum Volatility (USD) 100% Hedged to CAD Index, XMY based on the MSCI ACWI Minimum Volatility

(USD) 100% Hedged to CAD Index, XFC based on the MSCI Canada IMI Select Diversified Multiple-Factor (CAD) Index, XFI based on the MSCI EAFE Diversified Multiple-Factor (CAD) Index, XFF based on the MSCI EAFE Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index, XFS based on the MSCI USA Diversified Multiple-Factor (CAD) Index and XFA based on the MSCI USA Diversified Multiple-Factor (CAD) 100% Hedged to CAD Index.

NASDAQ

With respect to XQQ, BTC has entered in to a license agreement dated April 27, 2000, as amended (the “**NASDAQ License Agreement**”) with NASDAQ under which it has the right, on and subject to the terms of the NASDAQ License agreement, to use the NASDAQ-100 Currency Hedged CAD Index as a basis for the operation of XQQ and to use certain trademarks in connection with XQQ. These rights under the NASDAQ License Agreement have been licensed to BlackRock Canada pursuant to a sublicense agreement dated as of April 6, 2011 (the “**NASDAQ Sublicense Agreement**”). The NASDAQ License Agreement is automatically renewed on an annual basis unless terminated in accordance with its terms. If the NASDAQ License Agreement is terminated for any reason, BlackRock Canada will no longer be able to operate XQQ based on the NASDAQ-100 Currency Hedged CAD Index.

CALCULATION OF NET ASSET VALUE

The Net Asset Value of each iShares Fund will be equal to the market value of the total assets held by the iShares Fund, less an amount equal to the total liabilities of the iShares Fund. Each iShares Fund will calculate its Net Asset Value on a daily basis after the close of the market on each day on which trading takes place on the TSX (a “**Canadian Trading Day**”), or on such other days as BlackRock Canada may determine, in its sole discretion.

Valuation Policies and Procedures

The determination of the Net Asset Value of each of the iShares Funds will be made on the following basis for the purpose of any issue or redemption of Units by an iShares Fund:

- (a) the value of any security which is listed or dealt with on a stock exchange or traded on an over-the-counter market will be (i) in the case of a security which was traded on a Canadian Trading Day, the closing sale price, or (ii) in the case of a security which was not traded on a Canadian Trading Day the price last determined for such security; provided, however, that if the security is an underlying iShares ETF, the value of that underlying iShares ETF may be its reported net asset value if BlackRock Canada, in its discretion, reasonably determines that such net asset value is fair, reasonable and reliable in the relevant circumstances;
- (b) dividend income will be recognized on the ex-dividend date and interest income will be accrued daily;
- (c) the value of any bond will be priced using the mid-price provided by a third party;
- (d) the value of a futures contract will be (i) if daily limits imposed by the futures exchange through which the futures contract was issued are not in effect, the gain or loss on the futures contract that would be realized if, on a Canadian Trading Day, the position in the contract were to be closed out; or (ii) if daily limits imposed by the futures exchange through which the futures contract was issued are in effect, based on the current market value of the underlying interest of the futures contract;
- (e) margin paid or deposited on futures contracts will be reflected as an account receivable and, if not in the form of cash, will be noted as held for margin;
- (f) the value of a forward contract or swap will be the gain or loss on the contract that would be realized if, on the date that valuation is made, the position in the forward contract or swap were to be closed out;

- (g) the value of any security or other property (other than property contemplated above) for which a market quotation is not readily available will be its market value as determined by BlackRock Canada in such manner as BlackRock Canada will from time to time provide;
- (h) any market price reported in foreign currency will be translated into Canadian currency at the prevailing rate of exchange, as determined by BlackRock Canada, on the Canadian Trading Day the Net Asset Value of the applicable iShares Fund is being determined; and
- (i) notwithstanding the foregoing, the value of all fund property shall be the value that BlackRock Canada determines, in its reasonable discretion, most accurately reflects its value in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth.

Net Asset Value per Unit

The Net Asset Value per Unit of each iShares Fund will be calculated on each Canadian Trading Day, or on such other days as BlackRock Canada may determine in its sole discretion, after the close of the market by dividing the Net Asset Value of the applicable iShares Fund by the total number of Units outstanding. The Net Asset Value per Unit and the Net Asset Value of each iShares Fund will be determined in Canadian currency and may also be determined in any other currency at the discretion of BlackRock Canada from time to time.

Each portfolio transaction will be reflected in the computation of Net Asset Value per Unit no later than the computation of Net Asset Value per Unit next made after the date on which the transaction becomes binding. The issue, exchange or redemption of Units will be reflected in the computation of Net Asset Value per Unit next made after the computation made for the purpose of such issue, exchange or redemption.

Reporting of Net Asset Value

BlackRock Canada will make available on its website, www.blackrock.com/ca, the following information for the iShares Funds on a daily basis:

- Net Asset Value;
- Net Asset Value per Unit; and
- Units outstanding.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

A Unit of each iShares Fund represents an equal beneficial interest in the applicable iShares Fund. Each iShares Fund is entitled to issue an unlimited number of Units. The iShares Funds are organized as trusts and Unitholders of the iShares Funds are not shareholders of a corporation.

Subscriptions

All orders to purchase Units directly from the iShares Funds must be placed by Underwriters. See "Purchase of Units – Issuance of Units".

Certain Provisions of the Units

Each Unit of an iShares Fund has identical rights and privileges. Each whole Unit is entitled to one vote at all meetings of Unitholders, provided that a Unitholder who, subject to compliance with applicable exemptive relief (see "Exemptions and Approvals"), holds (either alone or jointly) 20% or more of the issued and outstanding Units of a class of an iShares Fund may only vote up to 20% of the Units of such class on any matter to be voted on by

Unitholders. Each whole Unit of a class is entitled to participate equally with respect to any and all distributions made by an iShares Fund to Unitholders, including distributions of net income and net realized capital gains and distributions upon the termination of the iShares Fund. Units are issued only as fully paid and are non-assessable.

