Three reasons to consider XFR for your cash allocation

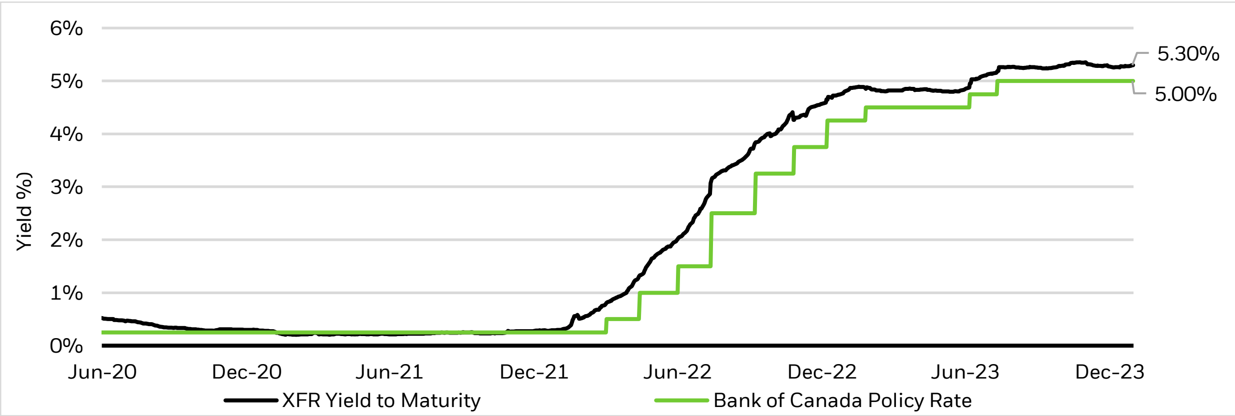
iShares Floating Rate Index ETF

INCOME	FLEXIBILITY	QUALITY
5.16%	**Daily**	**AA+**
XFR's current yield-to-maturity, net of fees[1]	*Liquidity – transact for cash on any trading day*	*Average credit quality of XFR's portfolio*[2]

With interest rates rising significantly and elevated market volatility, in 2022 we saw the re-emergence of cash as a popular portfolio asset. When considering allocations to cash and cash equivalents, advisors may also want to consider floating rate notes through the iShares Floating Rate Index ETF (XFR). Here's why:

Keep up with changing interest rates

Floating-rate bonds can help your income keep up with the Bank of Canada's interest rate increases, since the bonds' coupon payments adjust as short-term rates change. As XFR's yield is tied to very short-term rates, it should maintain similar levels as long as the Bank of Canada does not start cutting rates. For investors who think the tightening cycle may be more prolonged, XFR can be an attractive solution to participate and benefit from rising interest rates.



Source: BlackRock, Bank of Canada; as of December 31, 2023.

Remain flexible with daily liquidity

In contrast to a GIC, given its ETF structure, XFR allows clients to liquidate for cash on any trading day, without lock-up periods and without any penalties.

Built for safety

- **High credit quality** – with XFR, investors can earn attractive income while holding instruments with a high credit rating. ~85% of XFR's portfolio is in government bonds and 80% is in AAA-rated bonds[3].
- **Very low duration** – unlike other "fixed-rate" bonds, floating rate securities have minimal duration risk, or in other words, limited price sensitivity to interest rate moves, making them a potentially less volatile investment option. Currently, XFR yields 5.30% with a duration of 0.15 years[3].

Ticker	Mgt Fee[4]	Yield to Maturity[5]	Effective Duration[6]	Distribution Yield[7]	Average Drawdown[8]	Max Drawdown[9]	Standard Deviation[10]
XFR	0.12%	5.30%	0.15 yrs	5.25%	-0.08%	-0.31%	0.47%

Source: BlackRock, Morningstar Direct; as of December 31, 2023.

Standardized Performance as of December 31, 2023							
Ticker	YTD (%)	1Y (%)	3Y Ann. (%)	5Y Ann. (%)	10Y Ann. (%)	Annual. Since Incept. (%)	Inception Date
XFR	5.24	5.24	2.37	2.02	1.55	1.57	2011/12/06

Source: BlackRock

Footnotes:

[1]As of December 31, 2023. The YTM net of fees is calculated as XFR's gross YTM minus 0.14%.

[2]Source: Morningstar Direct as of December 31, 2023. Average credit rating is a portfolio breakdown weighted calculation that represents the mean credit rating value of the fixed income holdings of a portfolio.

[3]Source: BlackRock as of December 31, 2023.

[4]Effective January 12, 2023, the management fee of the Fund was reduced from 0.20% to 0.12%.

[5]Yield to Maturity (YTM) is the discount rate that equates the present value of a bond's cash flows with its market price (including accrued interest). The Fund Average YTM is the weighted average of the fund's individual bond holding YTMs based upon Net Asset Value ('NAV'). The measure does not include fees and expenses.

[6]A measure of the responsiveness of a bond's or portfolio's price to changes in interest rates. Effective Duration adjusts for changes in projected cash flows as a result of yield changes, accounting for embedded optionality.

[7]The annual yield an investor would receive if the most recent fund distribution stayed the same going forward. The yield represents a single distribution from the fund and does not represent the total return of the fund. The yield is calculated by annualizing the most recent distribution and dividing by the fund NAV from the as-of date. This figure is net of management fees and other fund expenses.

[8]Average Drawdown is the average of yearly Maximum Drawdown measures, based on monthly NAV based returns since inception (December 6, 2011).

[9]The peak to trough decline during a specific record period of an investment or fund, based on monthly NAV based returns since inception (December 6, 2011). It is usually quoted as the percentage between the peak to the trough.

[10]A statistical measurement of dispersion about an average, which, for an ETF or a mutual fund, depicts how widely the returns varied over a certain period of time, based on monthly returns since inception (December 6, 2011).

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