

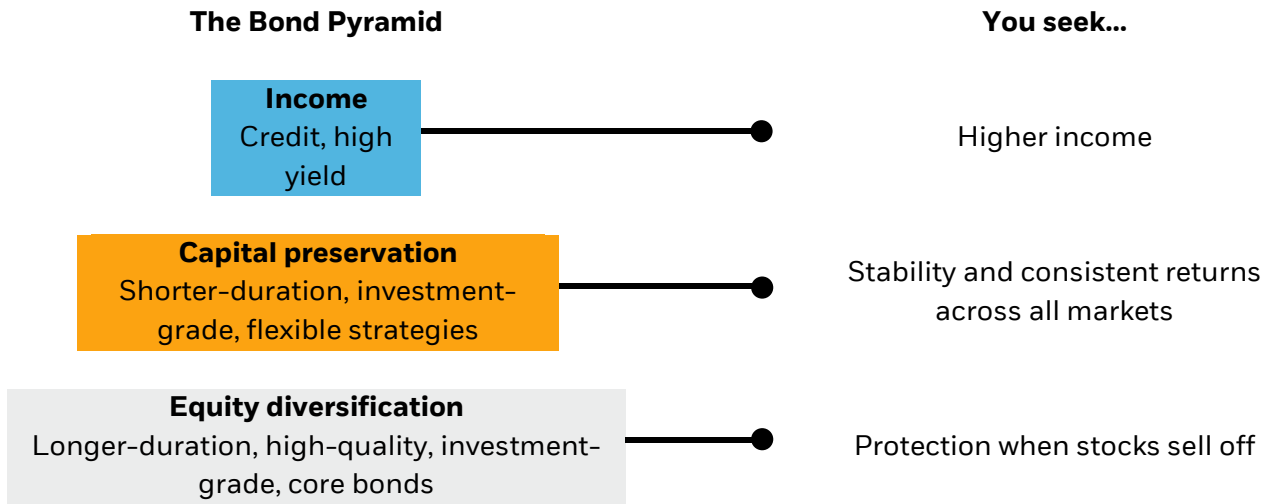


# The Bond Pyramid

Using fixed income ETFs to build your portfolios

## The role of fixed income in your portfolio

When managing a fixed income allocation within a portfolio, investors need to consider what role each holding plays in order to optimize the overall asset mix.



## Tailor your fixed income ETFs to your overall portfolio

Consider blending various fixed income ETFs to build more diversified bond portfolios. The more growth-oriented your portfolio gets, the more conservative the bonds may need to be. We illustrate the fixed income component of two sample portfolios using RBC iShares ETFs.

For growth portfolios with mostly equities, a more conservative approach for the fixed income allocation may be appropriate		For balanced portfolios with a 60/40 equity / fixed income split, a diversified mix of fixed income may be appropriate
10%	<b>XFLX</b> iShares Flexible Monthly Income ETF (CAD-Hedged)	20%
30%	<b>TMCB</b> RBC Target Corporate Bond Index ETFs <sup>1</sup>	30%
60%	<b>XBB</b> iShares Core Canadian Universe Bond Index ETF	40%

Blue represents Income, orange represents Capital preservation and grey represents Equity diversification. For illustrative purposes only. Represents the breakdown of the fixed income allocation within a multi-asset portfolio.

<sup>1</sup> A suite of target maturity corporate bond ETFs is available with target maturity years of 2025 (RQN), 2026 (RQO), 2027 (RQP), 2028 (RQQ), 2029 (RQR) and 2030 (RQS).

# The Bond Pyramid: Using fixed income ETFs to build your portfolios

## The tactical bond pyramid

Take advantage of today's attractive opportunity set by putting cash to work: add duration, stability and/or high-quality income.

Pursuing your investment needs	Canadian fixed income	U.S. / global fixed income
<b>Income</b> You seek higher income	<b><u>XSH</u></b> iShares Core Canadian Short Term Corporate Bond Index ETF	<b><u>XFLX</u></b> iShares Flexible Monthly Income ETF (CAD-Hedged)  <b><u>XHY</u></b> iShares U.S. High Yield Bond Index ETF (CAD-Hedged)
<b>Capital preservation</b> You seek consistent returns	<b><u>XSB</u></b> iShares Core Canadian Short Term Bond Index ETF  <b><u>TMCB</u></b> RBC Target Corporate Bond Index ETFs <sup>2</sup>	<b><u>XSTH</u></b> iShares 0-5 Year TIPS Bond Index ETF (CAD-Hedged)
<b>Equity diversification</b> You seek risk mitigation when stocks sell off	<b><u>XBB</u></b> iShares Core Canadian Universe Bond Index ETF	<b><u>XAGH</u></b> iShares U.S. Aggregate Bond Index ETF (CAD-Hedged)

<sup>2</sup> A suite of target maturity corporate bond ETFs is available with target maturity years of 2025 (RQN), 2026 (RQO), 2027 (RQP), 2028 (RQQ), 2029 (RQR) and 2030 (RQS).

