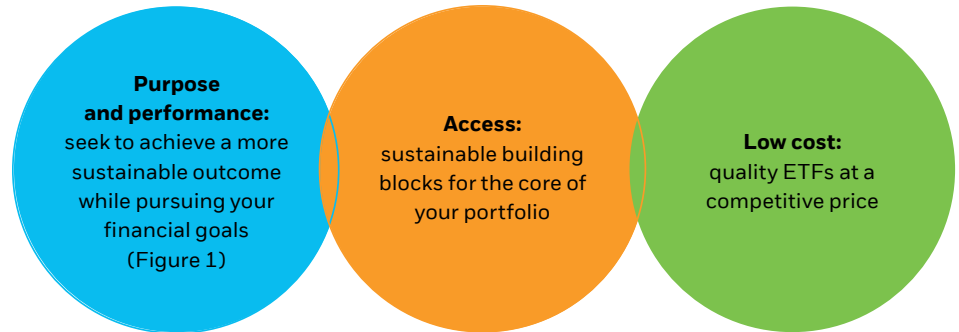




iShares ESG Canadian Aggregate Bond Index ETF
Mgt. Fee: 0.18%



iShares ESG Canadian Short Term Bond Index ETF
Mgt. Fee: 0.18%

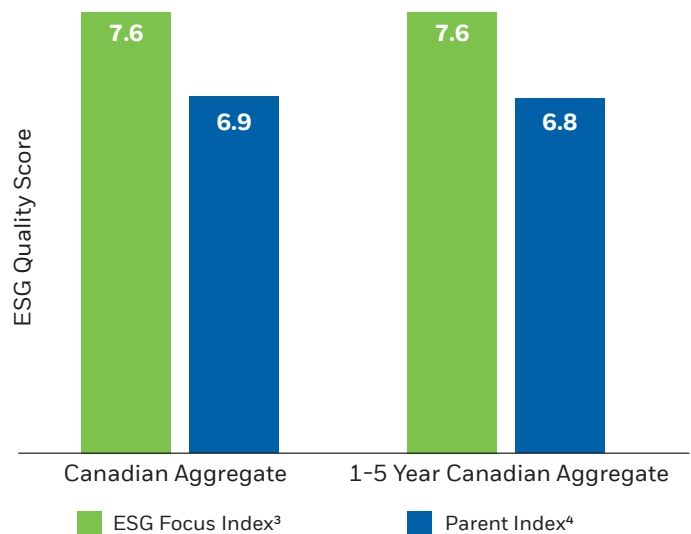


The demand for sustainable investing is growing.

We have moved from a “why?” to a “why not?” moment in sustainable investing. More investors – from global institutions to individuals – are looking to achieve financial goals while also investing in companies that exhibit positive environmental, social and governance (ESG) characteristics. Demand is growing because:

- Investors can seek to build a more sustainable portfolio **while pursuing their financial goals**
- Companies with strong sustainability scores have shown **better operational performance** with **less risk** and **lower cost of capital**²
- Companies with strong ESG profiles can see **less variable earnings**³

Figure 1: iShares ESG Canadian Bond ETFs achieve a higher ESG quality score



Examples provided for illustrative purposes only. This is not meant as a guarantee of any future result or experience. This information should not be relied upon as research, investment advice or a recommendation regarding any security or investment strategy. 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.

¹Source: From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Performance. University of Oxford and Arabesque Partners, March 2015. Available at: https://arabesque.com/research/From_the_stockholder_to_the_stakeholder_web.pdf

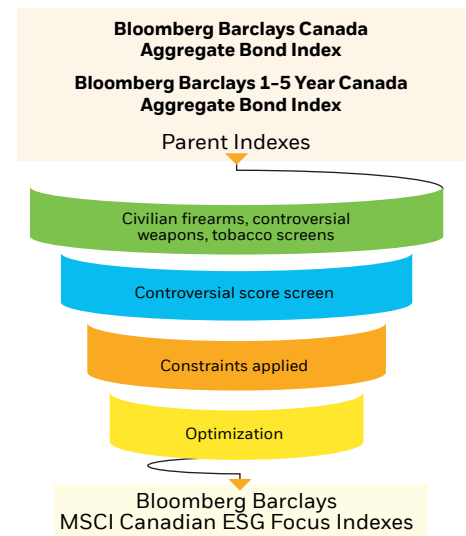
²Source: Jeff Dunn, Shaun Fitzgibbons and Lukasz Pomorski, Assessing Risk through Environmental, Social and Governance Exposures. February, 2017. Available at: https://www.aqr.com/-/media/files/papers/aqr_assessing-risk-through-environmental-social-and-governance-exposures.pdf

