Global Product Solutions | Investment & Portfolio Solutions | Investment Directions

BlackRock.

Fall Investment Directions

Exposures for today's market – Fall 2025

Canadian edition

Investment Directions

2025 Fall Investment Directions: Exposures for today's market

Key takeaways

- Portfolios today tend to be riskier overall because of significant changes to foundational relationship[1] , including stock/bond correlations and the increasing concentration of U.S. indexes driven by the rise of AI.
- We believe today's regime – which has undermined traditional diversification benefits –may endure due to key factors such as persistent inflation dynamics, policy action and fiscal imbalances.
- Investor sentiment has remained robust despite ongoing macroeconomic and geopolitical uncertainty. We are already seeing portfolio shifts as investors accelerate how they're diversifying with alternatives and commodities, and reallocating away from cash.

Portfolio Insights

The foundational relationships that once anchored traditional portfolio construction have shifted – making many portfolios riskier overall. At the heart of asset allocation decisions lies the textbook relationship that stocks and bonds have had a negative correlation: when stocks go down as company prospects deteriorate, investors may turn to bonds in search of safer assets. This has remained the core underpinning of many portfolios' most basic asset allocation breakdown.

But we believe this relationship has fundamentally shifted; less reliable correlations undermine the diversification benefits the two core asset classes provided each other. Unlike previous episodes of temporary correlation spikes, we believe today's alignment between stocks and bonds, as shown in Figure 1, reflects deeper structural forces: persistent inflation dynamics, policy action and fiscal imbalances. This all suggests this regime may endure and fundamentally alter portfolio risk profiles.

Other, subtler, relationships appear to be shifting as well, further heightening the potential for risk. Investors have long benefited from an overweight to U.S. equities, but with an increased risk premium on the U.S. dollar, portfolios may benefit from exposure to international equities and digital assets. Within equity sleeves, the rise of AI has also meant a rise in U.S. index concentration, creating a need to source diversification elsewhere.[2] And within fixed income allocations, we feel how a portfolio sources duration is as important as how much there is overall, arguing for more active yield curve management than traditional benchmarks can offer.

[1] For more, see BlackRock Investment Institute "2025 Midyear Global Outlook," July 2025.

[2] BlackRock, Bloomberg. Based on aggregate top 10 index weightings in the S&P 500 over the last 30 years. As of July 31, 2025.

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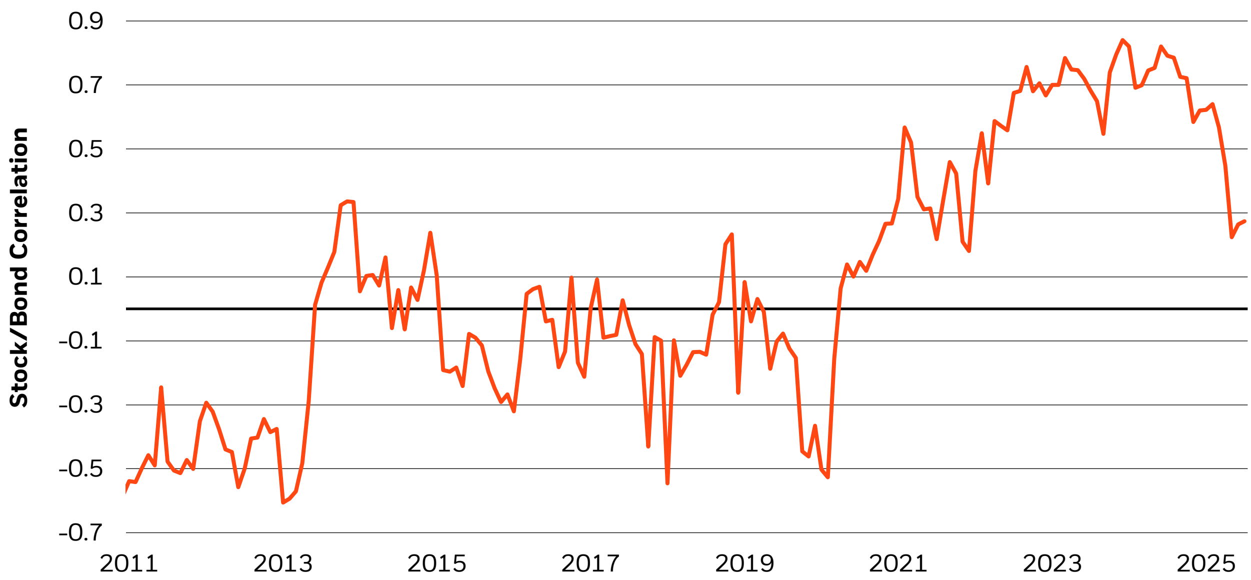
Canadian equities

Figure 1. Positive stock/bond correlation has been persistent



Source left BlackRock, Bloomberg. 12-month rolling correlation between the S&P 500 Index and the Bloomberg U.S. Aggregate Bond Index. As of July 31, 2025. Correlation refers to the statistical relationship between the price movements of two or more assets, securities, or financial variables

Canadian Equities

The Canadian economy entered the second half of 2025 with moderate growth and elevated trade uncertainty.