Exchange of Units for Baskets

Unitholders of the iShares Funds may exchange the Prescribed Number of Units (or an integral multiple thereof) of any iShares Fund on any Trading Day for Baskets and cash, subject to the requirement that a minimum Prescribed Number of Units be exchanged. See “Exchange and Redemption of Units – Exchange of Units at Net Asset Value per Unit for Baskets and/or Cash”.

Redemptions of Units for Cash

On any Trading Day, Unitholders may redeem Units of any iShares Fund for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on the TSX on the effective Trading Day for the redemption. However, a cash redemption request will be subject to a maximum redemption price payable to a Unitholder of the Net Asset Value per Unit of the applicable iShares Fund. Unitholders will generally be able to sell (rather than redeem) Units at the full market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions. Therefore, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash. No fees or expenses are paid by a Unitholder to BlackRock Canada or the iShares Funds in connection with selling Units on the TSX. See “Exchange and Redemption of Units – Redemption of Units for Cash”.

Exercise of Voting Rights over iShares ETFs

Since an iShares Fund may hold securities of one or more iShares ETFs, it is not permitted under NI 81-102 to exercise voting rights that attach to the securities of such iShares ETFs. BlackRock Canada may in its sole discretion in relation to certain voting matters make arrangements to enable Unitholders of the iShares Funds to exercise voting rights attaching to securities of an iShares ETF or for such voting rights to be otherwise exercised in accordance with applicable law and any applicable exemptive relief.

Exercise of Voting Rights over Baskets

In the case of XCG, XCS, XCV, XDV, XEG, XFN, XIC, XIT, XIU, XMA, XMD, XRE and XGD, a Unitholder holding a minimum of a Prescribed Number of Units of such iShares Fund may instruct such iShares Fund, on 15 Trading Days’ notice, to give the Unitholder a signed proxy with respect to any meeting of Unitholders of Index Securities of that iShares Fund. Such proxy will entitle the Unitholder to exercise the applicable voting rights, if any, for the applicable portion of the Index Securities held by the iShares Funds based on the Index Securities underlying the number of Units held by the Unitholder. Instructions must be given for each meeting of securityholders of a Constituent Issuer. Eligible Unitholders must take the initiative to exercise this right as no reminders of this right will be sent to them. Eligible Unitholders will be required to certify to the applicable iShares Fund either that the Unitholder is the beneficial owner of the Units held in the Unitholder’s name, or that the proxy will be exercised or otherwise dealt with in accordance with the instructions of such beneficial owner.

Unitholders holding less than the Prescribed Number of Units of XCG, XCS, XCV, XDV, XEG, XFN, XIC, XIT, XIU, XMA, XMD, XRE or XGD will not have any right to vote Index Securities held by such iShares Fund.

Modification of Terms

Any modification, amendment, alteration or deletion of the rights, privileges or restrictions attaching to Units of any iShares Fund set out in the Master Declaration of Trust that relate to certain voting and approval matters shall not occur in respect of an iShares Fund unless duly approved by at least a majority of the Unitholders of that iShares Fund present in person or by proxy at a meeting of Unitholders which has been duly called and held for that purpose. See “Unitholder Matters – Amendments to the Master Declaration of Trust”.

UNITHOLDER MATTERS

Meetings of Unitholders

Except as otherwise required by law, meetings of Unitholders of an iShares Fund will be held if called by BlackRock Canada upon written notice of not less than 21 days, nor more than 50 days, before the meeting.

Except as otherwise provided in the Master Declaration of Trust, the Unitholders of an iShares Fund are entitled to one vote per whole Unit of such iShares Fund held by them on the record date established for voting at any meeting of such Unitholders.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of an iShares Fund to be called to approve certain changes as follows:

- (i) the basis of the calculation of a fee or expense that is charged to the iShares Fund or directly to its Unitholders by the iShares Fund or BlackRock Canada in connection with the holding of Units of the iShares Fund is changed in a way that could result in an increase in charges to the iShares Fund or its Unitholders, except where:
 - (a) the iShares Fund is at arm's length to the person or company charging the fee or expense;
 - (b) the Unitholders have received written notice at least 60 days before the effective date of the change that is to be made that could result in an increase in charges to the iShares Fund; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of the iShares Fund;
- (ii) a fee or expense, to be charged to the iShares Fund or directly to its Unitholders by the iShares Fund or BlackRock Canada in connection with the holding of Units of the iShares Fund that could result in an increase in charges to the iShares Fund or its Unitholders, is introduced, except where:
 - (a) the iShares Fund is at arm's length to the person or company charging the fee or expense;
 - (b) the Unitholders have received written notice at least 60 days before the effective date of the change that is to be made that could result in an increase in charges to the iShares Fund; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of the iShares Fund;
- (iii) the manager of the iShares Fund is changed, unless the new manager of the iShares Fund is an affiliate of BlackRock Canada;
- (iv) the fundamental investment objectives of the iShares Fund are changed;
- (v) the iShares Fund reduces the frequency of the calculation of its Net Asset Value per Unit;
- (vi) the iShares Fund undertakes a reorganization with, or transfers its assets to, another issuer, if the iShares Fund ceases to continue after the reorganization or transfer of assets, and the transaction results in the Unitholders of the iShares Fund becoming securityholders in the other issuer, unless:
 - (a) the IRC of the iShares Fund has approved the change in accordance with NI 81-107;

- (b) the iShares Fund is being reorganized with, or its assets are being transferred to, another investment fund that is subject to NI 81-102 and NI 81-107 and managed by BlackRock Canada, or an affiliate of BlackRock Canada;
- (c) the Unitholders have received written notice at least 60 days before the effective date of the change;
- (d) the right to notice described in (c) is disclosed in the prospectus of the iShares Fund; and
- (e) the reorganization or transfer of assets of the iShares Fund complies with certain other requirements of applicable securities legislation;
- (vii) the iShares Fund undertakes a reorganization with, or acquires assets from, another issuer, if the iShares Fund continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other issuer becoming Unitholders of the iShares Fund, and the transaction would be a material change to the iShares Fund;
- (viii) the iShares Fund implements any of the following:
 - (a) a restructuring into a non-redeemable investment fund; or
 - (b) a restructuring into an issuer that is not an investment fund; or
- (ix) any matter which is required by the constating documents of the iShares Fund or by the laws applicable to the iShares Fund or by any agreement to be submitted to a vote of the Unitholders of the iShares Fund.

