

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 2S1.

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.

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 Emerging Markets Fundamental 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 Cboe Canada (formerly, the NEO Exchange Inc.) (the "Exchange"). Investors typically buy and sell units of the Fund through a brokerage account. The Fund's Exchange ticker symbol is CWO.

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 investors with exposure to the return and performance of an index selected at the discretion of BlackRock Canada measuring the investment returns of securities issued by companies domiciled or operating primarily in emerging market countries, net of expenses. The Fund currently tracks the performance of the FTSE RAFI Emerging Markets Index (the "Index"). 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 equity securities of issuers located in emerging market countries. The Index is designed to provide investors with exposure to emerging markets using a fundamental weighting methodology and consists of the 350 companies with the largest Research Affiliates Fundamental Index (RAFI) fundamental values, selected from the constituents of the FTSE Emerging All Cap 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 employ a sampling strategy.

Risk

Effective June 29, 2023, the Fund's risk rating was updated from "Medium to High" to "Medium". The risks of investing in the Fund are described in the prospectus.

Results of Operations

The Fund's net asset value increased from \$39.9 million at December 31, 2022 to \$46.8 million at December 31, 2023. This change in net asset value represents an increase of \$5.1 million due to net subscriptions to the Fund and an increase of \$1.8 million due to investment operations less distributions paid.

For the year ended December 31, 2023, the Fund returned 9.13%. For the same period, the Index returned 11.59%. The main reasons for the difference in performance of -2.46% between the Fund and the Index were management fees (-0.65%) and other miscellaneous factors (-1.81%).

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

Master Declaration of Trust

The Fund's Master Declaration of Trust was amended and restated as follows:

- On June 29, 2023 to provide for (1) transfers of cash and other property from capital to income to facilitate distributions out of the trust declared therein, and (2) the systematic fair valuation of securities listed or dealt with on a stock exchange or traded on an over-the-counter market by an independent third party vendor in particular circumstances, in order to bring the Master Declaration of Trust Agreement in line with current practice within the securities industry.

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.

Russian Invasion of Ukraine

The Fund invests, directly or indirectly, in Russian securities and/or depository receipts linked to Russian securities. Russia launched a large-scale invasion of Ukraine on February 24, 2022. Governments in Canada and many other countries have imposed economic sanctions on certain Russian individuals and Russian corporate and banking entities. Jurisdictions have instituted broader sanctions on Russia, including banning Russia from global payments systems that facilitate cross-border payments. In response, the Russian government imposed capital controls to restrict movements of capital from entering and exiting the country and has closed trading sessions for local Russian equities to non-residents. In addition, trading of depository receipts for Russian-based companies halted on primary trading platforms subsequent to Russia's invasion. The extent and duration of the military action, resulting sanctions and resulting future market disruptions, including declines in Russia's stock markets and the value of the ruble against the Canadian dollar, are impossible to predict, but could be significant. Any such disruptions caused by the Russian military action or any response to such activity from the international community may negatively impact Russia's economy and Russian issuers of securities in which the Fund invests. In addition to the sanctions, the decision by Russia to suspend trading on the Moscow Exchange and prohibit non-resident investors from executing security sales, recent Russian debt ratings downgrades, and other events have led to changes in the Fund's Index. As of March 2022, Russian securities have ceased to be eligible for the Index and the Index Provider has deleted all Russian securities from the Index. However, as a result of sanctions and market disruption, the Fund may be restricted from trading or otherwise unable to trade in Russian securities, including those in its portfolio, while the Index has removed Russian securities. It is unknown when, or if, sanctions may be lifted or the Fund's ability to trade in Russian securities will resume.

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 operations of the Fund, including the management of the Fund's investment portfolio and the valuation of the Fund's assets. BlackRock Canada is entitled to an annual management fee for acting as trustee, manager and portfolio advisor of the Fund. 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 \$10,132 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 the Fund and are intended to help you understand its financial performance for the past five years.

	December 31,				
	2023	2022	2021	2020	2019
Net Assets per Unit^(a)					
Net assets, beginning of year	\$ 31.94	\$ 36.73	\$ 36.21	\$ 38.39	\$ 35.75
Increase (decrease) from operations					
Total revenue	1.47	1.84	2.05	1.11	1.40
Total expenses	(0.23)	(0.19)	(0.23)	(0.21)	(0.24)
Realized gains (losses) for the year	(0.11)	0.38	1.03	(1.29)	0.94
Unrealized gains (losses) for the year	1.74	(5.61)	(0.87)	(1.51)	1.62
Total increase (decrease) from operations ^(b)	2.87	(3.58)	1.98	(1.90)	3.72
Distributions					
From income (excluding dividends)	(1.39)	(1.61)	(1.66)	(0.95)	(1.16)
From dividends	—	—	—	—	—
From capital gains	—	(0.42)	—	—	(0.30)
Return of capital	—	—	(0.04)	(0.00) ^(c)	—
Total distributions ^{(d)(e)}	(1.39)	(2.03)	(1.70)	(0.95)	(1.46)
Net assets, end of year	\$ 33.45	\$ 31.94	\$ 36.73	\$ 36.21	\$ 38.39
Ratios and Supplemental Data^(f)					
Total net asset value (000s)	\$ 46,828	\$ 39,930	\$ 47,749	\$ 39,836	\$ 47,991
Number of units outstanding (000s)	1,400	1,250	1,300	1,100	1,250
Management expense ratio ^(g)	0.72%	0.71%	0.70%	0.71%	0.71%
Trading expense ratio ^(h)	0.04%	0.05%	0.03%	0.03%	0.05%
Portfolio turnover rate ⁽ⁱ⁾	33.27%	48.35%	26.11%	28.83%	63.68%
Net asset value per unit	\$ 33.45	\$ 31.94	\$ 36.73	\$ 36.21	\$ 38.39
Closing market price ^(j)	\$ 33.59	\$ 31.62	\$ 36.84	\$ 36.07	\$ 38.59

^(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.