While the U.S. Mexico Canada Agreement (USMCA) continued to remain intact, Canadian goods not covered by it saw a sharp tariff increase to 35% as of July while steel and aluminum products are feeling the full heft of the 50% sectoral tariffs.[3] Slack may be building in the labour market, as employment fell by 41k in July and wage growth slowed with youth unemployment elevated. Cooling jobs data was also met with mixed earnings results and slightly negative earnings revisions, especially in trade sensitive sectors where companies are potentially facing cost pressure.[4]

Prime Minister Carney recently announced that Canada would remove retaliatory tariffs on USMCA compliant goods as of September, potentially relieving some tariff impact on local suppliers.[5] Meanwhile, we believe fiscal dynamics could offer partial support, as increased public spending and infrastructure projects may offset weaker private sector momentum.

Since mid-April, a powerful equity rally has lifted the Canadian equity indices to new highs.[6] Despite the strong equity performance led by the energy and mining sectors, **we remain cautious in the short term, with a preference for higher quality equity opportunities and companies that can generate sustainable dividend payments.**

Related ETFs:

Ticker	Product Name
XDIV	iShares Core MSCI Canadian Quality Dividend Index ETF
XEI	iShares S&P/TSX Composite High Dividend Index ETF

[3] Source: White House Fact Sheets, as of August 2025.

[4] Source: Bloomberg, as of August 31, 2025.

[5] Source: Government of Canada, as of September 1, 2025.

[6] Source: Bloomberg, based on the S&P/TSX Composite Index, as of August 31, 2025

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U.S. equities

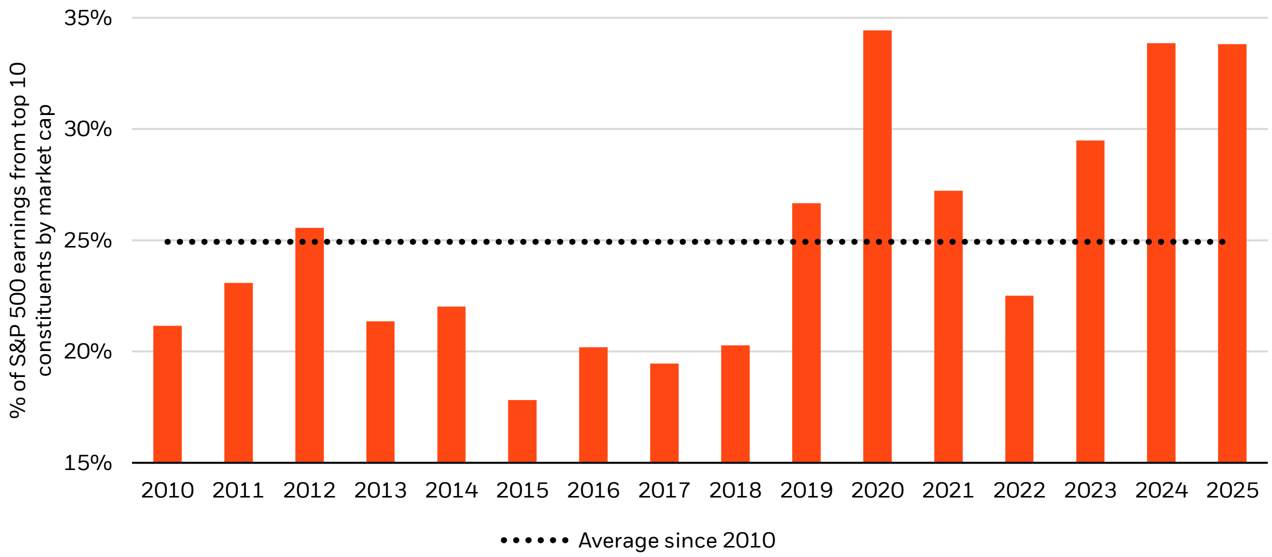
Our view supports leaning into U.S. growth equities, underpinned by a belief that AI earnings and capex should stay strong. Our macro outlook expects U.S. economic momentum to slow but remain positive. While we remain constructive on U.S. equities, we favour a selective and nimble approach as macro data potentially soften.

Two questions have dominated discussions with allocators in recent months:

1. Are equity market returns going to broaden out?
2. How do you justify expensive valuations?

We see these questions as two sides of the same coin. Our belief is that market concentration has been the result of superior growth from a small set of tech and AI leaders. This dynamic has pulled the major U.S. equity benchmarks higher, as outsized returns from a handful of companies have carried index-level performance. In effect, the strength of these high-growth firms has not only driven concentration but also elevated the aggregate valuations of broad U.S. indices. We don't see that trend reversing in the near-term.

Figure 2. Earnings growth is concentrated at the top



Source: BlackRock, Bloomberg, as of August 24, 2025. Top 10 constituents by market cap as determined by market cap as of year-end of the calendar year. Data references the total sum of the net income for the top 10 constituents, divided by the net income of the entire index (S&P 500 Index). Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Equity market leadership:

We continue to prefer U.S. growth equities over value, based on an exceptionally strong fundamental outlook for U.S. tech companies benefitting from the ongoing AI capex wave.[7] Calls for an end or plateau to AI capex growth have been persistent, but we believe there is still plenty of room for spending.[8] McKinsey estimates that by 2030, $5.2T will be invested in AI datacenters across chips/hardware, power and land.[9] Estimates indicate roughly $320B was spent on AI datacenters in 2023 and 2024 combined.[10]

[7]BlackRock, Bloomberg. Benefitting as represented by earnings growth as depicted by earnings transcripts for mentions of AI or related topics by sector and industry (transcripts as analyzed by Bloomberg Intelligence). As of August 20, 2025. [8]Calls for an end or plateau to AI capex growth" as sourced from Forbes, as of April 2, 2025. The article is titled "Could 2025 Represent a Near-Term Peak in AI Capex". [9]McKinsey: The cost of compute, April 28, 2025. [10]BlackRock research, as of August 20, 2025. AI datacentres spend as aggregated by Investment Strategy and Investment and Portfolio Solutions based on estimates from earnings guidance and commentary.