Approval of Unitholders of an iShares Fund will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders of the iShares Fund duly called and held for the purpose of considering the same, by at least a majority of the votes cast.

Change of Auditor

The auditor of an iShares Fund may be changed without Unitholder approval if:

- (i) the IRC of the iShares Fund has approved the change in accordance with NI 81-107;
- (ii) the Unitholders have received written notice at least 60 days before the effective date of the change; and
- (iii) the right to notice described in (ii) is disclosed in the prospectus of the iShares Funds.

Amendments to the Master Declaration of Trust

BlackRock Canada may amend the Master Declaration of Trust from time to time in writing. BlackRock Canada must notify Unitholders at least 60 days' prior to the effective date of any amendments made to the Master Declaration of Trust. None of the following shall occur in respect of an iShares Fund unless duly approved by at least a majority of the Unitholders present in person or by proxy at a meeting of Unitholders which has been duly called and held for that purpose:

- (a) any modification, amendment, alteration or deletion of the rights, privileges or restrictions attaching to Units set out in the Master Declaration of Trust that relate to certain voting and approval matters;
- (b) any change in the fundamental investment objectives of an iShares Fund set out in the Master Declaration of Trust;

- (c) any increase in the amount of fees payable by an iShares Fund; and
- (d) any other matter in respect of which applicable securities legislation would require a Unitholder vote to be held.

Unitholders are entitled to one vote per whole Unit held on the record date established for voting at any meeting of Unitholders.

Pursuant to the Master Declaration of Trust, BlackRock Canada is not required to provide notice with respect to any amendment to the Master Declaration of Trust that is (i) made to ensure continuing compliance with Canadian securities legislation and other applicable laws in effect from time to time; (ii) intended to provide additional protection for Unitholders; or (iii) intended to deal with minor or clerical matters or to correct typographical mistakes, ambiguities or manifest omissions or errors or any amendment which, in the opinion of BlackRock Canada, is not prejudicial to Unitholders and is necessary or desirable.

Permitted Mergers

An iShares Fund may, without Unitholder approval, enter into a merger or other similar transaction with any Canadian investment fund which has a similar investment objective, valuation procedure and fee structure (a “**Permitted Merger**”), subject to:

- (a) approval of the merger by the IRC;
- (b) compliance with certain merger pre-approval conditions set out in Section 5.6 of NI 81-102; and
- (c) written notice being provided to Unitholders at least 60 days’ before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

Reporting to Unitholders

The fiscal year end of the iShares Funds is December 31. The iShares Funds will deliver or make available to Unitholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim MRFPs. Such documents are incorporated by reference into, and form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

Each Unitholder will also be mailed annually, by his or her broker, no later than March 31, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by one or more iShares Funds in respect of the preceding taxation year of such iShares Fund(s).

TERMINATION OF THE iSHARES FUNDS

Each iShares Fund may be terminated by BlackRock Canada on not less than 60 days’ and not more than 90 days’ notice to Unitholders. The rights of Unitholders to exchange and redeem Units will cease as and from the date of termination of the applicable iShares Fund so fixed by BlackRock Canada. The iShares Fund will issue a press release at least 10 business days in advance of the termination date.

Upon termination of an iShares Fund, the portfolio securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the iShares Fund will be distributed *pro rata* among the Unitholders of the iShares Fund. Unitholders of the iShares Fund may receive as a final distribution cash and/or portfolio assets as BlackRock Canada in its sole discretion may determine. The value of the portfolio securities and other assets of the iShares Fund at termination will be determined in accordance with the iShares Funds’ valuation policies and procedures. See “Calculation of Net Asset Value”.

PRINCIPAL HOLDERS OF SECURITIES OF THE iSHARES FUNDS

CDS & Co., the nominee of CDS, is the registered owner of the Units of all classes of the iShares Funds, which it holds for various brokers and other persons on behalf of their clients and others. As of February 28, 2017, there is no person (other than CDS & Co.) who is known or ought to be known by BlackRock Canada that beneficially owns or controls or directs, directly or indirectly, 10% or more of the Units of any class of any of the iShares Funds.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

BlackRock Canada will comply with the procedures described below with respect to the voting of proxies received from issuers of securities held by the iShares Funds other than XEN. XEN has separate proxy voting policies and references in this section to the iShares Funds do not include XEN. See “Proxy Voting Policies – XEN” below. If an iShares Fund receives a proxy (i) from an iShares ETF, BlackRock Canada will not vote the securities; or (ii) from another issuer, BlackRock Canada will vote the proxy in accordance with the BlackRock Global Corporate Governance & Engagement Principles (the “**Proxy Voting Guidelines**”) together with the regional or market-specific proxy voting guidelines adopted by BlackRock Canada and/or its affiliates.

