



## DYNAMIC iSHARES ACTIVE ETFs

Innovative. Forward-thinking. Relevant.

ADVISOR USE ONLY

iShares®  
by BLACKROCK®

**Dynamic Funds®**  
*Invest with advice.*

# AN OPPORTUNITY FOR ACTIVE MANAGEMENT IN A GROWING MARKET

Favoured for their competitive pricing and ease of trading, Exchange-Traded Funds (ETFs) have been steadily increasing in popularity. As more advisors and investors turn to ETFs to form a part of their investment plan, the demand for active management within the structure has increased. Actively managed ETFs can help meet this demand as they have the power to differentiate client portfolios by uncovering opportunities beyond the benchmark.

## **INTRODUCING DYNAMIC iSHARES ACTIVE ETFs**

Dynamic Funds and BlackRock Asset Management Canada Limited have joined forces to bring together the strength of both firms' capabilities to deliver active ETFs. This new product suite combines high-conviction portfolio management with proven operational expertise.

Dynamic iShares Active ETFs bring to market a line-up of compelling solutions that complement advisory business models while meeting the needs of Canadian investors. Together, they offer:

### **Legitimately Active Management™**

Dynamic's high-conviction Portfolio Management teams leave no stone unturned to add real differentiation to investment portfolios.

### **Trading flexibility and efficient execution**

iShares ETF platform offers advisors the ability to trade throughout the day and perform bulk trades.

### **Competitive pricing**

Access the benefits of active management at advantageous prices through the flexibility of the ETF structure.

## **WHY DYNAMIC?**

### **LEGITIMATELY ACTIVE MANAGEMENT™**

Dynamic Funds is an industry leader in bringing timely, innovative and active solutions to the marketplace. Through Legitimately Active Management™, Dynamic strives to add substantial value and true differentiation to investment portfolios.

## **WHY iSHARES BY BLACKROCK?**

### **GLOBAL ETF LEADERSHIP**

BlackRock brings more than 17 years of innovation and expertise to its clients by delivering first-class operational standards and execution for ETFs. iShares ETFs are backed by the technology and resources of BlackRock, which provides unparalleled trading flexibility and support.

# DYNAMIC iSHARES ACTIVE ETFs

	Dynamic iShares Active Tactical Bond ETF	Dynamic iShares Active Crossover Bond ETF
<b>Ticker symbol</b>	<b>DXB</b>	<b>DXO</b>
<b>Overview</b>	A bond portfolio that provides broad exposure primarily to the North American fixed-income markets combined with active risk and tactical duration management. Exposure will be obtained indirectly by investing in Dynamic Active Tactical Bond Fund <sup>1</sup> .	Invests primarily in North American fixed-income corporate securities that are rated close to the line dividing investment grade and high-yield credit. Exposure to these types of securities will be obtained indirectly by investing primarily in the Dynamic Active Crossover Bond Fund <sup>1</sup> .
<b>Key reasons to own</b>	<ul style="list-style-type: none"> <li>• An active approach to bond investing across a spectrum of the fixed-income universe, seeking to maintain an average credit rating of A- or above across the portfolio.</li> <li>• A diversified portfolio that actively manages duration, yield structure, foreign exchange, credit spread and security selection.</li> <li>• A simple and effective way to access institutional bond management.</li> </ul>	<ul style="list-style-type: none"> <li>• Access a specific segment of the market that offers the potential for high-yield-like returns with less volatility.</li> <li>• A portfolio diversifier that can offer low correlations to traditional fixed-income securities.</li> <li>• Takes advantage of market dynamics that tend to surround upgrades to investment grade (rising stars) and downgrades from investment grade (fallen angels).</li> </ul>
<b>Portfolio management expertise</b>	Christine Horoyski	Marc-André Gaudreau
<b>Benchmark</b>	FTSE/TMX Canada Universe Bond Index	Barclays U.S. Corporate Crossover Index (hedged to CAD)
<b>Target portfolio attributes<sup>2</sup></b>	<p><b>Interest rate duration</b></p> <ul style="list-style-type: none"> <li>• +/-3 years from benchmark</li> </ul> <p><b>Credit rating</b></p> <ul style="list-style-type: none"> <li>• Average A- or above</li> </ul> <p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents: 0-30%</li> <li>• Government bonds: 0-100%</li> <li>• Corporate bonds: 0-100%</li> <li>• Canadian bonds: 50-100%</li> <li>• U.S. bonds: 0-49%</li> <li>• High-yield bonds: 0-25%</li> <li>• Foreign bonds<sup>3</sup>: 0-25%</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Number of holdings: 25-500</li> </ul>	<p><b>Credit ratings</b></p> <ul style="list-style-type: none"> <li>• BB- to BBB+: 50-100%</li> <li>• B+ to CCC: 0-30%</li> <li>• Non-rated securities: 0-5%</li> </ul> <p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents: 0-20%</li> <li>• Canadian fixed income: 0-100%</li> <li>• U.S. fixed income: 0-100%</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Minimum number of issuers: 50</li> <li>• Interest rate duration: +/-2 years from benchmark</li> <li>• Maximum issuer weight<sup>4</sup>: 10%</li> </ul>
<b>Distribution frequency<sup>5</sup></b>	Monthly (Fixed)	Monthly (Fixed)
<b>Management fee</b>	0.50%	0.50% <sup>8</sup>