Quality has been little rewarded this year, with the factor trailing S&P 500 by 4%.[11] We still like quality at this stage in the economic cycle, though this year's rapidly shifting sentiment and positioning indicators leave us with a preference for active and deliberate style factor management.

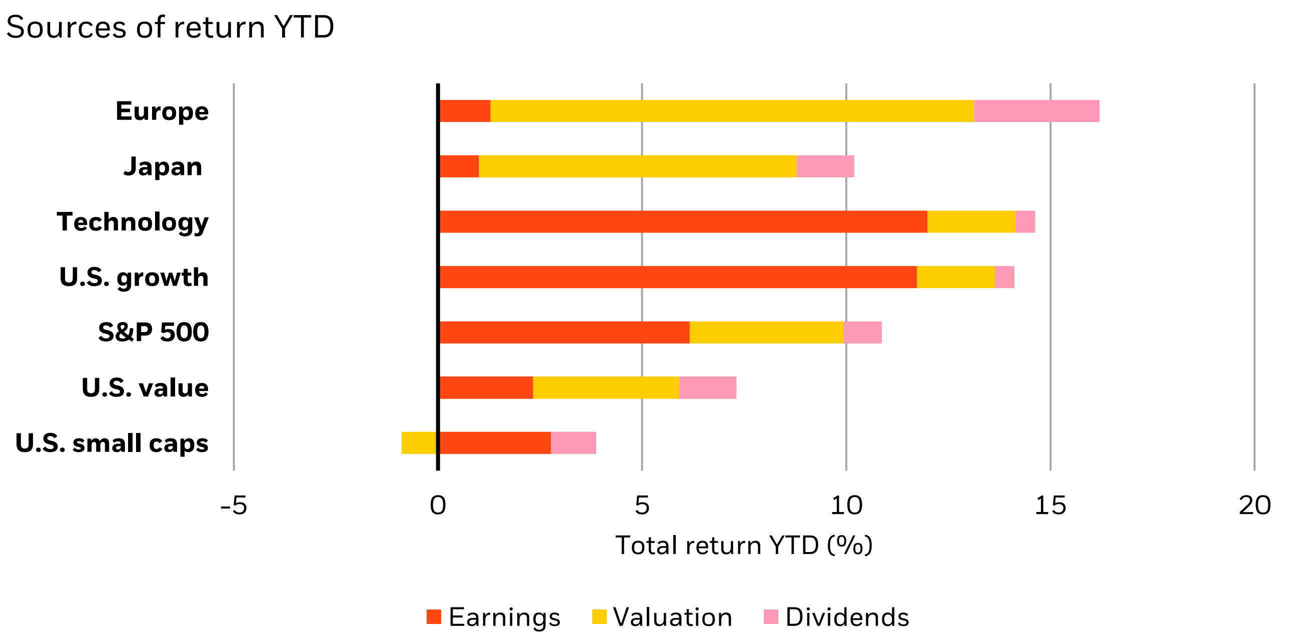
From a sector expression, financials remain our highest-conviction example of where broadening out has taken shape. U.S. financials, particularly banks, have benefitted from regulatory tailwinds, sticky inflation and a backlog of investment banking activity. Tech and communication services have continued to lead in beats and forward guidance, and we believe AI will continue to be the growth engine of U.S. equity markets.

Valuation concerns:

History shows that valuations have not been strong predictors of near-term performance. The market continues to clear all-time highs and currently trades at a 12% premium to its 5-year average forward Price to Earnings (P/E) ratio.[12] However, since 2000, the correlation between the S&P 500's forward P/E and its subsequent 6-month return has been -0.21. While the negative sign may suggest higher valuations have tended to precede lower returns, the relationship is weak – explaining less than 5% of the variation in short-term outcomes.[13]

Further, while valuations may be high relative to historical averages, year-to-date returns for tech and growth companies appear to come from earnings growth — not multiple expansion. Valuations have been responsible for less than 4% of returns for these cohorts, as shown in Figure 3.

Figure 3. U.S. tech returns have been driven primarily by earnings



Source: Refinitiv, as of August 20, 2025. Free cash flow as defined by Refinitiv. U.S. Large Cap Growth is defined as constituents of the Russell 1000 Growth index. U.S. Equities ex Large Cap Growth is defined as constituents of the Russell 3000 Index that are not in the Russell 1000 Growth Index. 2025 figures are based on mean Source: Refinitiv, as of August 26, 2025. U.S. small caps as represented by S&P 600 Index. U.S. value as represented by S&P 500 Value Index. S&P 500 as represented by S&P 500 Index. Japan as represented by MSCI Japan Index. U.S. growth as represented by S&P 500 Growth Index. Technology as represented by S&P 500 GICS sector classification (S&P 500 Information Technology Sector GICS Level 1 Index), Europe as represented by MSCI Eurozone Index. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

[11] Bloomberg. Quality as represented by MSCI USA Sector Neutral Quality Index, performance as represented relative to S&P 500 Index. As of August 10, 2025. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

[12] BlackRock, Bloomberg, Refinitiv LSEG. As of August 10, 2025.