³Source: MSCI ESG Research and Bloomberg Barclays, as of 12/31/2018. Index data displayed is of the Bloomberg Barclays MSCI Canadian Aggregate ESG Focus Index and the Bloomberg Barclays MSCI 1-5 Year Canadian Aggregate ESG Focus Index.

⁴Source: MSCI ESG Research and Bloomberg Barclays, as of 12/31/2018. The indexes shown are the parent indexes of the indexes that the funds seek to track. There may be material differences between the fund's index and the indexes shown including without limitation holdings, methodology and performance. Canadian Aggregate parent index is the Bloomberg Barclays Canada Aggregate Bond Index. 1-5 Year Canadian Aggregate parent index is the Bloomberg Barclays 1-5 Year Canada Aggregate Bond Index.

How the indexes are built

1. Screen out civilian firearms, controversial weapons and tobacco¹
2. Screen out securities without ESG rating and/or with severe controversies²
3. Apply the following constraints:
 - Tracking Error: Maximum 10 bps annualized of Parent Index
 - Option-adjusted Duration: +/-0.1 year of Parent Index
 - Yield to worst: Greater than or equal to Parent Index
 - Sector weight: +/- 200 bps of Parent Index
 - Issuer Weight: Maximum +150 bps of Parent Index
 - Issue Weight: +/- 100 bps of Parent Index


4. Optimize portfolio to maximize ESG Quality Score subject to above constraints. Rebalanced monthly.³

Source: Bloomberg Barclays. For illustrative purposes only. ¹ Controversial Weapons defined by MSCI as cluster bomb, landmine, depleted uranium, chemical/biological weapons systems or components manufacturers, etc. The indexes also excludes both producers and retailers from the tobacco and civilian firearms industries. The specific exclusion criteria, such as revenue thresholds, vary by industry. Please refer to the index methodology for more information. ² Only issuers with MSCI ESG Ratings are eligible. Excludes all issuers involved in one or more very severe ESG Controversies (MSCI ESG Controversy Score <1). MSCI ESG Controversy scores are on a scale of 0-10 (0 represents most severe controversy). Controversy scores consider governance impacts by identifying company involvement in major ESG controversies, adherence to a company's significant social, environmental, and governance impacts by identifying company involvement in major ESG controversies, adherence to international norms and principles, and assessing company performance with respect to these norms and principles. ³ Optimization is a quantitative process that considers the market capitalization weights from the Parent Index, ESG scores and additional optimization constraints to select and weight the constituents in the Index. The ESG Quality Score measures the ability of underlying holdings to manage key medium to long-term risks and opportunities arising from environmental, social, and governance factors. The ESG Quality Score is calculated as the weighted average of the underlying holding's ESG Scores. The ESG Quality Score is provided on a 0-10 score, with 0 and 10 being the respective lowest and highest possible fund scores. MSCI rates underlying holdings according to their exposure to 37 industry specific ESG risks and their ability to manage those risks relative to peers. These issuer-level ESG ratings correspond to an issuer-level ESG Score. The Weighted Average Carbon Intensity is measured in tons CO2/\$M sales. To be included in MSCI ESG Fund Metrics, 65% of the fund's gross weight must come from securities covered by MSCI ESG Research, the fund's holdings date must be less than one year old, and the fund must have at least ten securities. Past ESG metrics are not indicative of future results.

Ticker	Fund Name	Management Fee	Fund Inception Date	Benchmark Index	Number of Holdings
XSAB	iShares ESG Canadian Aggregate Bond Index ETF	0.18%	March 18, 2019	Bloomberg Barclays MSCI Canadian Aggregate ESG Focus Index	618
XSTB	iShares ESG Canadian Short Term Bond Index ETF	0.18%	March 18, 2019	Bloomberg Barclays MSCI 1-5 Year Canadian Aggregate ESG Focus Index	202

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