iShares
by BlackRock

DECEMBER 31, 2023

2023 Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain either semi-annual or annual financial statements of the investment fund(s). You may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-866-474-2737, by visiting our website at www.blackrock.com/ca or SEDAR+ at www.sedarplus.ca or by writing to us at BlackRock Asset Management Canada Limited, 161 Bay Street, Suite 2500, P.O. Box 614, Toronto, ON M5J 2SI.

Unitholders may also contact us using one of these methods to request a copy of the fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

This report may contain forward-looking statements. Forward-looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward-looking statements.

BNM0324U-3464482-10998732

Management Discussion of Fund Performance

BlackRock Asset Management Canada Limited ("BlackRock Canada") is pleased to provide you with the Management Report of Fund Performance ("MRFP") for the iShares Core MSCI All Country World ex Canada Index ETF (the "Fund") for the year ended December 31, 2023. You and your financial advisor can use this information along with the annual and interim financial statements of the Fund to assess the Fund's performance and how your investment in the Fund aligns with your overall financial plan.

The Fund is an exchange-traded fund which trades on the Toronto Stock Exchange (the "Exchange"). Investors typically buy and sell units of the Fund through a brokerage account. The Fund's Exchange ticker symbol is XAW for the Canadian dollar denominated units ("CAD Units") and XAW.U for the U.S. dollar denominated units ("USD Units").

References to "net assets" or "net assets per unit" in this MRFP are references to net assets attributable to holders of redeemable units determined in accordance with the International Financial Reporting Standards ("IFRS") as presented in the Fund's financial statements. All references to "net asset value" or "net asset value per unit" in this MRFP are references to net asset value determined in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure* which is used for all purposes except for the financial statements, including for Fund pricing purposes in connection with subscriptions, exchanges and redemptions.

This report includes:

- Investment objective and strategies
- Risk
- Results of operations
- Recent developments
- Related party transactions
- Financial highlights
- Management fees
- Past performance
- Summary of investment portfolio

Investment Objective and Strategies

The investment objective of the Fund is to provide long-term capital growth by replicating, to the extent possible, the performance of the MSCI ACWI ex Canada IMI (the "Index"), net of expenses. Under normal market conditions, the Fund will primarily invest in securities of one or more exchange-traded funds managed by BlackRock Canada or an affiliate ("iShares ETFs") and/or international equity securities. The Index captures large, mid and small capitalization representation across 22 of 23 developed markets countries (excluding Canada) and 27 emerging markets countries. The Index covers approximately 99% of the global equity opportunity set outside Canada and is a free float-adjusted market capitalization weighted index.

The Fund uses an indexing strategy to achieve its investment objective. Under this strategy, the Fund seeks to replicate the performance of the Index, net of expenses, by employing, directly or indirectly, through investment in one or more iShares ETFs and/or through the use of derivatives, a replicating strategy or sampling strategy. A replicating strategy is an investment strategy intended to replicate the performance of the Index by investing, directly or indirectly, primarily in a portfolio of index securities in substantially the same proportions as they are represented in the Index. A sampling strategy is an investment strategy intended to replicate the performance of the Index by investing, directly or indirectly, primarily in a representative portfolio of securities that has an aggregate investment profile similar to the Index. The securities selected are expected to have, in the aggregate, investment characteristics, fundamental characteristics and liquidity measures similar to those of the Index, as more fully described in the Fund's prospectus.

The Fund's current principal investment strategy is to invest in one or more iShares ETFs.

Risk

Effective June 29, 2023, the risk rating for the CAD Units was updated from "Low to Medium" to "Medium". The risk rating for the USD Units of the Fund did not change over the financial period. The risks of investing in the Fund are described in the prospectus.

Results of Operations

The Fund's net asset value increased from $1,751.8 million at December 31, 2022 to $2,120.7 million at December 31, 2023. This change in net asset value represents an increase of $83.1 million due to net subscriptions to the Fund and an increase of $285.8 million due to investment operations less distributions paid.

For the year ended December 31, 2023, the Fund's CAD Units returned 18.16% versus the Index which returned 18.54%. The main reasons for the difference in performance of -0.38% between the Fund's CAD Units and the Index were management fees (-0.20%) and other miscellaneous factors (-0.18%).

For the year ended December 31, 2023, the Fund's USD Units returned 21.41% versus the Index which returned 21.81%. The main reasons for the difference in performance of -0.40% between the Fund's USD Units and the Index were management fees (-0.20%) and other miscellaneous factors (-0.20%).

