



PRODUCT BRIEF

iShares Strategic Fixed Income ETFs



iShares Conservative Short Term Strategic Fixed Income ETF

A diversified bond strategy designed to generate enhanced income with a focus on credit quality and downside protection



iShares Short Term Strategic Fixed Income ETF

A strategy designed to generate an attractive level of income by tapping Canadian and global markets



iShares Conservative Strategic Fixed Income ETF

A more flexible bond strategy designed to adapt to changing markets, offering both income and capital appreciation

A flexible approach to bonds

Achieving income is difficult in today's fixed income environment. Even more difficult: Generating income without taking on excessive risk. iShares Strategic Fixed Income ETFs provide a one ticket, actively managed portfolio solution that aims to deliver enhanced yield or return while controlling for risk.

- **Control fees** with a low cost portfolio built with ETFs
- **Scale your practice** with the simplicity of a single ticker or leverage as a model to build your own portfolio
- **Diversify sources of return** with exposure to a variety of Canadian and global bonds
- **Optimize allocations** with opportunities sourced across our global fixed income platform by our Canadian portfolio management team
- **Manage downside risk** with portfolio decisions supported by our Aladdin® risk technology platform



Fixed income leader

USD\$1.89 trillion in fixed income assets under management,¹ the most in the industry.



Risk management

Our Aladdin® platform integrates all the functions needed to manage money: from portfolio management and trading to compliance, operations and risk oversight.



Partnership

We partner with advisors like you to build strong portfolios, and never compete with you for your clients.



Global footprint

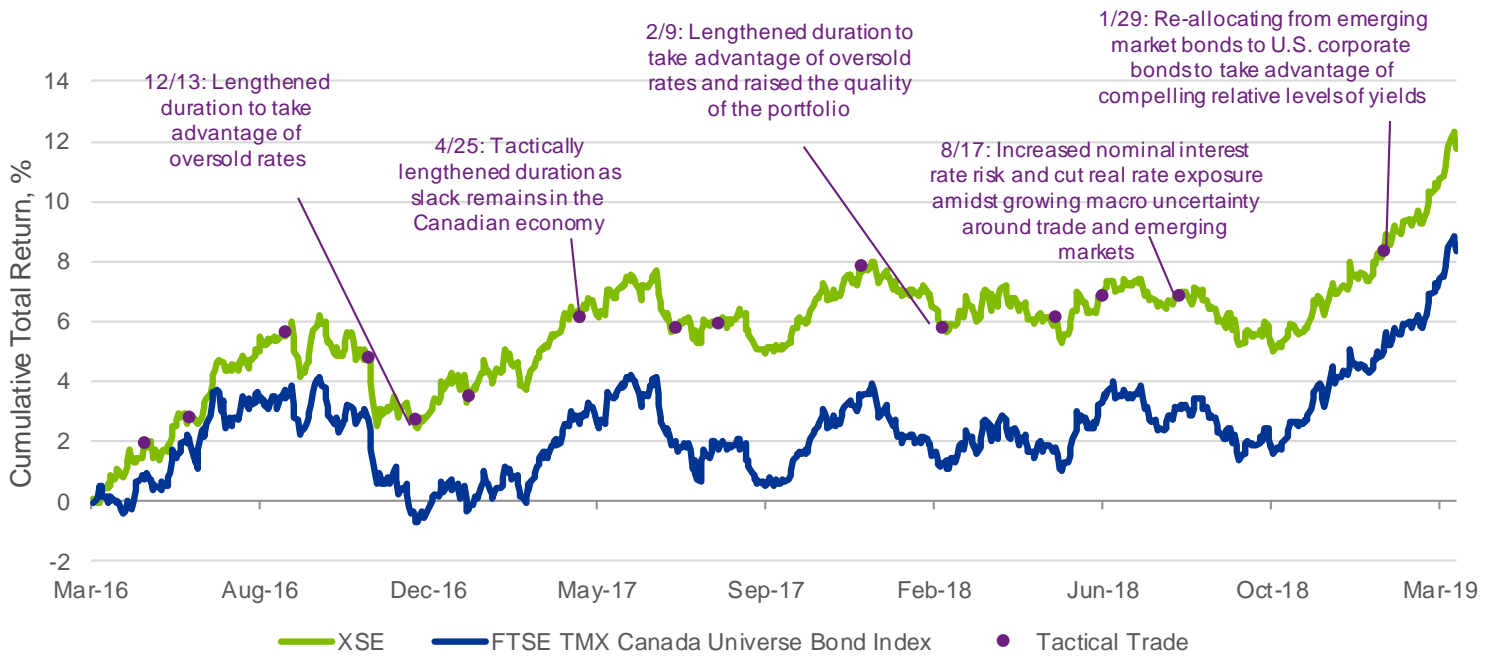
With a presence in every major market, our size and scale allows us to pursue the best opportunities throughout the world.

