

# Dynamic iShares Active Investment Grade Floating Rate ETF (DXV)

This document contains key information you should know about Dynamic iShares Active Investment Grade Floating Rate ETF. You can find more details about this exchange-traded fund ("ETF") in its prospectus. Ask your representative for a copy, contact BlackRock Asset Management Canada Limited (BlackRock) at 1-866-474-2737 or [isharescanada\\_inquiries@blackrock.com](mailto:isharescanada_inquiries@blackrock.com), or visit [www.blackrock.com/ca](http://www.blackrock.com/ca).

**Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.**

## Quick facts

Date ETF started	March 23, 2018
Total value on November 30, 2018	\$44.1 million
Management expense ratio (MER)	0.33%
Fund manager	BlackRock
Portfolio manager	BlackRock
Sub-Advisor	BlackRock Institutional Trust Company, N.A.
Distributions	Monthly

## Trading information (12 months ending November 30, 2018)

Ticker symbol	DXV
Exchange	Toronto Stock Exchange
Currency	Canadian dollars
Average daily volume*	N/A
Number of days traded*	N/A

## Pricing information (12 months ending November 30, 2018)\*

Market price	N/A
Net asset value (NAV)	N/A
Average bid-ask spread	N/A

\* This information is not available because the ETF has not yet completed 12 consecutive months.

## What does the ETF invest in?

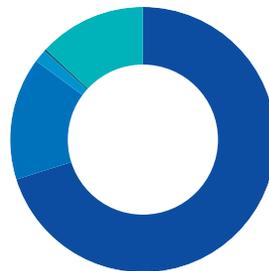
The ETF seeks to provide a floating rate of interest income while preserving capital by investing primarily in Canadian investment grade corporate bonds and through using interest rate derivatives that seek to mitigate the effects of interest rate fluctuations. Exposure to these types of fixed income securities and derivatives will be obtained by investing primarily in Dynamic Active Investment Grade Floating Rate Fund, and/or by investing directly in them, in securities of one or more investment funds, and/or through the use of derivatives. To achieve its objective, the ETF will invest, directly or indirectly, primarily in Canadian investment grade corporate bonds while using interest rate derivatives to minimize interest rate risk and deliver a floating rate of income. The ETF may also invest in high yield securities as long as the weighted average credit rating of the ETF remains BBB- or above. For the purposes of determining whether securities qualify as investment grade or high yield and measuring the weighted average credit rating of the portfolio, unrated securities may be treated as equivalent to having a particular credit rating.

The charts below give you a snapshot of the ETF's investments on November 30, 2018. The ETF's investments will change.

## Top 10 investments (November 30, 2018)\*\*

1. Cash	14.4%
2. Government of Canada, 2.00% Sep. 01 23	9.5%
3. Canada Housing Trust, 2.55% Dec. 15 23	4.3%
4. Goldman Sachs Group, Inc. (The), 2.433% Apr. 26 22	3.7%
5. Genesis Trust II, 2.433% May 15 19, Series 2014-1, Class "A"	3.5%
6. Dollarama Inc., 3.55% Oct. 06 23	3.2%
7. Ford Credit Canada Company, 3.742% May 08 23	2.7%
8. Ivanhoe Cambridge II Inc., 2.909% May 27 23, Series 1	2.3%
9. Brookfield Asset Management Inc., 4.54% Mar. 31 23	2.2%
10. Government of Canada, 2.00% Jun. 01 28	2.1%
<b>Total percentage of top 10 investments</b>	<b>48.0%</b>
<b>Total number of investments</b>	<b>93</b>

## Investment mix (November 30, 2018)\*\*



Sector/Investment Type	Percentage
Corporates	77.3%
Federal Government	16.5%
Foreign	1.7%
Provincial Government	0.3%
Cash	14.4%
Other assets, less liabilities	-10.2%

\*\* Through its investment in Dynamic Active Investment Grade Floating Rate Fund ("AFR"), expressed as a percentage of the total net asset value of AFR.

### How risky is it?

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk Rating

BlackRock has rated the volatility of this ETF as "**Low**".

Because this is a new ETF, the risk rating is only an estimate by BlackRock. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the Risk Factors section of the ETF's prospectus.

### No guarantees

ETFs do not have any guarantees. You may not get back the amount of money you invest.

### How has the ETF performed?

This section tells you how units of the ETF have performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because the ETF has not yet completed a calendar year.

### Year-by-year returns

This section tells you how units of the ETF have performed in past calendar years. However, this information is not available because the ETF has not yet completed a calendar year.

### Best and worst 3-month returns

This section shows the best and worst return for units of the ETF in a 3-month period. However, this information is not available because the ETF has not yet completed a calendar year.

### Average return

This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in units of the ETF. However, this information is not available because the ETF has not yet completed 12 consecutive months.

## Trading ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

### Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

#### MARKET PRICE

- ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.
- You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.
- The bid is the highest price a buyer is willing to pay if you want to sell your ETF units. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called the "**bid-ask spread**".
- In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

#### NET ASSET VALUE (NAV)

- Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.
- NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

### Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

### Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

## Who is this ETF for?

Investors who:

- Are seeking monthly interest income and protection against the effects of interest rate fluctuations by investing in Canadian investment grade corporate bonds and entering into interest rate swaps to deliver a floating rate of income.
- Are able to accept some variability of returns and are investing for the short to medium term.

Do not invest in this Fund if you are seeking aggressive growth of capital through an equities only investment strategy.

## A word about tax

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

### How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses – including any trailing commissions – can vary among ETFs.

Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

#### 1. Brokerage commissions

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

#### 2. ETF expenses

You don't pay these expenses directly. They affect you because they reduce the ETF's returns.

As of June 30, 2018, the ETF's expenses were 0.33% of its value. This equals \$3.30 for every \$1,000 invested.

	Annual rate (as a % of the ETF's value)
<b>Management expense ratio (MER)</b> This is the total of the ETF's management fee and operating expenses.	0.33%
<b>Trading expense ratio (TER)</b> These are the ETF's trading costs.	0.00%
<b>ETF expenses</b>	<b>0.33%</b>

#### Trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

This ETF doesn't have a trailing commission.

### What if I change my mind?

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

#### For more information

Contact BlackRock or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

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