The Proxy Voting Guidelines provide that BlackRock and its subsidiaries, including BlackRock Canada, seek to make proxy voting decisions in the manner most likely to protect and promote the economic value of the companies in which it invests on behalf of clients. When exercising voting rights, BlackRock Canada will normally vote on specific proxy issues in accordance with its proxy voting guidelines for the relevant market. BlackRock Canada may, however, in the exercise of its business judgment, conclude that the Proxy Voting Guidelines do not cover the specific matter upon which a proxy vote is requested or that an exception to the Proxy Voting Guidelines would be in the best long-term economic interests of BlackRock’s clients.

The Proxy Voting Guidelines are divided into key themes which group together the issues that frequently appear on the agenda of annual and special meetings of shareholders. The key themes are summarized below.

- (a) **Boards and Directors** – BlackRock Canada believes that directors should stand for re-election on a regular basis. There should be detailed disclosure of the relevant credentials of the individual directors in order that shareholders can assess the caliber of an individual nominee. BlackRock Canada expects there to be a sufficient number of independent directors on the board to ensure the protection of the interests of all shareholders.
- (b) **Accounting and Audit Related Issues** – BlackRock Canada seeks to hold the audit committee of the board responsible for overseeing the management of the audit function at a company and the independence of the auditor.
- (c) **Capital Structure, Mergers, Asset Sales and Other Special Transactions** – BlackRock Canada will review merger and asset sales or other special transactions to determine the degree to which the proposed transaction enhances long term shareholder value. In its view, corporate mechanisms designed to limit shareholders’ ability to sell their shares are contrary to basic property rights. BlackRock Canada expects any so-called “shareholder rights plans” being proposed by a board to be subject to shareholder approval on introduction and periodically thereafter for continuation.
- (d) **Remuneration and Benefits** – BlackRock Canada expects a company’s board of directors to put in place a compensation structure that encourages and rewards executives appropriately and is aligned with shareholder interests. BlackRock Canada expects the compensation committee to take into account the specific circumstances of the company and the key individuals the board is trying to incent and to encourage companies to ensure that their compensation packages incorporate appropriate and challenging performance conditions consistent with corporate strategy and market practice.
- (e) **Social, Ethical and Environmental Issues** – BlackRock Canada expects companies to identify and report on the key, business-specific social, ethical and environmental (“**SEE**”) risks and opportunities and to explain how these are managed. The key performance indicators in relation to

SEE matters should also be disclosed and performance against them discussed, along with any peer group benchmarking and verification processes in place. Any global standards adopted should also be disclosed and discussed in this context. BlackRock Canada may vote against the election of directors where it has concerns that a company might not be dealing with SEE issues appropriately.

- (f) **General Corporate Governance Matters** – BlackRock Canada believes that shareholders have a right to timely and detailed information on the financial performance and situation of the companies in which they invest. In addition, companies should also publish information on the governance structures in place and the rights of shareholders to influence these. BlackRock Canada considers, as fundamental, shareholders’ rights to vote, including on changes to governance mechanisms, to submit proposals to shareholders’ meetings and to call special meetings of shareholders.

At a minimum BlackRock Canada expects companies to observe the accepted corporate governance standard in their domestic market or to explain why doing so is not in the interests of shareholders.

BlackRock Canada carefully considers proxies submitted to the iShares Funds and other fiduciary accounts for which it has voting authority. BlackRock Canada votes (or refrains from voting) proxies for each iShares Fund for which it has voting authority based on BlackRock Canada’s evaluation of the best long-term economic interests of shareholders, in the exercise of its independent business judgment, and without regard to the relationship of the issuer of the proxy (or any dissident shareholder) to the iShares Fund, the iShares Fund’s affiliates (if any), BlackRock or BlackRock’s affiliates. A random sample of votes cast by the iShares Funds is periodically reviewed by an independent entity that did not cast the vote in order to compare against the Proxy Voting Guidelines. This review is provided to the Americas Corporate Governance Committee (the “**Committee**”), which oversees BlackRock’s proxy voting in the U.S. and Canada. Any exceptions to the Proxy Voting Guidelines would be reported to the Committee via this mechanism, and any material exceptions deemed relevant to the iShares Funds would be reported to the iShares Funds by the Corporate Governance & Responsible Investment team after being approved by the Committee.

Since an iShares Fund may hold securities of one or more iShares ETFs, it is not permitted under NI 81-102 to exercise voting rights that attach to the securities of such iShares ETFs. BlackRock Canada may in its sole discretion in relation to certain voting matters make arrangements to enable Unitholders of the iShares Fund to exercise voting rights attaching to securities of an iShares ETF or for such voting rights to be otherwise exercised in accordance with applicable law and any applicable exemptive relief.

BlackRock Canada will maintain records of, and provide reports on, votes cast by the iShares Funds. These records are prepared annually for the most recent period ended June 30th and are available upon request any time after August 31st of each year. Such records are also posted on the iShares Funds’ website at www.blackrock.com/ca, in accordance with Canadian securities legislation.

Proxy Voting Policies – XEN

BlackRock Canada has established proxy voting guidelines for XEN (“**XEN Proxy Guidelines**”) consistent with the principle that sound corporate governance and responsible corporate, social and environmental practices are in the best interest of shareholders. BlackRock Canada votes (or refrains from voting) proxies in a manner that is consistent with these principles. In some cases, it may be in the best interests of shareholders to refrain from exercising XEN’s proxy voting rights. XEN will vote on specific proxy issues in accordance with the XEN Proxy Guidelines. The XEN Proxy Guidelines provide detailed guidance as to how to vote proxies on certain important or commonly raised issues. BlackRock Canada votes (or refrains from voting) proxies without regard to the relationship of the issuer of the proxy (or any shareholder of such issuer) to XEN, XEN’s affiliates (if any), or any affiliates of BlackRock Canada.