[13] BlackRock, Bloomberg. Correlation as determined by S&P 500 12-month forward P/E (Bloomberg's 'Best PE' function), and 6-month forward return. As of August 15, 2025.

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While we don't prefer using rich valuations as a sell signal, we also caution against using cheap ones as an indicator to buy. U.S. small caps currently trade at a discount versus historical averages.[14] But even as the Federal Reserve is expected to begin easing, we maintain our caution to small caps. We believe the exposure faces twin headwinds: historically greater sensitivity to economic growth, and fundamentals that have remained soft, with net margins not expected to return to pre-pandemic highs until 2026.[15]

Importantly, we believe that as long as valuations remain supported by superior earnings growth, the market can potentially sustain these levels. Our takeaways from Q2 earnings reinforce that strength: it was one of the strongest seasons for earnings beats on record, and equally encouraging, 58% of companies raised full-year EPS guidance, double the pace seen in Q1.[16]

Declining U.S. dollar:

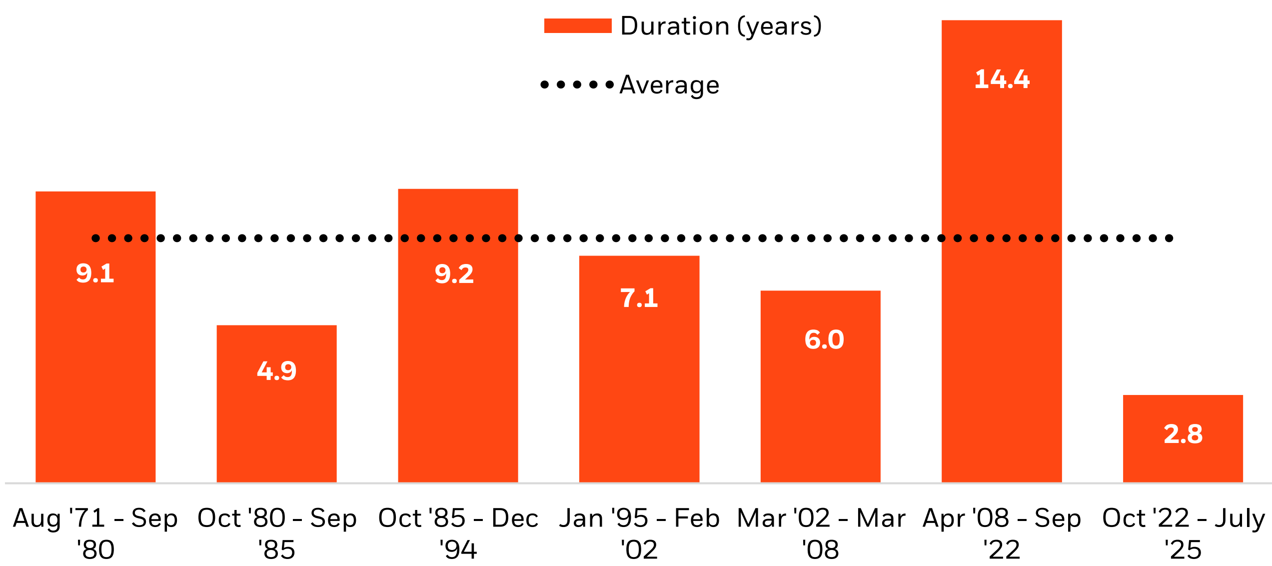
We believe we are toward the beginning of a weaker U.S. dollar cycle. The dollar has long benefitted from a cycle of robust U.S. growth and investment. But we think the structural bull market may be challenged amid current trade policy, a reorientation of global growth and demand for alternative reserve currencies.

Historical evidence underpins our view that FX moves in sustained, longer-term cycles: since the end of Bretton Woods in 1971, we've observed six completed dollar cycles, with an average duration of about eight years (Figure 4). If we are at the beginning of a longer-term dollar cycle, we see reason to reconfigure portfolios. Canadian investors might be better sheltered from the ongoing U.S. dollar weakness by using CAD-hedged ETFs to access U.S. exposures.

Figure 4: We're still early in the FX cycle

Length of U.S. dollar cycles since 1971

The current cycle has only lasted 2.8 years – well below even the **shortest** cycle



Source: Bloomberg, FX cycle as determined by USD Index peak to trough as determined by BlackRock Investment Strategy. As of July 24, 2025.

.[14]BlackRock, Bloomberg, Refinitiv LSEG. As of August 10, 2025. Small caps as represented by Russell 2000 Index.

[15]BlackRock, Bloomberg, with data from Bloomberg Intelligence. As of August 10, 2025. Small caps as represented by Russell 2000 Index. Forward looking estimates may not come to pass.

[16]BlackRock, Bloomberg, Goldman Sachs, as of August 10, 2025. Forward looking estimates may not come to pass.