The Fund has a distribution policy that requires it to distribute sufficient net income and net realized capital gains so that it will not be liable to pay income tax under Part I of the *Income Tax Act* (Canada). Amounts included in the calculation of net income and net realized capital gains of the Fund for a taxation year, that must be distributed in accordance with the distribution policy, sometimes include amounts that have not actually been received by the Fund.

The Fund may borrow cash in accordance with the restrictions in National Instrument 81-102 – *Investment Funds*, and, in accordance with the terms of exemptive relief, 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 Fund. Pursuant to such relief, the borrowing may not be for a period longer than 45 days, and the Fund is limited to borrowing up to the amount of the distribution that is payable to, but has not yet been received, by the Fund and, in any event, not more than 5% of the net assets of the Fund. For the year ended December 31, 2023, the Fund did not borrow any cash.

Recent Developments

Independent Review Committee ("IRC") Appointments & Resignations

Effective November 30, 2023 Paul Batho ceased to be a member of the IRC.

Effective December 1, 2023 Christine Allison was appointed as a member of the IRC.

Related Party Transactions

Trustee, Manager and Portfolio Advisor

BlackRock Canada, an indirect, wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), is the trustee, manager, and portfolio advisor of the Fund and is responsible for the day-to-day administration of the Fund. The Fund pays annual management fees to BlackRock Canada as consideration for its services. In addition, BlackRock Canada and/or an affiliate, as applicable, acts as trustee or manager of any iShares ETF in which the Fund invests.

The Fund is 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). With respect to investment in related issuers, BlackRock Canada has relied on the approval that it has received from the IRC. The approval requires BlackRock Canada to comply with its current policy and procedures regarding investments in related issuers and to report periodically to the IRC.

The Fund may execute inter-fund trades. Inter-fund trading is the buying and selling of portfolio securities between funds for which BlackRock Canada serves as trustee and manager and managed accounts to which BlackRock Canada serves as manager. With respect to inter-fund trades, BlackRock Canada has relied on the approval that it has received from the IRC. The approval requires BlackRock Canada to comply with its current policy and procedures regarding inter-fund trading and to report periodically to the IRC.

BlackRock Canada has agreed to be responsible for the fees and expenses of the Fund except the annual management fees, any fees and expenses related to the operation of the IRC under National Instrument 81-107 - *Independent Review Committee for Investment Funds*, brokerage expenses and commissions and other portfolio transaction costs, income tax, harmonized sales tax ("HST"), and withholding and other taxes. The Fund is also responsible for other fees and expenses in accordance with the terms of its trust document, such as extraordinary expenses or expenses incurred in connection with the recovery of amounts due to the Fund, as applicable.

Securities Lending Agents

The Fund has engaged BlackRock Institutional Trust Company, N.A. ("BTC") and BlackRock Advisors (UK) Limited ("BRAL"), affiliates of BlackRock Canada, as securities lending agents. To mitigate risks from securities lending, the Fund benefits from a borrower default indemnity provided by BlackRock, an affiliate of BlackRock Canada. BlackRock's indemnity allows for full replacement of securities lent in the event that the borrower defaults on its obligation to return the loaned securities and collateral received is insufficient to reconstitute the portfolio of loaned securities. BTC and/or BRAL bear all operational costs directly related to securities lending as well as the cost of borrower default indemnification. For the year ended December 31, 2023, the Fund earned $2,344 from counterparties in securities lending income. BTC and BRAL are entitled to receive a portion of the total securities lending income earned from counterparties for their role as lending agents.

BlackRock Canada relies on a positive recommendation and standing instruction that it has received from the IRC with respect to the securities lending activities of the Fund, including the appointment of and payment to its affiliates as securities lending agents. The standing instruction requires BlackRock Canada to comply with its current policy and procedures regarding securities lending and to report periodically to the IRC.

Sub-Advisor

BlackRock Canada has appointed its affiliate, BTC, as the sub-advisor of the Fund. As compensation for its services as sub-advisor, BlackRock Canada pays BTC a portion of the management fees paid by the Fund to BlackRock Canada.

Financial Highlights

The following tables show selected key financial information about each class of the Fund and are intended to help you understand its financial performance for the past five years.

