

## Capital Markets Group

Oliver McMahon

Head of Product, iShares Canada

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## iShares® Capital Markets Group

### Manage iShares relationships with broker/dealer trading desks

- Expand liquidity providers to support client use of iShares ETFs
- Advocate liquidity platform ETF functionality

### Represent “market perspective” to internal portfolio management and product teams

- Promote product/process enhancements that drive asset gathering and improve market quality
- Portfolio management oversight and primary market trade facilitation

### Support client service platform with execution services and product insights

- Transaction cost analysis
- ETF product structure comparison

# Level II Data is an Essential Tool

**GRAB** **EquityMDM**

At 15:55 Vol 225,948 Op 20.17 T Hi 20.19 A Lo 20.15 A ValTrd 4556698

XCB CN Equity Round Lot 1) Edit Defaults Market Depth Monitor

View BBO Horizontal Display Yellowstrip

Last Trade 20.18 Volume 225948

Ex	Total	Ord	Size	Bid	Ask	Size	Ord	Total	Ex
TA	4400	3	4400	20.17	20.18	900	2	900	TA
CT	4700	2	300	20.17	20.18	21200	13	22100	CT
TX	5000	2	300	20.17	20.18	500	2	22600	TX
CT	7000	5	2000	20.16	20.19	6300	7	28900	CT
TX	7900	4	900	20.16	20.19	900	4	29800	TX
TA	18600	2	10700	20.15	20.20	100	1	29900	TA
CT	32600	7	14000	20.15	20.20	1700	4	31600	CT
TX	33100	2	500	20.15	20.20	400	2	32000	TX
TA	43200	2	10100	20.14	20.21	1300	4	33300	CT
CT	54500	6	11300	20.14	20.21	200	1	33500	TX

iShares DEX All Corporate Bond 4) Hide

VwAP 20.1671 Avg Vol 30 Day 233053  
 Beta .843 Theo Auct Price 20.17  
 % Change -.10 Theo Auct Vol N.A.

2) Single Exchange (BBO) 3) Multi Exchange (MDM)

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2011 Bloomberg Finance L.P.  
 SN 647654 0 11-Apr-11 15:59:19 EDT GMT-4:00



Source: Bloomberg L.P. As of 11 April 2011

# Trading Best Practices

Order Type	Price	Risk	Priority
Market Order	Execute at the best currently available price	Final execution price may differ from the price the order was entered if quote changes significantly	Speed
Limit Order	Execute at or below/above a specified price	If the market moves the order may not be executed due to price limitation.	Price
Marketable Limit	Execute at a limit around current market price, taking into consideration trading value of underlying basket	<p>If the market moves the order may not be executed due to price limitation.</p> <p>Unfilled portion remains in the book at the specified price, which may become stale.</p>	Fill a large order that is larger than the bid/offer displayed, but able to be executed within the bounds of the current market

- » Limits and Marketable Limits have significant advantages when trading ETFs *especially* if trading near the open and close of the market
- » Since market makers are risk averse, volatility increases the cost of liquidity; the open and close tend to be the most volatile times of the day

# iShares Capital Markets Group

GRAB EquityQRM  
 At 14:48 Vol 144,257 Op 20.37 T Hi 20.39 T Lo 20.34 T ValTrd 2938648

Definitions | QR/QRM Options | Market/Trade Recap | Page 3

Time : :  Min Vol   
 Date 10/21 Price Range  To  White indicates new market information  
while gray indicates a previous quote. CAD

ISHARES CDN DEX ALL CORP PRICE 20.38 Cond

Time	E	Bid/Trd/Ask	E	Size	Cond	Time	E	Bid/Trd/Ask	E	Size	Cond
15:36:08	T	↓20.18		1500		15:32:44	T	20.17/20.18	T	37x169	
15:36:08	T	20.19		1500		15:32:44	T	20.18		72	NB
15:35:58	T	20.19/20.20	T	15x203		15:32:44	T	20.18		400	
15:35:56	T	20.18/20.20	T	30x203		15:32:22	T	20.18		70	NB
15:34:43	T	20.18/20.20	T	45x203		15:32:22	T	20.17/20.18	T	37x173	
15:34:42	T	20.18/20.19	A	45x15		15:32:22	T	20.18		100	
15:34:40	T	20.18/20.19	A	30x15		15:30:47	T	20.17/20.18	T	37x174	
15:34:37	T	20.18/20.19	A	15x15		15:30:47	T	20.18		800	XT
15:34:33	T	20.18/20.19	T	15x36		15:30:40	T	20.17/20.18	T	37x182	
15:34:28	T	20.17/20.19	T	22x36		15:30:40	T	↓20.18		1800	
15:34:28	T	20.19		244.00K		15:29:16	T	20.18/20.19	T	18x30	
15:34:28	T	20.19		1500		15:27:59	T	20.18/20.19	T	38x30	
15:34:28	T	↑20.19		1500		15:27:51	T	20.18/20.19	T	18x30	
15:34:23	T	20.17/20.19	T	22x999		15:27:48	T	20.17/20.19	T	37x30	
15:34:01	T	20.18/20.19	T	20x999		15:27:18	T	20.17/20.18	T	37x200	
15:32:51	T	20.18/20.19	T	20x230		15:27:10	T	20.17/20.18	T	35x200	
15:32:48	T	20.17/20.19	T	37x230		15:27:06	A	20.18/20.18	T	15x200	
15:32:48	T	20.17/20.19	T	37x30		15:27:05	A	20.18/20.19	T	15x15	

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000  
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## THANK YOU

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