Related ETFs:

Category	Ticker	Fund Name
Broad	XUS	iShares Core S&P 500 Index ETF
	XSP	iShares Core S&P 500 Index ETF (CAD-Hedged)
	XQQU	iShares NASDAQ 100 Index ETF
	XQQ	iShares NASDAQ 100 Index ETF (CAD-Hedged)
	XUSC	iShares S&P 500 3% Capped Index ETF
	XSPC	iShares S&P 500 3% Capped Index ETF (CAD-Hedged)
Thematic	XQLT	iShares MSCI USA Quality Factor Index ETF
	XCHP	iShares Semiconductor Index ETF
	XUSF	iShares S&P U.S. Financials Index ETF

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We see that the labor force is moderating. We see that consumption is moderating. It's not collapsing. And with some pro-cyclical factors kicking in in the back half of the year, we do think we're going to be in an environment that rewards secular growers rather than hiding in some of the defensive names."

– Russ Koesterich, Portfolio Manager of the Global Allocation team

International Equities

International equities have led the way in gains this year. The MSCI EAFE IMI Index has delivered an impressive 18% in CAD terms year-to-date, compared to 6% from the S&P 500 Index, which has been weighed down by U.S. dollar weakness.[17]

Our recent analysis of advisor portfolios with equity sleeves shows that, on average, Canadian advisors have increased their allocations to international equities, relative to year-end 2024 levels.[18] This shift reflects evolving investor sentiment shaped by policy uncertainty, currency views and regional macro outlooks.

In Europe, structural themes and regulatory easing have supported the financials and aerospace and defense sectors. We feel recent earnings strength in European financials could continue with a steeper yield curve and regional economic resilience.[19]

Country exposure like Japan represents a compelling tactical opportunity, underpinned by accelerating wage growth, meaningful corporate governance improvements and a favourable currency backdrop.[20]

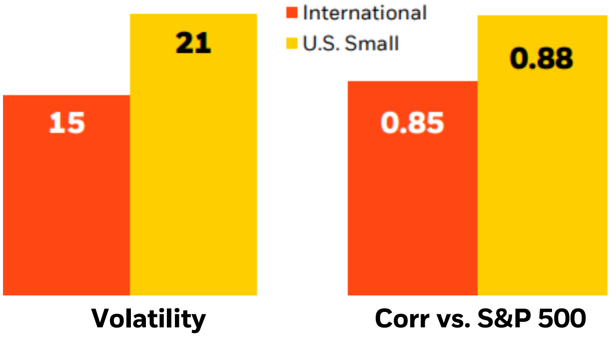
[17] Data as of August 29, 2025. Index total return in CAD$ terms. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.
[18] Source: BlackRock as of May 31, 2025. Based on BlackRock's analysis of over 100 advisor portfolios in 2024, and over 60 advisor portfolios as of H1 2025. Average Equity Portfolio represents the subset of advisor portfolios that hold at least 80% equity securities. The analysis was performed based on portfolios that were shared with BlackRock by advisors during a consultation with Portfolio Consulting Services (PCS). BlackRock does not share individual advisor information or data/characteristics of individual portfolios. All portfolio data collected is presented in aggregate. We should note that the portfolios analyzed represent a subset of the industry, and not its entirety. As such, there may be certain biases present in the data that reflect the advisors who choose to work with BlackRock to analyze their portfolios.
[19] European Barometer- The Opportunity in Europe, BlackRock, as of July 28, 2025
[20] International Monetary Fund press release, "IMF Executive Board Concludes 2025 Article IV Consultation with Japan," April 2, 2025.

International equities have also proven to be better diversifiers to U.S. large caps than U.S. small cap. That relationship has been emphasized in drawdown periods: since 2010, when the S&P 500 posted negative quarterly returns, small caps underperformed significantly — posting nearly double the losses of developed markets.[21]

Figure 5: International equities have shown to be a strong source of portfolio diversification

Int'l has delivered lower vol & correlation to U.S.

Volatility and correlation vs. S&P 500[1]



Source: Morningstar, as of June 30, 2025. Volatility and correlation represented by 10-year lookback (June 30, 2015-June 30, 2025). U.S. Small as represented by Russell 2000 Index, International as represented by MSCI ACWI Excluding United States Index.

Less technology weight may make international a better diversifier

Index weightings, 5/2005 – 5/2025

	20 years of technology sector index weightings	
	2005	2025
U.S. Large Cap (S&P 500)	14.4	34.4
International Stocks	6.1	9.8
Small Cap stocks	17.1	16.1

Source: Bloomberg, as of June 20, 2025. International stocks represented by MSCI EAFE Index, U.S small caps represented by Russell 2000 Index. Volatility represented by the degree of variation in a financial asset's price or value over time.

Related ETFs:

Ticker	Fund Name
XEF	iShares Core MSCI EAFE IMI Index ETF
XEU	iShares MSCI Europe IMI Index ETF
CJP	iShares Japan Fundamental Index ETF (CAD-Hedged)

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Lower correlation and corporate reforms in certain parts of the world suggest that most investors could benefit unconditionally from owning more international stocks and seeking alpha in international markets as well as the U.S. markets."