¹ Source: BlackRock, as of 3/31/18.

Flexibility in practice:

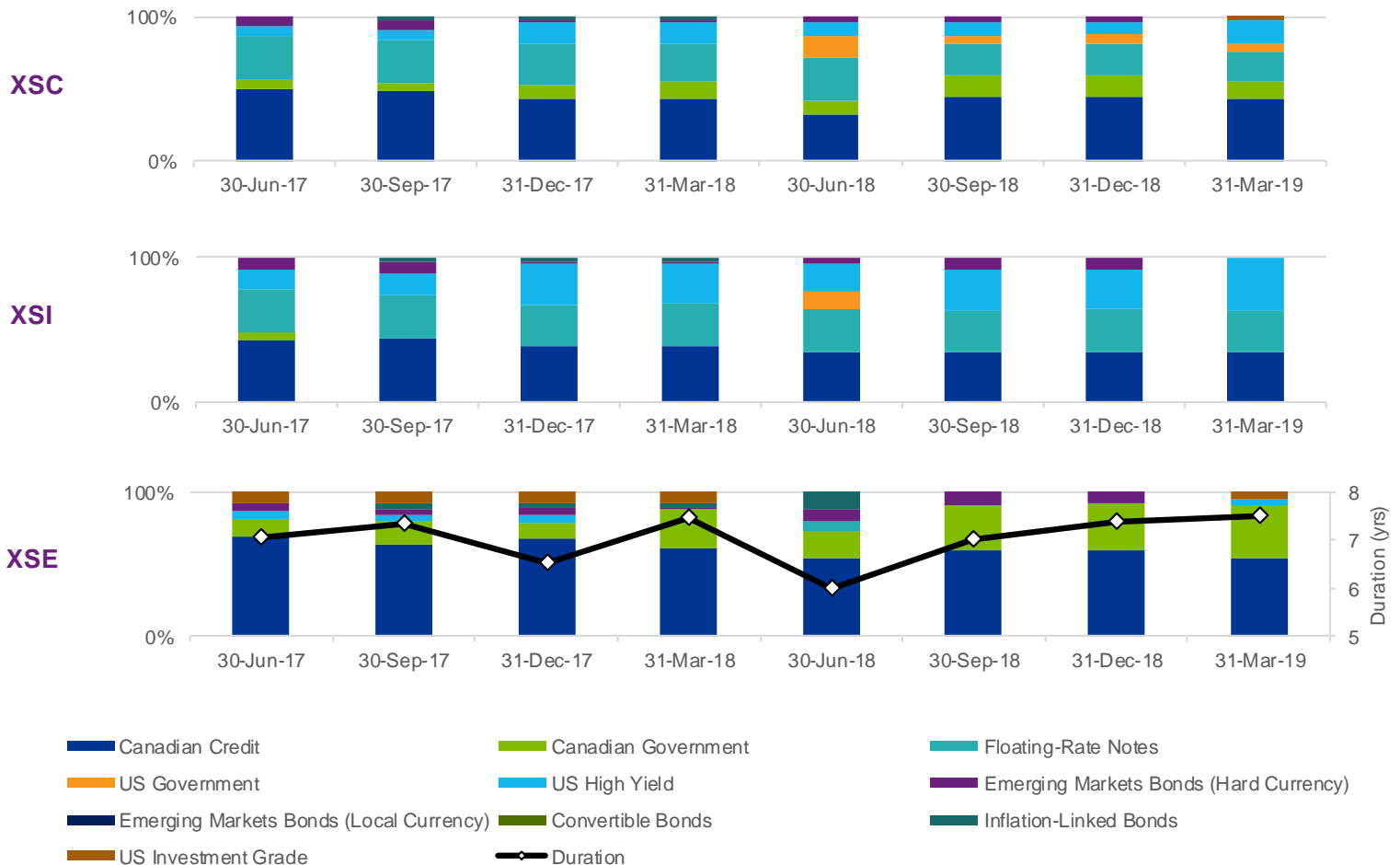
Our robust portfolio management process can adapt to changing market and economic conditions to help position the portfolio for better risk-adjusted returns.

