

**iShares (DE) I Investmentaktiengesellschaft
mit Teilgesellschaftsvermögen**



Management Report und Annual Financial Statements as at 28 February 2017

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Notice

The sub-funds named in this report are governed by German law. Fund units are bought on the basis of the currently valid prospectus, the Articles of Incorporation, and the terms of investment, supplemented by the most recent annual report concerned and also by the semi-annual report if such a report later than the last annual report exists.

The financial statements were drawn up in German and translated into English and where necessary into other languages.

Only the German version is legally binding.

Note on Licenses

Legal information

The German iShares funds mentioned in this document are investment funds subject to the German Investment Code. These funds are managed by BlackRock Asset Management Deutschland AG and are regulated by the Federal Financial Supervisory Authority (BaFin).

For investors in Germany

The sales prospectuses of the funds issued in Germany are available free of charge electronically and in hard copy from BlackRock Asset Management Deutschland AG, Max-Joseph-Str. 6, D-80333 Munich, Tel: +49 (0) 89 42729 – 5858, Fax: +49 (0) 89 42729 – 5958, info@iShares.de.

Risk warnings

The value of investments in all the iShares funds may fluctuate, and investors may not get back the amount invested. Past performance may not be repeated and is no guarantee of future returns. Investment risks from market and currency losses as well as high volatility and concentration risk cannot be excluded.

Index – Disclaimers of liability

'STOXX' is a trademark and/or service mark of STOXX Limited and was licensed to BlackRock Asset Management Deutschland AG for specific purposes. The sub-funds iShares STOXX Global Select Dividend 100 UCITS ETF (DE), iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE), iShares STOXX Europe 600 Banks UCITS ETF (DE), iShares STOXX Europe 600 Basic Resources UCITS ETF (DE), iShares STOXX Europe 600 Chemicals UCITS ETF (DE), iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE), iShares STOXX Europe 600 Financial Services UCITS ETF (DE), iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE), iShares STOXX Europe 600 Health Care UCITS ETF (DE), iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE), iShares STOXX Europe 600 Insurance UCITS ETF (DE), iShares STOXX Europe 600 Media UCITS ETF (DE), iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE), iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE), iShares STOXX Europe 600 Real Estate UCITS ETF (DE), iShares STOXX Europe 600 Retail UCITS ETF (DE), iShares STOXX Europe 600 Technology UCITS ETF (DE), iShares STOXX Europe 600 Telecommunications UCITS ETF (DE), iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE) and iShares STOXX Europe 600 Utilities UCITS ETF (DE) based on STOXX® Global Select Dividend 100, STOXX® Europe 600 Automobiles & Parts, STOXX® Europe 600 Banks, STOXX® Europe 600 Basic Resources, STOXX® Europe 600 Chemicals, STOXX® Europe 600 Construction & Materials, STOXX® Europe 600 Financial Services, STOXX® Europe 600 Food & Beverage, STOXX® Europe 600 Health Care, STOXX® Europe 600 Industrial Goods & Services, STOXX® Europe 600 Insurance, STOXX® Europe 600 Media, STOXX® Europe 600 Oil & Gas, STOXX® Europe 600 Personal & Household Goods, STOXX® Europe 600 Real Estate, STOXX® Europe 600 Retail, STOXX® Europe 600 Technology, STOXX® Europe 600 Telecommunications, STOXX® Europe 600 Travel & Leisure and STOXX® Europe 600 Utilities are not sponsored, supported, sold or promoted by STOXX®, nor does STOXX® make any representations as to the advisability of trading in this/these product(s).

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Additional Information for Investors in Austria, Denmark, Sweden, the United Kingdom, France, Belgium and Switzerland

The sales prospectuses, including investment terms and conditions, financial statements and semi-annual reports, can be obtained without charge from the relevant paying agent and distributor.

Paying Agent and Distributor in Austria:

UniCredit Bank Austria AG
Schottengasse 6-8
1010 Vienna, Austria

Tax Representative in Austria:

Ernst & Young
Wagramer Str. 19
1220 Vienna, Austria

Distributor in Denmark:

BlackRock Copenhagen branch, a branch of BlackRock Investment Management (UK) Limited, England
Harbour House
Sundkrogsgade 21
2100 Copenhagen
Denmark

Distributor in Sweden:

BlackRock Investment Management (UK) Limited, Stockholm branch
Norrandsgatan 16
11143 Stockholm
Sweden

Facility Agent in the UK:

BlackRock Advisors (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL
United Kingdom

Paying Agent and Distributor in France:

BNP Paribas Securities Services
20, BD. des Italiens
75009 Paris, France

Paying Agent and Distributor in Belgium:

RBC Investor Services Belgium S.A
11, Place Rogier
B-1210 Brussels, Belgium

Paying Agent in Switzerland:

State Street Bank International GmbH, Munich, Zurich branch
Beethovenstraße 19
8027 Zurich, Switzerland

Representative in Switzerland:

BlackRock Asset Management Schweiz AG
Bahnhofstrasse 39
8001 Zurich, Switzerland

The prospectus, key investor information documents (KIIDs), investment conditions/articles of incorporation and the annual and semi-annual reports of the funds can be obtained free of charge on request from the representative of the fund in Switzerland. This also applies to the list of purchases/sales.

