

Contact for Media:

Maeve Hannigan
 T – 416-643-4058
 C – 416-564-1540

Email: Maeve.Hannigan@blackrock.com

Listing: TSX (Toronto Stock Exchange)

Symbol: XSC, XSE, XSI

**Press Release
 For Immediate Release**

BlackRock Canada Announces Investment Strategy Enhancements for Certain iShares Funds

Toronto, August 26, 2016 – BlackRock Asset Management Canada Limited (“BlackRock Canada”), an indirect, wholly-owned subsidiary of BlackRock, Inc. (NYSE: BLK), today announced changes to the investment strategy of the following funds (collectively, the “iShares Funds”), to clarify and enhance the manner in which a proprietary portfolio optimization process is used in the construction of the iShares Funds’ portfolios:

Fund Name	Ticker
iShares Conservative Short Term Strategic Fixed Income ETF	XSC
iShares Conservative Strategic Fixed Income ETF	XSE
iShares Short Term Strategic Fixed Income ETF	XSI

In constructing the portfolio of each iShares Fund, BlackRock Canada currently utilizes a proprietary portfolio optimization process to estimate efficient portfolios with total volatility levels that are consistent with a broadly diversified portfolio of Canadian fixed income securities. As an additional risk management technique, on a going forward basis, the process will also be configured to estimate efficient portfolios with expected yield or long-term expected returns that fall within a specified range relative to the broader Canadian bond market, as further described below. Prior to implementing any such portfolio, BlackRock Canada (or its affiliated sub-adviser) reviews the output of the portfolio optimization process and may make adjustments based on market outlook and other factors, such as trading costs.

Upon implementing the enhancements, the additional optimization process will initially be configured to: (a) in the case of XSC, estimate an efficient portfolio with a targeted average yield to maturity ranging between +50 and +100 bps above the FTSE TMX Canada Universe Bond Index; (b) in the case of XSI, estimate an efficient portfolio with a targeted average yield to maturity ranging between +100 and +150 bps above the FTSE TMX Canada Universe Bond Index; and (c) in the case of XSE, estimate an efficient portfolio with a targeted expected return ranging between +75 and +125 bps above the FTSE TMX Canada Universe Bond Index. In each case, the configuration of the optimization process may change from time to time in BlackRock Canada’s discretion, subject to each fund’s investment objective.

The enhancements to the optimization process do not impact the risk rating currently assigned to each iShares Fund, as disclosed in the funds’ prospectus.

About BlackRock

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At June 30, 2016, BlackRock's AUM was US\$4.890 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 June 30, 2016, the firm had approximately 12,700 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com/ca | Twitter: @BlackRockCA | Blog: www.blackrockblog.com/can

About iShares ETFs

iShares[®] is a global leader in exchange-traded funds (ETFs), with more than a decade of expertise and commitment to individual and institutional investors of all sizes. With over 700 funds globally across multiple asset classes and strategies and more than US\$1 trillion in assets under management as of June 30, 2016, *iShares* helps clients around the world build the core of their portfolios, meet specific investment goals and implement market views. *iShares* funds are powered by the expert portfolio and risk management of BlackRock, trusted to manage more money than any other investment firm.¹

iShares Funds are managed by BlackRock Asset Management Canada Limited.

Commissions, trailing commissions, management fees and expenses all may be associated with investing in iShares ETFs. Please read the relevant prospectus before investing. Fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. The fund is not guaranteed, its values change frequently and past performance may not be repeated. Tax, investment and all other decisions should be made, as appropriate, only with guidance from a qualified professional.

¹ Based on US\$4.890 trillion in AUM as of 6/30/16.