– Phil Hodges, Co-lead of Systematic Equities Macro Group

[21]Bloomberg, as of August 11, 2025. Small caps represented by the Russell 2000 Index. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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Fixed Income

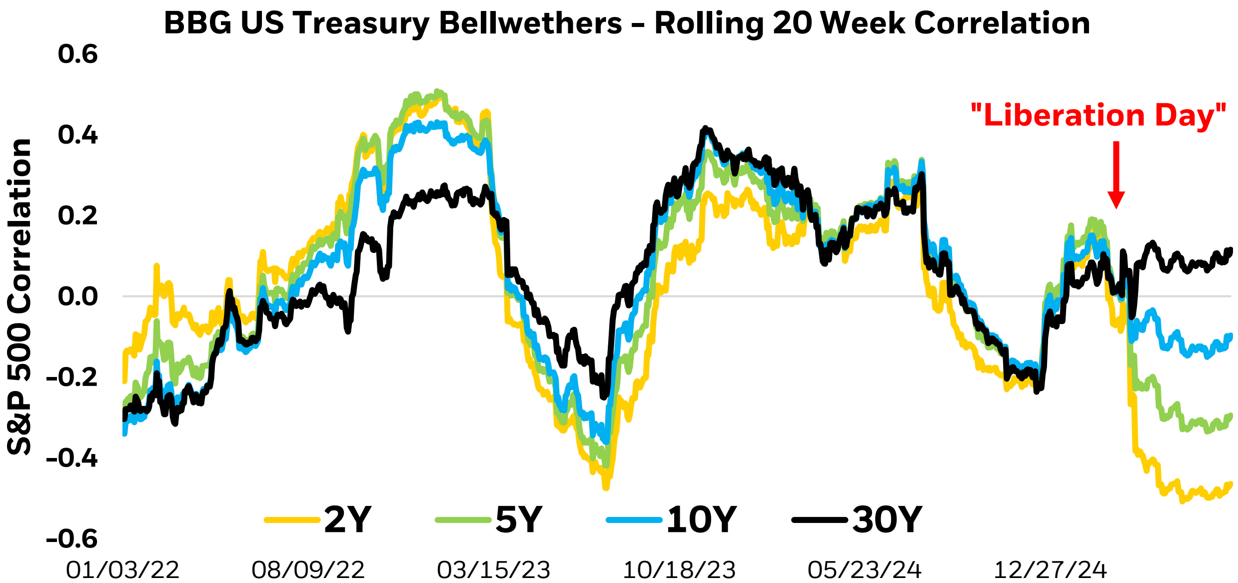
Against a backdrop of softening domestic demand and contained inflation prints, we anticipate the data-dependent Bank of Canada to proceed cautiously with likely one more cut by the end of the year, though we believe monetary policy easing is unlikely to provide a strong boost to growth in the near term. Therefore, we favour high quality fixed income exposures with a preference for carry over duration. Canadian credit spreads had tightened significantly over the past few months back to their late 2024 levels[22], making the case for investors to consider diversifying into global sources of income.

In the U.S., we anticipate the Federal Reserve (Fed) to resume their easing cycle and gradually reduce overnight interest rates by 25 basis points starting in September.[23] Given the uncertainty about the passthrough of tariffs to consumer prices and the changing composition of the FOMC, we believe that the market may test the Fed's resolve to ease by pricing firmer rates on the long end of the yield curve and wider inflation expectations. Households held nearly $20 trillion in cash and other liquid assets in the first half, and they've allocated more to cash than to stocks or bonds over the last three years.[24] As front end rates move lower, we believe investors should seek income elsewhere.

Duration:

As correlations diverge rapidly, investors have changed where they source duration and diversification. Given the current correlation backdrop, we maintain our preference for the 'belly' of the curve. In our opinion, this rapid divergence also necessitates a more active oversight, even of core index holdings. ETF flows suggest that investors are abandoning the long end of fixed income markets; since November 2024, there have been over $5 billion in outflows from longer-term U.S. Treasury ETFs vs. $69 billion of inflows into short-term U.S. Treasury ETFs. Our team's proprietary survey analysis also suggests that appetite for duration is dampening. In an August poll, just 12% of our clients said they were planning on adding U.S. Treasuries in the next 3 months, down from 21% in June.[25]

Figure 6: Evolving correlation between U.S. Treasuries and equities



Source: Morningstar, as of July 31, 2025. 2Y, 5Y, 10Y and 30Y, refer to U.S. Treasury rates for the following terms: UST 2Y, UST 5Y, UST 10Y, UST 30Y, respectively.

[22]Source: Bloomberg, based on the FTSE Canada All Corporate Bond Index, as of August 31, 2025
[23]Bps or basis points are a unit of measurement equal to 1/100th of a percentage point, or 0.01%.
[24]EPFR. Groupings determined by EPFR fund categorization. As of August 12, 2025.
[25]BlackRock poll analysis from client surveys taken on August 5, 2025 (2,954 unique responses) and June 24, 2025 (2,506 unique responses)

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Looking forward, we continue to believe the 'belly' may outperform the long end. The continued normalization of term premia and concerns over the longer-term fiscal profile of the U.S. have added to the negative outlook for longer-duration bonds. By contrast, the 'belly' is one of the steepest parts of the yield curve and with our focus on income and carry, we believe that the allure of returns from rolldown only improves the risk/return of that part of the curve. We see this sector of the curve as offering a mix of downside insulation while also participating in the benefits of modest duration especially at a time when the Fed is likely to restart their easing cycle. Inflation expectations have remained elevated[25] and we prefer shorter dated inflation linked bonds to seek to capture upside inflation risk in the near term via exposure to real rates.