Pursuant to the XEN Proxy Guidelines, BlackRock Canada will generally cause XEN to vote on the following matters as described below:

- (a) **Board of Directors** – BlackRock Canada will recommend withholding support for individual nominees or entire slates if it believed that such action is in the best interests of shareholders. In addition to independence, BlackRock Canada monitors attendance, stock ownership, conflicts of interest, diversity, and the number of boards on which a director serves. Votes will be withheld from

directors in certain situations, including but not limited to, those who (i) attend less than 75% of the board and committee meetings without a valid excuse for the absences; (ii) ignore a shareholder proposal that is approved by a majority of the votes outstanding; (iii) ignore a shareholder proposal that is approved by a majority of the votes cast for two consecutive years; (iv) have failed to act on takeover offers where the majority of the shareholders have tendered their shares; (v) serve as members of the audit committee when more than 50% of the total fees paid to the auditor is attributable to non-audit work or if a company is found to have pulled auditor ratification from the ballot within the past year; and (vi) serve as a member of the compensation committee that has approved egregious compensation packages or has failed to adequately disclose the details of such packages. In addition, BlackRock Canada will generally vote for shareholder proposals that request that the board be comprised of a majority of independent directors. BlackRock Canada will also highlight other governance concerns in the analyses, including whether the company has combined the roles of Chairman and CEO.

- (b) **Equity Compensation Plans** – The XEN Proxy Guidelines stipulate that votes with respect to compensation plans should be determined on a case-by-case basis. In the case of XEN, BlackRock Canada will vote (i) for cash or cash-and-stock bonus plans where the performance measures included under the plan are appropriate, the plan is administered by a committee of independent outsiders, and the preservation of the full deductibility of all compensation paid reduces the company's corporate tax obligation; and (ii) on a case-by-case basis, for employee stock purchase plans where all of the following apply: a) there are reasonable limits on employee contribution; b) employer contribution of up to 25% of employee contribution and no purchase price discount; c) purchase price is at least 80% of fair market value with no employer contribution; d) potential dilution together with all other equity-based plans is 10% of outstanding common shares or less; and e) plan amendment provisions require shareholder approval for amendments to the number of shares reserved for the plan, the allowable purchase price discount and the employer matching contribution amount.
- (c) **Shareholder Proposals Regarding Management Compensation** – Pursuant to the XEN Proxy Guidelines, BlackRock Canada will vote (i) for shareholder proposals seeking increased disclosure on executive compensation issues including the preparation of a formal report on executive compensation practices and policies; (ii) for proposals to prepare reports seeking to compare the wages of a company's lowest paid worker to the highest paid workers; (iii) on a case-by-case proposals that seek to establish a fixed ratio between the company's lowest paid workers and the highest paid workers; (iv) for shareholder proposals to have golden and tin parachutes submitted for shareholder ratification; (v) for shareholder proposals to link executive pay to performance, including the use of indexed options and other indicators; and (vi) against shareholder proposals seeking to link executive pay to non-financial factors.

The XEN Proxy Guidelines include policies and procedures pursuant to which BlackRock Canada will determine how to cause XEN to vote on other non-routine matters, including corporate governance proposals, anti-takeover measures, corporate restructurings and social and environmental issues.

The XEN Proxy Guidelines provide that BlackRock Canada will maintain records of, and provide reports on, votes cast by XEN. These records will be prepared on an annual basis and will be posted on the website www.blackrock.com/ca, in accordance with applicable securities legislation.

MATERIAL CONTRACTS

The following table summarizes the material contracts for the iShares Funds. These contracts are available for inspection at the offices of the iShares Funds at 161 Bay Street, Suite 2500, P.O. Box 614, Toronto, Ontario M5J 2S1.

Contract	Purpose	Dated
Master Declaration of Trust	The creation, issue, trading, exchange and redemption of Units of the iShares Funds are provided for in the Master Declaration of Trust made by BlackRock Canada.	Amended and restated as of March 29, 2017
Investment Sub-Advisory Agreement	BTC has been appointed to provide investment management and/or investment advisory services to the iShares Funds.	Amended and restated as of January 16, 2017
Custody Agreement	SSTCC is custodian of the iShares Funds. SSTCC or SSBT, as the case may be, provides certain services, including fund accounting and other services.	December 19, 2008, as amended
License Agreements and Sublicense Agreements	BlackRock Canada operates the iShares S&P/TSX Canadian Equity Funds, the iShares International Mining Sector Funds, XCD, XGI, XHC, XPF, XSP, XUH, XUU, XMC and XMH pursuant to the S&P Sublicense Agreement between BFA and BlackRock Canada.	Amended and restated as of May 16, 2015
	BlackRock Canada operates the iShares Canadian Fixed Income Funds pursuant to the FTSE TMX License Agreement between BlackRock Canada and FTSE TMX.	Amended and restated as of July 8, 2014
	BlackRock Canada operates XAW, XBZ, XEC, XEF, XEH, XEM, XEU, XFH, XIN, XMI, XMM, XMU, XMV, XMW, XWD, the iShares Currency Hedged Minimum Volatility Funds and the Multifactor Funds pursuant to the MSCI Sublicense Agreement between BTC and BlackRock Canada.	Amended and restated as of March 29, 2016
	BlackRock Canada operates XSU pursuant to the FRC Sublicense Agreement between BTC and BlackRock Canada.	May 2, 2007
	BlackRock Canada operates XEN pursuant to the Jantzi License Agreement between BlackRock Canada and Jantzi.	April 30, 2007
	BlackRock Canada operates XCH pursuant to the FTSE International Sublicense License Agreement between BlackRock and BlackRock Canada.	July 1, 2012
	BlackRock Canada operates XHY and XIG pursuant to the Markit Sublicense Agreement between BTC and BlackRock Canada.	Amended and restated as of April 10, 2012
	BlackRock Canada operates XID pursuant to the IISL Sublicense Agreement between BTC and BlackRock Canada.	January 21, 2010
	BlackRock Canada operates XEB pursuant to the J.P. Morgan Sublicense Agreement between BTC and BlackRock Canada.	April 6, 2011
	BlackRock Canada operates XQQ pursuant to the NASDAQ Sublicense Agreement between BTC and BlackRock Canada.	April 6, 2011

