

## iShares Flexible Monthly Income ETF (XFLI - CAD Units)

This document contains key information you should know about iShares Flexible Monthly Income ETF. You can find more details about this exchange-traded fund (“ETF”) in its prospectus. Ask your representative for a copy, contact BlackRock Asset Management Canada Limited (“BlackRock”) at 1-866-474-2737 or [isharescanada\\_inquiries@blackrock.com](mailto:isharescanada_inquiries@blackrock.com), or visit [www.blackrock.com/ca](http://www.blackrock.com/ca).

**Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.**

**This ETF is considered an alternative mutual fund within the meaning of National Instrument 81-102 (“NI 81-102”). This ETF has the ability to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific features that differentiate this ETF from other types of mutual funds include the ability to invest more than 10% of its net asset value in securities of a single issuer and the ability to employ leverage through cash borrowings, short sales and/or derivatives beyond the limits prescribed for conventional mutual funds. While these strategies will only be used in accordance with the ETF’s investment objectives and strategies, during certain market conditions they may accelerate the risk that an investment in units of the ETF decreases in value.**

### Quick facts

Date ETF started	September 23, 2024
Total value on August 31, 2024*	N/A
Management expense ratio (MER)‡	N/A
Fund manager	BlackRock
Portfolio manager	BlackRock
Sub-Advisor	BlackRock Institutional Trust Company, N.A.
Distributions	Monthly

### Trading information (12 months ending August 31, 2024)

Ticker symbol	XFLI
Exchange	Toronto Stock Exchange
Currency	Canadian dollars
Average daily volume*	N/A
Number of days traded*	N/A

### Pricing information (12 months ending August 31, 2024)\*

Market price	N/A
Net asset value (NAV)	N/A
Average bid-ask spread	N/A

\* This information is not available because the ETF is new.

‡ The MER is not available because it is a new ETF.

### What does the ETF invest in?

The ETF seeks to maximize long-term income by primarily investing in debt and income-producing securities with a secondary objective of capital appreciation. The ETF invests primarily in one or more iShares ETFs or directly in fixed income securities. Currently, the ETF invests all or substantially all of its assets in the BlackRock Flexible Income ETF.

The ETF may use leverage through the use of cash borrowings, short sales and derivatives. The ETF will also comply with the terms of exemptive relief from the leverage constraint that applies to alternative mutual funds in NI 81-102 (the “Leverage Relief”). The Leverage Relief requires that the BlackRock Flexible Income ETF applies the Relative Value-at-Risk (“VaR”) Test in accordance with Rule 18f-4 under the U.S. Investment Company Act of 1940 in managing its leverage which requires that the VaR of its portfolio does not exceed 200% of the VaR of its designated reference portfolio.

Under normal market conditions, the ETF will generally invest, directly or indirectly, in a combination of fixed-income securities, including, but not limited to: high yield securities; obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities; mortgage-backed securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, including U.S. agency mortgage pass-through securities; CMBS, non-agency residential mortgage-backed securities; TBAs; municipal securities; securitized assets such as asset-backed securities; dollar-denominated and non-dollar-denominated debt obligations of U.S. or foreign issuers, including emerging market issuers; and money market securities.

### Top 10 investments (August 31, 2024)

This information is not available because this ETF is new.

### Investment mix (August 31, 2024)

This information is not available because this ETF is new.

### How risky is it?

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk Rating

BlackRock has rated the volatility of this fund as "**Low to Medium**".

Because this is a new ETF, the risk rating is only an estimate by BlackRock. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the Risk Factors section of the ETF's prospectus.

### No guarantees

ETFs do not have any guarantees. You may not get back the amount of money you invest.

### How has the ETF performed?

This section tells you how the CAD Units of the ETF have performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because the ETF is new.

### Year-by-year returns

This section tells you how the CAD Units of the ETF have performed in past calendar years. However, this information is not available because the ETF is new.

### Best and worst 3-month returns

This section shows the best and worst returns for the CAD Units of the ETF in a 3-month period. However, this information is not available because the ETF is new.

### Average return

This section shows the value and annual compound rate of return of a hypothetical \$1,000 investment in the CAD Units of the ETF. However, this information is not available because the ETF is new.

## Trading ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

### Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

#### MARKET PRICE

- ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.
- You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.
- The bid is the highest price a buyer is willing to pay if you want to sell your ETF units. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called the “**bid-ask spread**”.
- In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

#### NET ASSET VALUE (NAV)

- Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.
- NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

### Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

### Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

## Who is this ETF for?

Investors who:

- Are seeking to earn regular monthly income.
- Are planning to hold the investment for the medium to long term.
- Are seeking to invest in an actively managed portfolio of fixed income securities that are diversified across sectors, seeking to maximize income and manage risk.
- Are comfortable with the level of risk noted above.

## A word about tax

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

### How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses – including any trailing commissions – can vary among ETFs.

Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

#### 1. Brokerage commissions

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

#### 2. ETF expenses

You don't pay these expenses directly. They affect you because they reduce the ETF's returns.

The ETF's expenses are made up of the management fee, operating expenses and trading costs. The annual management fee is 0.55% of the ETF's value. As this ETF is new, operating expenses and trading costs are not yet available.

#### Trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

This ETF doesn't have a trailing commission.

### What if I change my mind?

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

#### For more information

Contact BlackRock or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

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