# The Bond Pyramid: Using fixed income ETFs to build your portfolios

## The foundational bond pyramid

Building blocks for your bond portfolio

Pursuing your investment needs	Canadian fixed income	U.S. / global fixed income
<p><b>Income</b> You seek higher income</p>	<p><b><u>XSH</u></b> iShares Core Canadian Short Term Corporate Bond Index ETF</p> <p><b><u>XCB</u></b> iShares Core Canadian Corporate Bond Index ETF</p>	<p><b><u>XFLX</u></b> iShares Flexible Monthly Income ETF (CAD-Hedged)</p> <p><b><u>XIG</u></b> iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)</p>
<p><b>Capital preservation</b> You seek consistent returns</p>	<p><b><u>XFR</u></b> iShares Floating Rate Bond ETF</p> <p><b><u>RQO</u></b> RBC Target 2026 Corporate Bond Index ETF<sup>3</sup></p> <p><b><u>XSB</u></b> iShares Core Canadian Short Term Bond Index ETF</p>	<p><b><u>XIGS</u></b> iShares 1-5 Year U.S. IG Corporate Bond Index ETF (CAD-Hedged)</p> <p><b><u>XSTH</u></b> iShares 0-5 Year TIPS Bond Index ETF (CAD-Hedged)</p>
<p><b>Equity diversification</b> You seek risk mitigation when stocks sell off</p>	<p><b><u>XBB</u></b> iShares Core Canadian Universe Bond Index ETF</p> <p><b><u>XGB</u></b> iShares Core Canadian Government Bond Index ETF</p> <p><b><u>XLB</u></b> iShares Core Canadian Long Term Bond Index ETF</p> <p><b><u>XFLB</u></b> iShares Core Canadian 15+ Year Federal Bond Index ETF</p>	<p><b><u>XAGH</u></b> iShares U.S. Aggregate Bond Index ETF (CAD-Hedged)</p> <p><b><u>XTLH</u></b> iShares 20+ Year U.S. Treasury Bond Index ETF (CAD-Hedged)</p> <p><b><u>XGGB</u></b> iShares Global Government Bond Index ETF (CAD-Hedged)</p>

<sup>3</sup> A suite of target maturity corporate bond ETFs is available with target maturity years of 2025 (RQN), 2026 (RQO), 2027 (RQP), 2028 (RQQ), 2029 (RQR) and 2030 (RQS).

# The Bond Pyramid: Using fixed income ETFs to build your portfolios

## About RBC iShares

RBC iShares is a strategic alliance forged to provide the largest full-service ETF platform in Canada. Our combined expertise, insights and broad product offering drive meaningful progress for our clients in today's world.

For more information, visit [rbcihares.com/bonds](https://rbcihares.com/bonds)

Date of publication: January 31, 2025

Investing involves risk, including possible loss of principal.

RBC iShares ETFs are comprised of RBC ETFs managed by RBC Global Asset Management Inc. and iShares ETFs managed by BlackRock Asset Management Canada Limited ("BlackRock Canada").

Commissions, trailing commissions, management fees and expenses all may be associated with investing in exchange-traded funds (ETFs). Please read the relevant prospectus before investing. ETFs are not guaranteed, their 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.

The iShares ETFs are not connected, sponsored, endorsed, issued, sold or promoted by Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services, Limited ("Bloomberg"), Cohen & Steers Capital Management Inc., London Stock Exchange Group plc and its group undertakings ("LSE Group", ICE Data Indices, LLC., ICE Benchmark Administration Limited, Jantzi Research Inc., Markit Indices Limited, Morningstar, Inc., MSCI Inc., MSCI ESG Research and Bloomberg, NASDAQ OMX Group Inc., NYSE FactSet or S&P Dow Jones Indices LLC. ("S&P"). None of these companies make any representation regarding the advisability of investing in the iShares ETFs. BlackRock Asset Management Canada Limited is not affiliated with the companies listed above.

The Prospectus contains a more detailed description of the limited relationship the companies have with BlackRock Asset Management Canada Limited and any related ETFs.

RBC Target Maturity Canadian Corporate Bond ETFs ("Canadian TMCBs") have been developed solely by RBC GAM. The Canadian TMCBs are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE Maturity Corporate Bond Indices vest in the relevant LSE Group company which owns the FTSE Maturity Corporate Bond Indices. "FTSE®" is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. RBC ETFs do not seek to return any predetermined amount at maturity.

® / TM Trademark(s) of Royal Bank of Canada. Used under licence. iSHARES is a registered trademark of BlackRock, Inc., or its affiliates. Used under licence.

© 2025 BlackRock Asset Management Canada Limited and RBC Global Asset Management Inc. All rights reserved.