iShares Conservative Strategic Fixed Income ETF (XSE) - tactical trade examples since inception



3 Year Cumulative Total Return (%)	XSE	Index	Alpha (Net of Fees)
	11.76	8.31	3.45

Historical asset allocation – All foreign currency exposures are hedged back to CAD

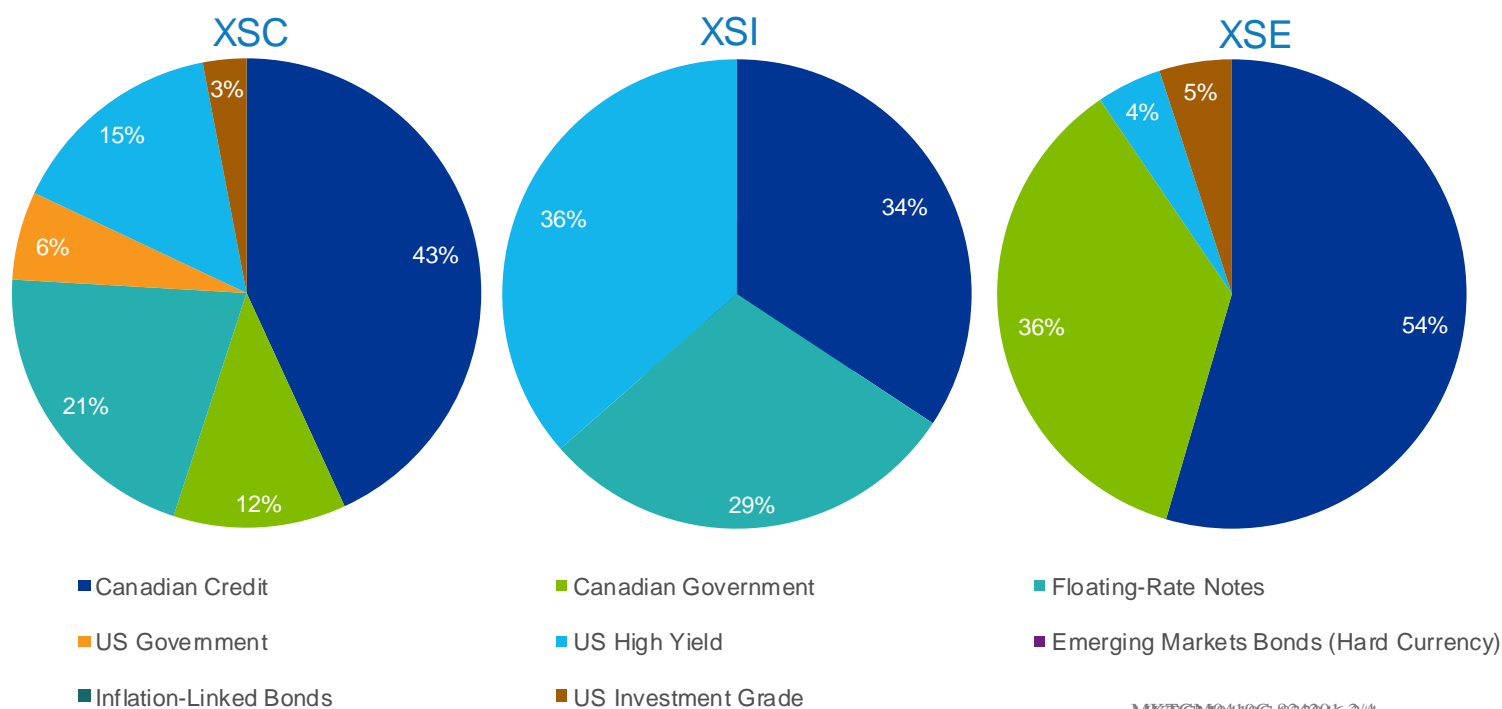


Fund summary - Updated as of 3/31/2019

	XSC iShares Conservative Short Term Strategic Fixed Income ETF	XSI iShares Short Term Strategic Fixed Income ETF	XSE iShares Conservative Strategic Fixed Income ETF	FTSE TMX Canada Universe Bond Index
Target return / yield to maturity	Yield to maturity between 0.5% to 1.0% above FTSE TMX Canada Universe Bond Index	Yield to maturity between 1.0% to 1.5% above FTSE TMX Canada Universe Bond Index	Long-term return between 0.75% to 1.25% above FTSE TMX Canada Universe Bond Index	
Overall Volatility	Consistent with the broad Canadian bond market (or less)	Consistent with the broad Canadian bond market (or less)	Consistent with the broad Canadian bond market (or less)	
Maximum Duration	5 years	5 years	Unconstrained	
Maximum High Yield Exposure	25%	40%	25%	
AUM (\$ millions)	136	127	220	
Key facts				
Management Fee	0.40	0.50	0.50	-
Inception	9/1/2015	1/20/2015	9/1/2015	-
# of Holdings	10	5	8	-
# of Underlying Holdings	4618	1972	4362	1474
Distribution Frequency	Monthly	Monthly	Monthly	-