Credit:

We believe corporate credit investors should focus on income and carry rather than expecting significant spread tightening. Credit spreads look tight, but all-in yields have remained attractive, thanks to elevated risk-free rates.

We favour selectively moving down in credit quality to seek more carry. In investment grade, we see lower-rated BBB bonds maintaining their solid credit metrics. By contrast, we think some caution is warranted for riskier high yield cohorts like CCC-rated bonds, which tend to require greater confidence in economic growth.

Additionally, we feel short-term corporates currently offer greater portfolio-level diversification benefits to equities than longer-term Treasuries. The diversification edge of short-term credit over longer-duration Treasury bonds has been the strongest since the late-2017 to 2018 period of economic growth concerns.[26]

Despite resuming the easing cycle, we believe the Fed will likely keep interest rates above neutral for longer. We see this providing an opportunity for investors to use active management strategies to seek to harness yield from high quality borrowers across diversified sectors in the fixed income markets.

As an example, globally diversified income solutions, like iShares Flexible Monthly Income ETF (CAD-Hedged) (XFLX), seek to maximize income while deliberately diversifying risk across the global opportunity set. The fund focuses on maintaining an attractive yield advantage through higher-quality, diversified sources, such as allocations to sectors like securitized markets and European credit, rather than chasing risk in compressed spread sectors

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> We are comfortable *selectively* moving down in credit quality, given a mix of macro, fundamental, and technical factors. Focus on 'back to basics' credit analysis."
>
> **– Amanda Lynam, CPA, Head of Macro Credit Research**

[25] BlackRock poll analysis from client surveys taken on August 5, 2025 (2,954 unique responses) and June 24, 2025 (2,506 unique responses)
[26] Bloomberg, as of August 12, 2025

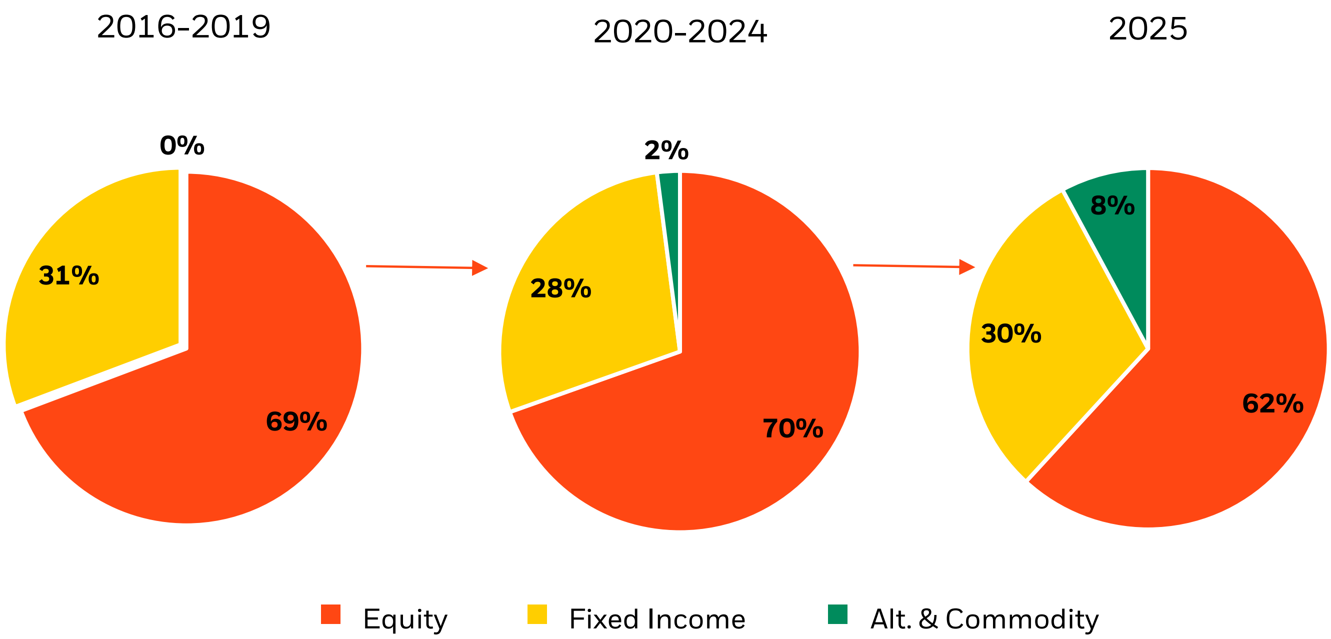
Related ETFs:

Category	Ticker	Fund Name
Diversification	XSMB	iShares Core Canadian Short-Mid Term Universe Bond Index ETF
	XSB	iShares Core Canadian Short Term Bond Index ETF
	XSTH	iShares 0-5 Year TIPS Index ETF (CAD-Hedged)
Income	XSH	iShares Core Canadian Short Term Corporate Bond Index ETF
	XIGS	iShares 1-5 Year US Investment Grade Corporate Bond Index ETF (CAD-Hedged)
	XFLX	iShares Flexible Income ETF

Alternatives

While capital flows pre-COVID closely resembled a 70/30 mix between stocks and bonds, we've seen an acceleration of investors diversifying their allocations. Client polling data shows that about half of our clients are looking to find diversification through alternatives such as liquid alternatives, commodities, and digital assets. Sentiment has remained robust despite ongoing macroeconomic and geopolitical uncertainty.[27] Flows have favoured exposures that offer uncorrelated returns and diversification.