	December 31,				
CAD Units	*2023*	*2022*	*2021*	*2020*	*2019*
Net Assets per Unit[a]					
Net assets, beginning of year	$ 30.98	$ 35.75	$ 30.78	$ 27.82	$ 23.79
Increase (decrease) from operations					
Total revenue	0.62	0.59	0.58	0.49	0.61
Total expenses	(0.04)	(0.04)	(0.04)	(0.03)	(0.03)
Realized gains (losses) for the year	0.50	0.47	0.38	0.36	0.23
Unrealized gains (losses) for the year	4.52	(5.18)	4.64	2.79	3.74
Total increase (decrease) from operations[b]	5.60	(4.16)	5.56	3.61	4.55
Distributions					
From income (excluding dividends)	(0.60)	(0.53)	(0.51)	(0.44)	(0.56)
From dividends	—	—	—	—	—
From capital gains	—	(0.32)	(0.09)	—	—
Return of capital	(0.02)	(0.02)	(0.03)	(0.02)	(0.00)[c]
Total distributions[d][e]	(0.62)	(0.87)	(0.63)	(0.46)	(0.56)
Net assets, end of year	$ 35.96	$ 30.98	$ 35.75	$ 30.78	$ 27.82
Ratios and Supplemental Data[f]					
Total net asset value (000s)	$ 2,107,040	$ 1,742,370	$ 1,923,138	$ 1,415,933	$ 1,185,118
Number of units outstanding (000s)	58,600	56,250	53,800	46,000	42,600
Management expense ratio[g]	0.22%	0.22%	0.22%	0.22%	0.22%
Trading expense ratio[h]	0.02%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate[i]	22.67%	9.74%	4.76%	14.89%	11.29%
Net asset value per unit	$ 35.96	$ 30.98	$ 35.75	$ 30.78	$ 27.82
Closing market price[j]	$ 36.03	$ 30.97	$ 35.78	$ 30.77	$ 27.87

[a] This information is derived from the Fund's audited annual financial statements and is not a reconciliation of the beginning and ending net assets per unit. The net assets per unit presented in the financial statements is the same as the net asset value per unit calculated for Fund pricing purposes.

[b] Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the year.

[c] Rounds to less than $0.01.

[d] Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.

[e] The tax characteristics of distributions are reported annually by the Fund to CDS Clearing and Depository Services Inc. ("CDS"). CDS makes this information available to brokers who provide it to unitholders through standard tax reporting.

[f] This information is provided as at December 31 of the years shown.

[g] Management expense ratio ("MER") is based on total fees and expenses (excluding commissions and other portfolio transaction costs) for the stated year, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of average daily net asset value during the year.

[h] The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net asset value during the stated year. Where the Fund invests in any underlying fund, the TER includes the Fund's proportionate share of the commissions of any underlying fund in which the Fund has invested.

[i] The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

[j] Closing market price on the last trading day of the year as reported on the Exchange.

Financial Highlights (continued)

USD Units	December 31, 2023	2022	2021	2020	2019[a]
Net Assets per Unit[b]					
Net assets, beginning of period	U.S.$ 23.16	U.S.$ 28.64	U.S.$ 24.44	U.S.$ 21.68	U.S.$ 20.22
Increase (decrease) from operations					
Total revenue	0.50	0.46	0.47	0.48	0.18
Total expenses	(0.03)	(0.03)	(0.03)	(0.03)	(0.00)[c]
Realized gains (losses) for the period	0.39	0.37	0.32	0.35	0.05
Unrealized gains (losses) for the period	3.45	(3.01)	3.75	2.90	1.03
Total increase (decrease) from operations[d]	4.31	(2.21)	4.51	3.70	1.26
Distributions					
From income (excluding dividends)	(0.45)	(0.38)	(0.39)	(0.32)	—
From dividends	—	—	—	—	—
From capital gains	—	(0.24)	(0.07)	—	—
Return of capital	(0.02)	(0.02)	(0.03)	(0.01)	—
Total distributions[e][f]	(0.47)	(0.64)	(0.49)	(0.33)	—
Net assets, end of period	U.S.$ 27.63	U.S.$ 23.16	U.S.$ 28.64	U.S.$ 24.44	U.S.$ 21.68
Ratios and Supplemental Data[g]					
Total net asset value (000s)	$ 13,661	$ 9,414	$ 8,139	$ 3,892	$ 1,406
Number of units outstanding (000s)	375	300	225	125	50
Management expense ratio[h]	0.22%	0.22%	0.22%	0.22%	0.24%
Trading expense ratio[i]	0.02%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate[j]	22.67%	9.74%	4.76%	14.89%	11.29%
Net asset value per unit	U.S.$ 27.63	U.S.$ 23.16	U.S.$ 28.64	U.S.$ 24.44	U.S.$ 21.68
Closing market price[k]	U.S.$ 27.57	U.S.$ 23.18	U.S.$ 28.73	U.S.$ 24.49	U.S.$ 21.64

(a) USD Units of the Fund commenced operations on October 22, 2019.