Portfolio characteristics				
Duration (years)	3.09	2.60	7.71	7.71
YTM (%)	3.01	3.93	2.88	2.33
Distribution Yield (%)	2.86	3.61	2.86	-
High Yield Allocation (%)	15.45	38.10	5.22	-
1YR Standard Deviation (ann.) (%)	2.01	2.16	3.79	3.63

Sector exposure (%NAV) – All foreign currency exposures are hedged back to CAD

Updated as of 3/31/2019



Portfolio management process

ELIGIBLE UNIVERSE OF ETFS

The iShares Strategic Fixed Income ETFs can utilize a variety of Canadian and global exposures on iShares Fixed Income platform

PORTFOLIO OPTIMIZATION

Leveraging Aladdin, BlackRock's proprietary risk management platform, the portfolio is optimized to create an allocation that satisfies specific constraints

REVIEW AND IMPLEMENTATION

The allocations are overseen by BlackRock's Multi-Asset Strategies Group, who evaluate and adjust the portfolios using the best of BlackRock's insights

Standardized performance

As of 3/31/2019

Standardized performance (%)		Inception Date	1 Year	3 Year	5 Year	10 year	Since inception
XSC	iSharesConservative Short Term Strategic Fixed Income ETF	9/1/2015	3.45	3.12	-	-	2.04
XSI	iSharesShort Term Strategic Fixed Income ETF	1/20/2015	3.32	2.78	-	-	2.57
XSE	iSharesConservative Strategic Fixed Income ETF	9/1/2015	4.32	3.78	-	-	3.83

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