<b>Dynamic iShares Active Preferred Shares ETF</b>	<b>Dynamic iShares Active Canadian Dividend ETF</b>
<p align="center"><b>DXP</b></p>	<p align="center"><b>DXC</b></p>
<p>Invests primarily in a diversified portfolio of preferred shares of Canadian-based businesses. Exposure to these types of securities will be obtained indirectly by investing primarily in the Dynamic Active Preferred Shares Fund<sup>1</sup>.</p>	<p>Invests primarily in a diversified portfolio of equity securities of Canadian-based businesses that pay or are expected to pay a dividend or distribution. Exposure to these types of securities will be obtained indirectly by investing primarily in the Dynamic Active Canadian Dividend Fund<sup>1</sup>.</p>
<ul style="list-style-type: none"> <li>• An active approach to preferred shares investing that seeks to add value over its benchmark.</li> <li>• Preferred shares can offer a consistent stream of tax-efficient income and diversification benefits.</li> <li>• Access to a team of Dynamic portfolio managers with considerable experience and expertise actively investing in the preferred share market.</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizes a bottom-up approach and fundamental analysis to assess growth and value potential.</li> <li>• Targets companies that are attractively valued, have high margins and market share, and are run by quality management teams.</li> <li>• Has the flexibility to access businesses located outside Canada.</li> </ul>
<p>Marc-André Gaudreau</p>	<p>Don Simpson (Lead Manager) Eric Mencke (Co-Manager)</p>
<p>S&amp;P/TSX Canadian Preferred Share Index</p>	<p>Total Return S&amp;P/TSX Composite Index</p>
<p><b>Credit ratings</b></p> <ul style="list-style-type: none"> <li>• Maximum market value below Pfd-3L: 25%</li> <li>• Maximum market value below Pfd-4L or unrated: 5%</li> </ul> <p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• Preferred shares: 70-100%</li> <li>• Common shares: 0-10%</li> <li>• Fixed income: 0-20%</li> <li>• Foreign securities: 0-20%</li> <li>• Cash and cash equivalents: 0-20%</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Minimum number of issuers: 30</li> <li>• Maximum issuer weight<sup>4</sup>: 10%</li> </ul>	<p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• Canadian equity: 70-100%</li> <li>• U.S. equity: 0-30%</li> <li>• International equity: 0-30%</li> <li>• Cash: fully invested</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Number of holdings: 20-40</li> <li>• Minimum number of sectors: 7</li> <li>• Sector deviation from benchmark: +/- 30%</li> <li>• Minimum market capitalization: \$4 billion</li> <li>• Maximum issuer weight: 10%</li> </ul>
<p>Monthly (Fixed)</p>	<p>Monthly (Fixed)</p>
<p>0.58%</p>	<p>0.75%</p>

# DYNAMIC iSHARES ACTIVE ETFs *cont'd.*

	Dynamic iShares Active Global Dividend ETF	Dynamic iShares Active U.S. Dividend ETF
<b>Ticker symbol</b>	<b>DXG</b>	<b>DXU</b>
<b>Overview</b>	Invests primarily in a diversified portfolio of equity securities of businesses located around the world that pay or are expected to pay a dividend or distribution. Exposure to these types of securities will be obtained indirectly by investing primarily in the Dynamic Active Global Dividend Fund <sup>1</sup> .	Invests primarily in a diversified portfolio of equity securities of U.S.-based businesses that pay or are expected to pay a dividend or distribution. Exposure to these types of securities will be obtained indirectly by investing primarily in the Dynamic Active U.S. Dividend Fund <sup>1</sup> .
<b>Key reasons to own</b>	<ul style="list-style-type: none"> <li>• Focuses on large-cap companies, with some exposure to mid-cap companies, that are profitable, well-financed and attractively valued.</li> <li>• Targets businesses that are expected to initiate or grow their dividend.</li> <li>• Access to Dynamic Funds' high active share philosophy that seeks to differentiate the portfolio from the MSCI World Index.</li> </ul>	<ul style="list-style-type: none"> <li>• Focuses on large-cap companies, with some exposure to mid-cap companies, and are profitable, well-financed and attractively valued.</li> <li>• Targets businesses that are expected to initiate or grow their dividend.</li> <li>• Access to Dynamic Funds' high active share philosophy that seeks to differentiate the portfolio from the S&amp;P 500 Index.</li> </ul>
<b>Portfolio management expertise</b>	David Fingold (Lead Manager) Peter Rozenberg (Co-Manager)	David Fingold (Lead Manager) Peter Rozenberg (Co-Manager)
<b>Benchmark</b>	Total Return MSCI World Index (C\$)	Total Return S&P 500 Index (C\$)
<b>Target portfolio attributes<sup>2</sup></b>	<p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• U.S. equity: 40-80%</li> <li>• International equity: 15-60%</li> <li>• Emerging markets equity: 0-20%</li> <li>• Canadian equity: 0-10%</li> <li>• Cash: fully invested</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Number of holdings: 15-30</li> <li>• Minimum number of sectors: 6</li> <li>• Sector deviation from benchmark: +/- 30%</li> <li>• Minimum market capitalization: \$5 billion</li> <li>• Maximum issuer weight: 10%</li> </ul>	<p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• U.S. equity: 90-100%</li> <li>• International equity: 0-10%</li> <li>• Cash: fully invested</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Number of holdings: 15-30</li> <li>• Minimum number of sectors: 6</li> <li>• Sector deviation from benchmark: +/-30%</li> <li>• Minimum market capitalization: \$5 billion</li> <li>• Maximum issuer weight: 10%</li> </ul>
<b>Distribution frequency<sup>5</sup></b>	Annual	Annual
<b>Management fee</b>	0.75% <sup>9</sup>	0.75% <sup>10</sup>