Contract	Purpose	Dated
	BlackRock Canada operates XHD and XHU pursuant to the Morningstar Sublicense Agreement between BlackRock and BlackRock Canada.	Amended and restated as of February 4, 2015
Securities Lending Authorization Agreement	The iShares Funds may engage in securities lending pursuant to a securities lending authorization agreement between BlackRock Canada and BTC.	August 17, 2005, as amended
Securities Lending Management Agreement	The iShares Funds may engage in securities lending pursuant to a securities lending management agreement between BlackRock Canada and BRAL.	August 19, 2004, as amended

EXPERTS

Osler, Hoskin & Harcourt LLP, legal counsel to the iShares Funds and BlackRock Canada, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Units by an individual resident in Canada. See “Income Tax Considerations”.

PricewaterhouseCoopers LLP, the auditor of the iShares Funds, has consented to the use of their report on the financial statements of the iShares Funds dated March 20, 2017. PricewaterhouseCoopers LLP has confirmed that it is independent with respect to the iShares Funds within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

Each iShares Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the following practices:

- (a) to permit the use of the word “shares” in the name of each iShares Fund;
- (b) to relieve the iShares Funds from the requirement that a prospectus contain a certificate of the underwriters;
- (c) to relieve BlackRock Canada from the dealer registration requirement provided that BlackRock Canada complies with Part 15 of NI 81-102;
- (d) to enable the purchase by a Unitholder of more than 20% of the Units of any iShares Fund through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to BlackRock Canada not to vote more than 20% of the Units of that iShares Fund at any meeting of Unitholders;
- (e) to permit an iShares Fund to borrow cash for a period not longer than 45 days and, if required by the lender, provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distributions payable to Unitholders that represents amounts that have not yet been received by that iShares Fund and, in any event, does not exceed 5% of the net assets of such iShares Fund;
- (f) to permit an iShares Fund to purchase certain non-exchange-traded debt securities of related issuers in the secondary market, provided that certain conditions are met, including that the purchase and holding are consistent with the investment objectives of the iShares Fund, BlackRock Canada and the IRC comply with certain provisions of NI 81-107, the price payable for the security is not more than its ask price determined in accordance with the relief, the transaction complies with applicable market integrity requirements in NI 81-107 and certain filings are made with Canadian securities regulatory authorities;

- (g) to permit an iShares Fund to purchase certain exchange-traded securities of related issuers in the secondary market, provided that certain conditions are met, including that the purchase and holding are consistent with the investment objectives of the iShares Fund, the IRC has approved the transaction in accordance with Section 5.2(2) of NI 81-107, the purchase is made on an exchange on which the securities are listed and traded and certain filings are made with Canadian securities regulatory authorities;
- (h) to permit an iShares Fund to purchase debt securities from or sell debt securities to another mutual fund to which NI 81-102 does not apply and of which BlackRock Canada is the investment fund manager, provided that certain conditions are met, including that the IRC and the independent review committee of the other mutual fund have approved the transaction in accordance with Section 5.2(2) of NI 81-107 and that the transaction complies with paragraphs (c) to (g) of Section 6.1(2) of NI 81-107;
- (i) to permit an iShares Fund to purchase securities from, or sell securities to, certain accounts managed by BlackRock Canada or certain of its affiliates and to engage in certain *specie* transactions with such managed accounts, provided that certain conditions are met;
- (j) to relieve BlackRock Canada from the requirement to include in this prospectus a statement regarding purchasers' statutory rights of withdrawal and remedies of rescission or damages in the form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus*; and
- (k) permit the iShares Fund to reference in its sales communications Lipper, Inc. (“**Lipper**”) leader ratings and Lipper awards (where such iShares Fund has been awarded a Lipper award), provided that certain conditions are met.