Management Fees

The management fees are calculated based on 0.65% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are paid monthly in arrears. 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 fee”). 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 0.65% 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, \$277,567 (excluding GST and HST in the amount of \$29,301) in total annual fees (management fees and underlying product fees of \$267,777 and \$9,790, respectively).

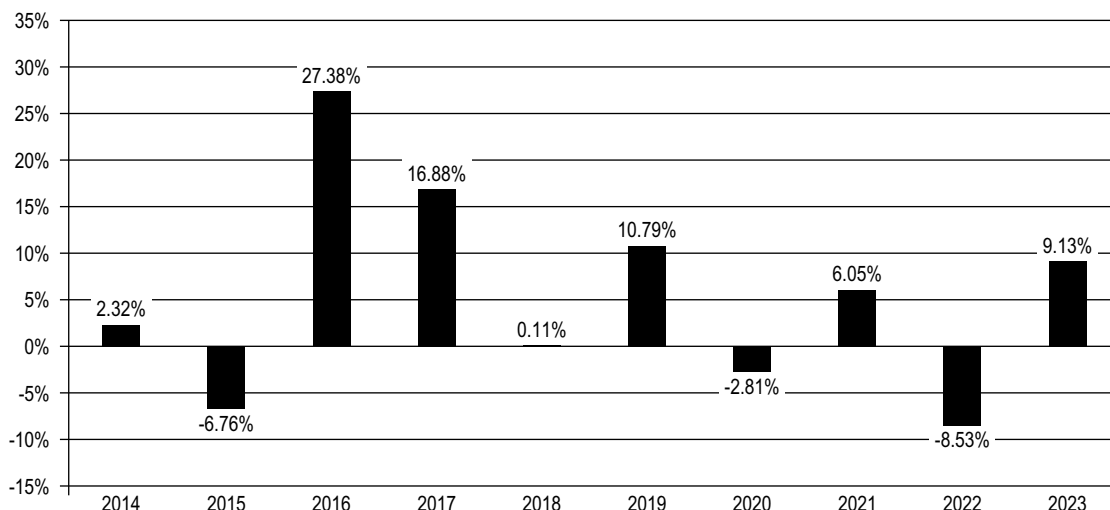
The total annual fees were received by BlackRock Canada and/or its affiliate, as applicable, for managing the Fund’s portfolio and the portfolio of any iShares ETF in which the Fund invests, maintaining portfolio systems used to manage the Fund and any iShares ETF, maintaining the www.blackrock.com/ca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

Past Performance

The following charts show past performance for 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 the Fund will perform in the future.

Year-by-Year Returns

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



Annual Compound Returns

The following table shows the Fund's annual compound total return for the years ended on December 31, 2023. The annual compound return is 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 the Fund relative to the Index.

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>
CWO.....	9.13%	1.92%	2.65%	4.95%
Index.....	11.59	4.14	4.27	6.41
Difference.....	-2.46	-2.22	-1.62	-1.46

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		PORTFOLIO ALLOCATION	
<i>Position</i>	<i>% of Net Asset Value</i>	<i>Country/Geographic Allocation/Investment Type</i>	<i>% of Net Asset Value</i>
Taiwan Semiconductor Manufacturing Co. Ltd.	5.2	China	32.4
Petroleo Brasileiro SA	5.1	Brazil	17.8
Alibaba Group Holding Ltd.	2.5	Taiwan	17.2
Vale SA	2.3	India	13.1
Industrial & Commercial Bank of China Ltd.	2.2	South Africa	4.0
Tencent Holdings Ltd.	1.9	Thailand	3.8
China Construction Bank Corp.	1.9	Mexico	3.7
Itau Unibanco Holding SA	1.7	Saudi Arabia	2.5
Ping An Insurance Group Co. of China Ltd.	1.6	Indonesia	2.0
Reliance Industries Ltd.	1.6	Turkey	1.7
Banco Bradesco SA	1.4	Other Countries/Geographic Regions ^(a)	1.9
Bank of China Ltd.	1.3	Cash	0.7
Agricultural Bank of China Ltd.	1.2	Other Assets, Less Liabilities	(0.8)
China Petroleum & Chemical Corp.	1.2	Total	100.0
PetroChina Co. Ltd.	1.1		
Hon Hai Precision Industry Co. Ltd.	1.1		
PTT PCL, NVDR	0.9		
Tata Motors Ltd.	0.9		
JD.com Inc.	0.8		
MediaTek Inc.	0.7		
America Movil SAB de CV	0.7		
Infosys Ltd.	0.7		
Xiaomi Corp., Class B	0.7		
Cash	0.7		
Banco do Brasil SA	0.7		
Total	40.1		
Total Net Asset Value (000s)	\$46,828		

^(a) Includes remaining countries/geographic regions which make up the Fund's net asset value.

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.

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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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