(b) This information is derived from the Fund's audited annual financial statements and is not a reconciliation of the beginning and ending net assets per unit. The net assets per unit presented in the financial statements is the same as the net asset value per unit calculated for Fund pricing purposes.

(c) Rounds to less than $0.01.

(d) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

(e) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.

(f) The tax characteristics of distributions are reported annually by the Fund to CDS Clearing and Depository Services Inc. ("CDS"). CDS makes this information available to brokers who provide it to unitholders through standard tax reporting.

(g) This information is provided as at December 31 of the periods shown.

(h) Management expense ratio ("MER") is based on total fees and expenses (excluding commissions and other portfolio transaction costs) for the stated period, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of average daily net asset value during the period.

(i) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net asset value during the stated period. Where the Fund invests in any underlying fund, the TER includes the Fund's proportionate share of the commissions of any underlying fund in which the Fund has invested.

(j) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(k) Closing market price on the last trading day of the period or year, as applicable, as reported on the Exchange.

Management Fees

The management fees are calculated based on 0.20% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly, but in any case not less than quarterly. In addition, BlackRock Canada and/or an affiliate, as applicable, is entitled to receive management fees for acting as trustee or manager of any iShares ETF held by the Fund ("underlying product fees"). As the underlying product fees are embedded in the market value of any iShares ETF in which the Fund invests, the underlying product fees are paid indirectly by the Fund.

BlackRock Canada has adjusted the management fee payable by the Fund during the year to ensure that total annual fees paid directly and indirectly by the Fund to BlackRock Canada and/or its affiliate, as applicable, did not exceed 0.20% per annum (excluding GST and HST) of the Fund's net asset value.

For the year ended December 31, 2023, the Fund accrued, directly and indirectly, $3,881,499 (excluding GST and HST in the amount of $205,964) in total annual fees (management fees and underlying product fees of $2,039,794 and $1,841,705, respectively).

The total annual fees were received by BlackRock Canada and/or its affiliate, as applicable, for managing the Fund's portfolio and the portfolio of any iShares ETF in which the Fund invests, maintaining portfolio systems used to manage the Fund and any iShares ETF, maintaining the www.blackrock.com/ca website, and providing all other services including marketing and promotion.

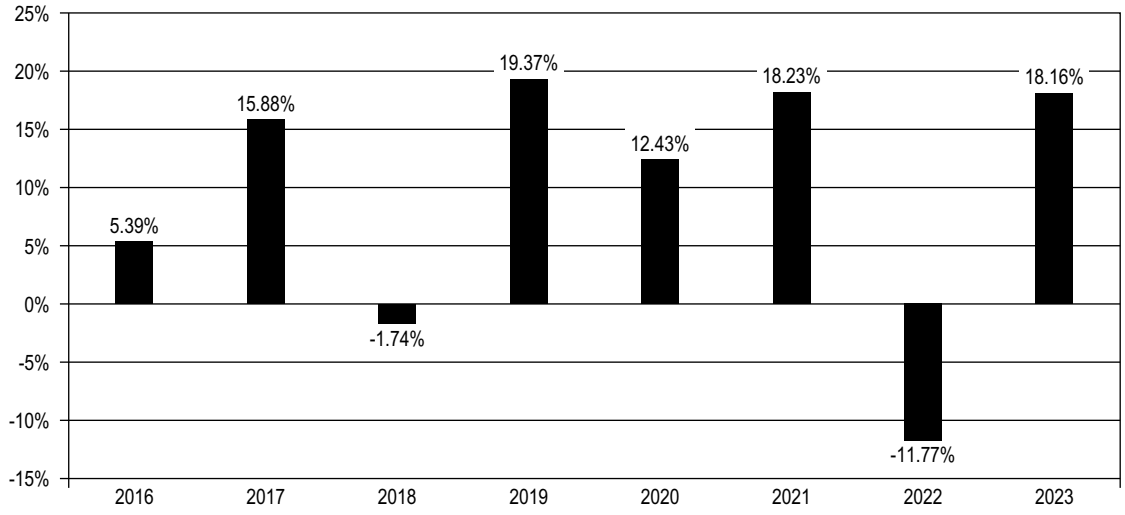
Past Performance

The following charts show past performance for each class of the Fund. The indicated rates of return (i) are the historical total returns including changes in net asset value per unit, and (ii) assume reinvestment of all distributions during the year in additional units at the net asset value per unit at the time of the distribution. The reinvestment of distributions increases returns. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. These returns do not indicate how each class of the Fund will perform in the future.