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the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, the S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Total Market Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index or the S&P MidCap 400 CAD Hedged Index to track general market performance. The S&P Parties' only relationship to BlackRock Canada with respect to the S&P/TSX 60 Index, the S&P/TSX Capped Composite Index, the S&P/TSX Completion Index, the S&P/TSX SmallCap Index, the S&P/TSX Capped Energy Index, the S&P/TSX Capped Financials Index, the S&P/TSX Capped Information Technology Index, the S&P/TSX Capped REIT Index, the S&P/TSX Capped Materials Index, the S&P/TSX Composite High Dividend Index, the S&P/TSX Capped Consumer Staples Index, the S&P/TSX Capped Utilities Index, the S&P/TSX Global Gold Index, the S&P 500 Index, the S&P/TSX Global Base Metals Index, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the S&P 500 CAD Hedged Index, the Preferred Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Total Market Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index and the S&P MidCap 400 CAD Hedged Index is the licensing of such Indices and certain trademarks, service marks and/or trade names of the S&P Parties and/or its licensors. The S&P/TSX 60 Index, the S&P/TSX Capped Composite Index, the S&P/TSX Completion Index, the S&P/TSX SmallCap Index, the S&P/TSX Capped Energy Index, the S&P/TSX Capped Financials Index, the S&P/TSX Capped Information Technology Index, the S&P/TSX Capped REIT Index, the S&P/TSX Capped Materials Index, the S&P/TSX Composite High Dividend Index, the S&P/TSX Capped Consumer Staples Index, the S&P/TSX Capped Utilities Index, the S&P/TSX Global Gold Index, the S&P 500 Index, the S&P/TSX Global Base Metals Index, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the S&P 500 CAD Hedged Index, the Preferred Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, the S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Total Market Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index and the S&P MidCap 400 CAD Hedged Index are determined, composed and calculated by the S&P Parties without regard to BlackRock Canada or iShares S&P/TSX Canadian Equity Funds, iShares International Mining Sector Funds, XHC, XCD, XGI, XPF, XUS, XSP, XUU, XUH, XMC and XMH. The S&P Parties have no obligation to take the needs of BlackRock Canada or the owners of Units of iShares S&P/TSX Canadian Equity Funds, iShares International Mining Sector Funds, XHC, XCD, XGI, XPF, XUS, XSP, XUU, XUH, XMC or XMH into consideration in determining, composing or calculating the S&P/TSX 60 Index, the S&P/TSX Capped Composite Index, the S&P/TSX Completion Index, the S&P/TSX SmallCap Index, the S&P/TSX Capped Energy Index, the S&P/TSX Capped Financials Index, the S&P/TSX Capped Information Technology Index, the S&P/TSX Capped REIT Index, the S&P/TSX Capped Materials Index, the S&P/TSX Composite High Dividend Index, the S&P/TSX Capped Consumer Staples Index, the S&P/TSX Capped Utilities Index, the S&P/TSX Global Gold Index, the S&P 500 Index, the S&P/TSX Global Base Metals Index, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the S&P 500 CAD Hedged Index, the Preferred Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, the S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Total Market Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index or the S&P MidCap 400 CAD Hedged Index. The S&P Parties are not responsible for and have not participated in the determination of the prices, or amount of iShares S&P/TSX Canadian Equity Funds, iShares International Mining Sector Funds, XHC, XCD, XGI, XPF, XUS, XSP, XUU, XUH, XMC and XMH or the timing of the issuance or sale of Units of iShares S&P/TSX Canadian Equity Funds, iShares International Mining Sector Funds, XHC, XCD, XGI, XPF, XUS, XSP, XUU, XUH, XMC and XMH or in the determination or calculation of the equation by which Units of iShares S&P/TSX Canadian Equity Funds, iShares International Mining Sector Funds, XHC, XCD, XGI, XPF, XUS, XSP, XUU, XUH, XMC and XMH are to be converted into cash, surrendered or redeemed, as the case may be. The S&P Parties have no obligation or liability in connection with the administration, marketing or trading of Units of iShares S&P/TSX Canadian Equity Funds, iShares International Mining Sector Funds, XHC, XCD, XGI, XPF, XUS, XSP, XUU, XUH, XMC and XMH. There is no assurance that investment products based on the S&P/TSX 60 Index, the S&P/TSX Capped Composite Index, the S&P/TSX Completion Index, the S&P/TSX SmallCap Index, the S&P/TSX Capped Energy Index, the S&P/TSX Capped Financials Index, the S&P/TSX Capped Information Technology Index, the S&P/TSX Capped REIT Index, the S&P/TSX Capped Materials Index, the S&P/TSX Composite High Dividend Index, the S&P/TSX Capped Consumer Staples Index, the S&P/TSX Capped Utilities Index, the S&P/TSX Global Gold Index, the S&P 500 Index, the S&P/TSX Global Base Metals Index, the S&P Global 1200 Health Care Canadian Dollar Hedged Index, the S&P 500 CAD Hedged Index, the Preferred Index, the S&P Global 1200 Consumer Discretionary Canadian Dollar Hedged Index, the S&P Global 1200 Industrials Canadian Dollar Hedged Index, the S&P Total Market Index, the S&P Total Market Index (CAD-Hedged), the S&P MidCap 400 Index and the S&P MidCap 400 CAD Hedged Index will accurately track index performance or provide positive investment returns. S&P is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P to buy, sell, or hold such security, nor is it considered to be investment advice.

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XHD and XHU – Morningstar

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Morningstar's only relationship to BlackRock Canada is that BlackRock Canada is a permitted sublicensee of certain service marks and service names of Morningstar and of the Morningstar Index and the Morningstar Dividend Yield Focus Index which is determined, composed and calculated by Morningstar without regard to BlackRock Canada, XHD or XHU. Morningstar has no obligation to take the needs of BlackRock Canada or the owners of units of XHD or XHU into consideration in determining, composing or calculating the Morningstar Index or the Morningstar Dividend Yield Focus Index. Morningstar is not responsible for and has not participated in the determination of the prices and amount of units of XHD or XHU, or the timing of the issuance or sale of such units or in the determination or calculation of the equation by which units of XHD or XHU are to be converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of units of XHD and XHU.

MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR DIVIDEND YIELD FOCUS INDEX – CAD-HEDGED OR THE MORNINGSTAR DIVIDEND YEILD FOCUS INDEX OR THE MORNINGSTAR DIVIDEND YIELD FOCUS INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY BLACKROCK CANADA OWNERS OR USERS OF UNITS OF XHD OR XHU OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE MORNINGSTAR DIVIDEND YIELD FOCUS INDEX – CAD-HEDGED OR THE MORNINGSTAR DIVIDEND YIELD FOCUS INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS

FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MORNINGSTAR DIVIDEND YIELD FOCUS INDEX – CAD-HEDGED OR THE MORNINGSTAR DIVIDEND YIELD FOCUS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) RESULTING FROM THE USE OF THE UNDERLYING INDEX OR ANY DATA INCLUDED THEREIN, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides a purchaser with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides a purchaser of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

Notwithstanding the foregoing, a purchaser of Units will not have the right to withdraw from an agreement to purchase the Units after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order is relying on the Prospectus Delivery Decision. See "Exemptions and Approvals". However, a purchaser of Units will, in the applicable provinces of Canada, retain the purchaser's right under securities legislation to rescind the purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. Any remedies under securities legislation that a purchaser of Units may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, BlackRock Canada has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in this prospectus under a decision pursuant to National Policy 11-203 - Process for Exemptive Relief Applications in Multiple Jurisdictions. See "Exemptions and Approvals". As such, purchasers of Units will not be able to rely on the inclusion of an underwriter's certificate in this prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that signed an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

During the period in which an iShares Fund is in continuous distribution, additional information will be available in:

- (a) the most recently filed comparative annual financial statements of the iShares Funds, together with the accompanying report of the auditor;
- (b) the most recent interim financial statements of the iShares Funds filed after the most recently filed comparative annual financial statements of the iShares Funds;

- (c) the most recently filed annual MRFP of the iShares Funds;
- (d) the most recent interim MRFP of the iShares Funds filed after the most recently filed annual MRFP of the iShares Funds; and
- (e) the most recently filed Summary Document of the iShares Funds.