Figure 6: Alternative and commodity flows take up a larger chunk of the pie



Source: BlackRock, Bloomberg, groupings determined by Markit. Global ETP flows represented as the percentage of total flows for respective years. Digital assets included in groupings as 'Alt. & Commodity' exposures. All data as of July 31, 2025

[27] Based on BlackRock client webinar polling done on August 5, 2025. Polling based on 2,954 unique respondents shown in response to questions about portfolio diversification in portfolios.

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As investors rethink their portfolio allocations, we believe there is room to carve out space for non-traditional approaches and exposures. We feel a mix of liquid alternatives, digital assets, and income strategies can help improve portfolio diversification.

New portfolio challenges	Potential strategies
Positive stock/bond correlations	Consider liquid alternatives and gold – whether funded from fixed income or equities – to seek improved diversification and complement core building blocks
U.S. equity market concentration	Seek differentiated drivers of returns, such as macro hedge fund strategies and digital assets
Lingering inflation coupled with potential U.S. rate cuts	Consider equity income as an alternative to nominal fixed income exposure as an inflation-aware source of income and diversification
Increased risk premium on the U.S. dollar	Look towards CAD-hedged U.S. exposures or non-dollar asset exposures, such as international equities, which can benefit from a new FX regime

Views as of Aug. 25, 2025, from the Investment and Portfolio Solutions team and are subject to change.

Related ETFs:

Tickers	Fund Name
IBIT	iShares Bitcoin ETF
CGL.C	iShares Gold Bullion ETF

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Investors are diversifying beyond traditional bonds, seeking strategies that blend income, risk management, and long-term growth potential.”

– Robert Fisher, CFA, Senior Portfolio Manager, Systematic Active Equities

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ETF implementation summary

Canadian equities		
Quality and dividend focuses	**XDIV**	iShares Core MSCI Canadian Quality Dividend Index ETF
	XEI	iShares S&P/TSX Composite High Dividend Index ETF
U.S. equities		
U.S. growth opportunities	**XUS**	iShares Core S&P 500 Index ETF
	XSP	iShares Core S&P 500 Index ETF (CAD-Hedged)
	XQQU	iShares NASDAQ 100 Index ETF
	XQQ	iShares NASDAQ 100 Index ETF (CAD-Hedged)
High conviction themes	**XQLT**	iShares MSCI USA Quality Factor Index ETF
	XCHP	iShares Semiconductor Index ETF
	XUSF	iShares S&P U.S. Financials Index ETF
Seeking diversification from U.S. large cap growth	**XUSC**	iShares S&P 500 3% Capped Index ETF
	XSPC	iShares S&P 500 3% Capped Index ETF (CAD-Hedged)
International equities		
Diversification amid U.S. concentration risks	**XEF**	iShares Core MSCI EAFE IMI Index ETF
Tactical Opportunities	**XEU**	iShares MSCI Europe IMI Index ETF
	CJP	iShares Japan Fundamental Index ETF (CAD-Hedged)
Fixed Income		
Core bonds for diversification	**XSMB**	iShares Core Canadian Short-Mid Term Universe Bond Index ETF
	XSB	iShares Core Canadian Short Term Bond Index ETF
Income from short-term corporate bonds	**XSH**	iShares Core Canadian Short Term Corporate Bond Index ETF
	XIGS	iShares 1-5 Year U.S. IG Corporate Bond Index ETF (CAD-Hedged)
Income from high quality, diverse global sources	**XFLX**	iShares Flexible Monthly Income ETF (CAD-Hedged)
Alternatives		
Building a diversified and resilient portfolio	**IBIT**	iShares Bitcoin ETF
	CGL.C	iShares Gold Bullion ETF

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Authors

BlackRock Global Product Solutions – Investment Strategy

Gargi Chaudhuri – Chief Investment and Portfolio Strategist, Americas
Kristy Akullian, CFA – Head of iShares Investment Strategy
David Jones
Jasmine Fan

Canada Fixed Income Strategy

Rachel Siu – Head of Canada Fixed Income Strategy
Ross Pastman
Jennifer Li

Portfolio Consulting

Bart Sikora – Head of GPS Portfolio Consulting, Americas
Philip Colussi
Onesimus Williamson

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Investing involves a high degree of risk, including possible loss of principal. An investment in IBIT is not suitable for all investors, may be deemed speculative and is not intended as a complete investment program. An investment in the ETF should be considered only by persons who can bear the risk of total loss associated with an investment in the ETF. Investing in digital assets involves significant risks due to their price volatility and the potential for loss, theft, or compromise of private keys. The value of IBIT is closely tied to acceptance, industry developments, and governance changes, making them susceptible to market sentiment. Digital assets represent a new and rapidly evolving industry, and the value of the units depend on their acceptance. Changes in the governance of a digital asset network may not receive sufficient support from users and miners, which may negatively affect that digital asset network's ability to grow and respond to challenges. Investing in the ETF comes with risks that could impact the ETF's value, including largescale sales by major investors, security threats like breaches and hacking, negative sentiment among speculators, and competition from central bank digital currencies and financial initiatives using blockchain technology. A disruption of the internet or a digital asset network could affect the ability to transfer digital assets and, consequently, could impact their value.

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