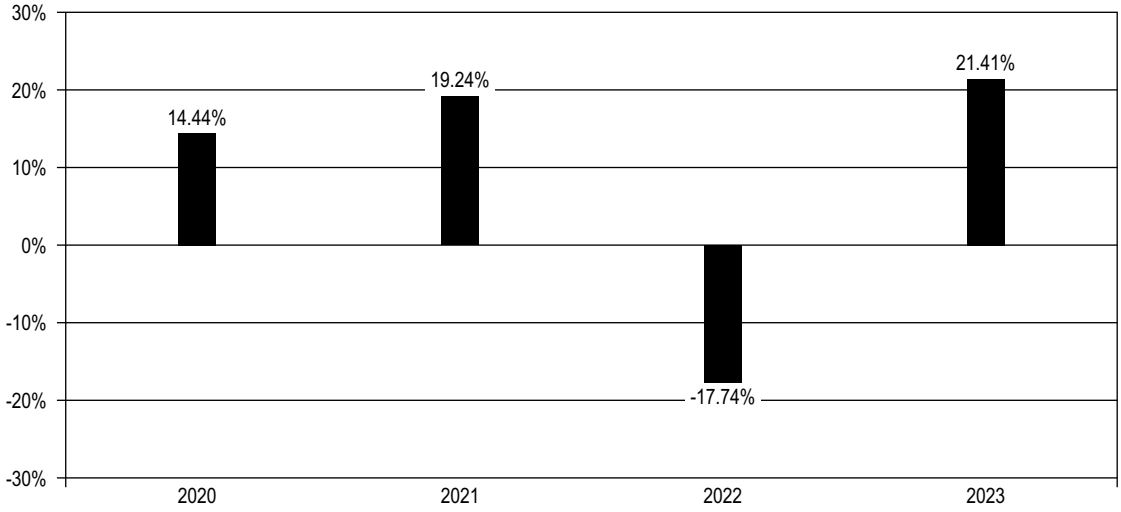
Year-by-Year Returns

The bar charts below show the annual performance of each class of the Fund for each of the years shown and illustrate how its performance has changed from year to year. The charts show, in percentage terms, how much an investment made in each class of the Fund on the first day of each year would have grown or decreased by the last day of the year.

CAD Units commencement: February 10, 2015



USD Units commencement: October 22, 2019



Annual Compound Returns

The following table shows the annual compound return for each class of the Fund for the years ended on December 31, 2023. The annual compound returns are compared to the returns of the Index calculated on the same basis. See Results of Operations section of this report for further information regarding the current year performance of each class of the Fund relative to the Index.

CAD Units	*1 Year*	*3 Years*	*5 Years*	*Since Inception*
XAW	18.16%	7.22%	10.59%	8.87%
Index	18.54	6.60	10.71	8.92
Difference	-0.38	0.62	-0.12	-0.05

USD Units	*1 Year*	*3 Years*	*Since Inception*
XAW.U	21.41%	5.99%	9.46%
Index	21.81	5.39	9.57
Difference	-0.40	0.60	-0.11

Summary of Investment Portfolio

The Fund held no short positions as at December 31, 2023. The following Top Holdings table shows the 25 largest positions (or all positions if the total number of positions is less than 25) held by the Fund as at December 31, 2023 based on the fair value of the position, expressed as a percentage of the Fund's net asset value.

TOP HOLDINGS

Position	*% of Net Asset Value*
iShares Core S&P 500 ETF	52.7
iShares Core MSCI EAFE IMI Index ETF	25.9
iShares Core MSCI Emerging Markets IMI Index ETF	10.8
iShares Core S&P Total U.S. Stock Market ETF	4.2
iShares Core S&P Mid-Cap ETF	3.7
iShares Core S&P Small-Cap ETF	2.2
Cash	0.1
Total	**99.6**
Total Net Asset Value (000s)	**$2,120,701**

PORTFOLIO ALLOCATION

Asset Class/Investment Type	*% of Net Asset Value*
United States Equities	62.9
International Equities	25.9
Emerging Markets Equities	10.7
Cash	0.1
Other Assets, Less Liabilities	0.4
Total	**100.0**

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund and quarterly updates are available on the internet at www.blackrock.com/ca. The prospectus and other information about certain of the underlying iShares ETFs are available on the internet at www.sedarplus.ca.

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Want to know more?

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Additional information about the Fund's investments is available in the Fund's annual and semi-annual reports to investors.

If you have any questions about the Fund or you wish to obtain the annual or semi-annual report free of charge, please:

Call: 1-866-474-2737 (Toll free)
Monday through Friday, 8:30 a.m. to 6:30 p.m. (Eastern Time)

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