These documents are incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document. Copies of the foregoing documents are publicly available on the iShares Funds' website at www.blackrock.com/ca and may be obtained upon request, at no cost, by calling 1-866-474-2737 or by contacting a registered dealer. These documents and other information about the iShares Funds are publicly available at www.sedar.com.

The documents listed above (which are incorporated by reference in this prospectus) may, as of the date of the filing of this prospectus, contain statements that are modified by this prospectus or by a subsequently filed document listed above, and this modification may not be explicitly highlighted. The subsequent modification of a statement incorporated by reference in this prospectus should not be deemed an admission that the previous, unmodified statement, when first made, constituted a misrepresentation or was an untrue statement or omission of a material fact. Where a statement made in a document listed above is modified as described, this prospectus should be read as only incorporating by reference the latest version of that statement.

CERTIFICATE OF THE iSHARES FUNDS, TRUSTEE AND THE MANAGER

ON BEHALF OF

iShares Canadian Growth Index ETF	iShares India Index ETF
iShares S&P/TSX SmallCap Index ETF	iShares S&P U.S. Mid-Cap Index ETF
iShares Canadian Value Index ETF	iShares Core S&P 500 Index ETF
iShares Canadian Select Dividend Index ETF	iShares Core S&P U.S. Total Market Index ETF
iShares S&P/TSX Capped Energy Index ETF	iShares MSCI World Index ETF
iShares Core S&P/TSX Composite High Dividend Index ETF	iShares S&P/TSX Global Base Metals Index ETF
iShares Jantzi Social Index ETF	iShares S&P/TSX Global Gold Index ETF
iShares S&P/TSX Capped Financials Index ETF	iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged)
iShares Core S&P/TSX Capped Composite Index ETF	iShares MSCI Europe IMI Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Information Technology Index ETF	iShares Core MSCI EAFE IMI Index ETF (CAD-Hedged)
iShares S&P/TSX 60 Index ETF	iShares S&P Global Industrials Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Materials Index ETF	iShares Global Healthcare Index ETF (CAD-Hedged)
iShares S&P/TSX Completion Index ETF	iShares U.S. High Dividend Equity Index ETF (CAD-Hedged)
iShares S&P/TSX Capped REIT Index ETF	iShares MSCI EAFE® Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Consumer Staples Index ETF	iShares S&P U.S. Mid-Cap Index ETF (CAD-Hedged)
iShares S&P/TSX Capped Utilities Index ETF	iShares S&P/TSX North American Preferred Stock Index ETF
iShares Canadian Universe Bond Index ETF	iShares NASDAQ 100 Index ETF (CAD-Hedged)
iShares Canadian Corporate Bond Index ETF	iShares Core S&P 500 Index ETF (CAD-Hedged)
iShares Floating Rate Index ETF	iShares U.S. Small Cap Index ETF (CAD-Hedged)
iShares Canadian Government Bond Index ETF	iShares Core S&P U.S. Total Market Index ETF (CAD-Hedged)
iShares Canadian HYBrid Corporate Bond Index ETF	iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged)
iShares Core Canadian Long Term Bond Index ETF	iShares U.S. High Yield Bond Index ETF (CAD-Hedged)
iShares Canadian Real Return Bond Index ETF	iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)
iShares Canadian Short Term Bond Index ETF	iShares Edge MSCI Min Vol EAFE Index ETF
iShares Core Canadian Short Term Corporate + Maple Bond Index ETF	iShares Edge MSCI Min Vol Emerging Markets Index ETF
iShares Core Short Term High Quality Canadian Bond Index ETF	iShares Edge MSCI Min Vol USA Index ETF
iShares Core MSCI All Country World ex Canada Index ETF	iShares Edge MSCI Min Vol USA Index ETF (CAD-Hedged)
iShares MSCI Brazil Index ETF	iShares Edge MSCI Min Vol Canada Index ETF
iShares China Index ETF	iShares Edge MSCI Min Vol Global Index ETF
iShares Core MSCI Emerging Markets IMI Index ETF	iShares Edge MSCI Min Vol Global Index ETF (CAD-Hedged)
iShares Core MSCI EAFE IMI Index ETF	iShares Edge MSCI Multifactor Canada Index ETF
iShares Edge MSCI Min Vol EAFE Index ETF (CAD-Hedged)	iShares Edge MSCI Multifactor EAFE Index ETF
iShares MSCI Emerging Markets Index ETF	iShares Edge MSCI Multifactor EAFE Index ETF (CAD-Hedged)
iShares MSCI Europe IMI Index ETF	iShares Edge MSCI Multifactor USA Index ETF
iShares U.S. High Dividend Equity Index ETF	iShares Edge MSCI Multifactor USA Index ETF (CAD-Hedged)

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

Dated the 29th day of March, 2017.

BLACKROCK ASSET MANAGEMENT CANADA LIMITED **as Trustee and Manager of the iShares Funds**

(Signed) MARCIA MOFFAT
Chief Executive Officer

(Signed) KEVIN PERRY
Chief Financial Officer

On behalf of the Board of Directors of **BlackRock Asset Management Canada Limited**

(Signed) WARREN COLLIER
Director

(Signed) LEE WANIE
Director