<sup>1</sup> Series O units of these Funds are available for purchase exclusively by Dynamic iShares Active ETFs and are not otherwise available for purchase.

<sup>2</sup> Portfolio attribute targets shown are guidelines only. Actual allocations and holdings may vary due to changes in market conditions and other factors.

<sup>3</sup> Denominated in US\$. It is not expected that the portfolio will initially have any foreign currency other than US\$.

<sup>4</sup> Excludes government bonds and index participation units.

<sup>5</sup> Dividend Reinvestment Plan ("DRIP") program is available, allowing investors to easily benefit from compounding their distributions. All Dynamic iShares Active ETFs are eligible for the Dividend Reinvestment Plan, provided that the Advisor's brokerage firm supports participation in the DRIP.

<sup>6</sup> Quality at a reasonable price

<sup>7</sup> Excludes U.S.

<sup>8</sup> Effective as at September 27, 2017. Formerly 0.58%

<sup>9</sup> Effective as at September 27, 2017. Formerly 0.85%

<sup>10</sup> Effective as at September 27, 2017. Formerly 0.80%

Dynamic iShares Active U.S. Mid-Cap ETF	Dynamic iShares Active Global Financial Services ETF
<b>DXZ</b>	<b>DXF</b>
Invests primarily in equity securities of U.S.-based companies with mid-capitalization. Exposure to these types of equity securities will be obtained indirectly by investing in Dynamic Active U.S. Mid-Cap Fund <sup>1</sup> .	Invests primarily in equity securities of companies involved in the financial services and/or financial technology sectors located globally, with a focus in the U.S. Exposure to these types of investments will be obtained indirectly by investing in Dynamic Active Global Financial Services Fund <sup>1</sup> .
<ul style="list-style-type: none"> <li>• An actively managed portfolio of mid-capitalization companies based primarily in the U.S.</li> <li>• Seeks to invest in high-quality companies with attractive free cash flows and growth.</li> <li>• Access to Dynamic’s Equity Income team and their QUARP<sup>®6</sup> process.</li> </ul>	<ul style="list-style-type: none"> <li>• Actively managed portfolio of global financial services and financial technology companies beyond Canada’s borders.</li> <li>• Focuses on high-quality companies with attractive earnings growth prospects at compelling valuations.</li> <li>• Follows a disciplined valuation approach that considers absolute and relative valuations in order to maximize the investment upside while aiming to limit the investment downside.</li> </ul>
Tom Dicker (Co-Manager) Steven Hall (Co-Manager)	Yassen Dimitrov
S&P Mid-Cap 400 Index (C\$)	MSCI World Financials Index (C\$)
<p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• U.S. equity: 90-100%</li> <li>• Non-U.S. equity: 0-10%</li> <li>• Cash and cash equivalents: 0-20%</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Number of holdings: 20-50</li> <li>• Minimum number of sectors: 5</li> <li>• Sector deviation from benchmark: +/-30%</li> <li>• Market capitalization range: \$2-\$12 billion</li> <li>• Maximum issuer weight: 10%</li> </ul>	<p><b>Asset allocation</b></p> <ul style="list-style-type: none"> <li>• U.S. equity: 40-80%</li> <li>• International equity<sup>7</sup>: 20-60%</li> <li>• Cash and cash equivalents: 0-20%</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Number of holdings: 15-30</li> <li>• Minimum market capitalization: \$2 billion</li> <li>• Maximum issuer weight: 10%</li> </ul>
Annual	Quarterly (Fixed)
0.75%	0.75%

## ACTIVATE YOUR ETF STRATEGY

Position your business and your clients' portfolios for success with Dynamic iShares Active ETFs.

Partner with Dynamic Funds and BlackRock today.

Contact your Dynamic Funds Sales Representative or call 1-866-846-0386 (416-332-6758) for more information.

### Head Office

Dynamic Funds Tower  
1 Adelaide St. E., 28<sup>th</sup> Floor  
Toronto, ON M5C 2V9  
Toll free: 1-866-977-0477  
Tel: 416-363-5621

[advisor.dynamic.ca](http://advisor.dynamic.ca)

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