Additional information for investors in countries outside Germany:

iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +6.45%
 31/12/2014 – 31/12/2015: +15.06%
 31/12/2015 – 31/12/2016: -1.53%

iShares STOXX Europe 600 Banks UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +0.13%
 31/12/2014 – 31/12/2015: +0.38%
 31/12/2015 – 31/12/2016: -3.07%

iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: -3.97%
 31/12/2014 – 31/12/2015: -31.88%
 31/12/2015 – 31/12/2016: +65.13%

iShares STOXX Europe 600 Chemicals UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +5.88%
 31/12/2014 – 31/12/2015: +7.42%
 31/12/2015 – 31/12/2016: +6.08%

iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +7.00%
 31/12/2014 – 31/12/2015: +19.96%
 31/12/2015 – 31/12/2016: +12.30%

iShares STOXX Europe 600 Financial Services UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +12.57%
 31/12/2014 – 31/12/2015: +22.68%
 31/12/2015 – 31/12/2016: -4.57%

iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +13.09%
 31/12/2014 – 31/12/2015: +20.97%
 31/12/2015 – 31/12/2016: -4.33%

iShares STOXX Europe 600 Health Care UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +20.79%
 31/12/2014 – 31/12/2015: +17.81%
 31/12/2015 – 31/12/2016: -8.51%

iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +0.05%
 31/12/2014 – 31/12/2015: +9.10%
 31/12/2015 – 31/12/2016: +10.58%

iShares STOXX Europe 600 Insurance UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +13.04%
31/12/2014 – 31/12/2015: +18.88%
31/12/2015 – 31/12/2016: -1.47%

iShares STOXX Europe 600 Media UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +10.68%
31/12/2014 – 31/12/2015: +16.16%
31/12/2015 – 31/12/2016: -4.51%

iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: -11.11%
31/12/2014 – 31/12/2015: -2.94%
31/12/2015 – 31/12/2016: +28.52%

iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +11.69%
31/12/2014 – 31/12/2015: +23.01%
31/12/2015 – 31/12/2016: +3.63%

iShares STOXX Europe 600 Real Estate UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +24.20%
31/12/2014 – 31/12/2015: +15.86%
31/12/2015 – 31/12/2016: -5.66%

iShares STOXX Europe 600 Retail UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: -2.65%
31/12/2014 – 31/12/2015: +12.14%
31/12/2015 – 31/12/2016: -5.21%

iShares STOXX Europe 600 Technology UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +8.54%
31/12/2014 – 31/12/2015: +16.08%
31/12/2015 – 31/12/2016: +4.97%

iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +12.29%
31/12/2014 – 31/12/2015: +12.76%
31/12/2015 – 31/12/2016: -12.12%

iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +20.31%
31/12/2014 – 31/12/2015: +23.24%
31/12/2015 – 31/12/2016: -9.90%

iShares STOXX Europe 600 Utilities UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +18.10%

31/12/2014 – 31/12/2015: +1.10%

31/12/2015 – 31/12/2016: -5.26%

iShares STOXX Global Select Dividend 100 UCITS ETF (DE)

Performance of the fund in the last three calendar years:

31/12/2013 – 31/12/2014: +21.97%

31/12/2014 – 31/12/2015: +3.95%

31/12/2015 – 31/12/2016: +13.03%

Management Report to the Annual Financial Statements as at 28/02/2017

1. Basic information

iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen ("iShares (DE) I") is an investment fund in the form of an externally-managed investment stock corporation with variable capital as defined by Section 108 Paragraph 1 in conjunction with Section 1 Paragraph 13 of the German Investment Code (Kapitalanlagegesetzbuch – KAGB). It was incorporated on 13 October 2008 for an unlimited duration in the form of an umbrella fund. The initial shareholders' capital of the investment stock corporation is divided into 3,000 company shares, exclusively held by BlackRock Asset Management Deutschland AG ("BAMDE"). The Group parent company of all BlackRock companies is BlackRock Inc., New York, USA.

1.1. Business activities

The object of the Company is to invest and manage its own funds for the sole purpose of allowing its shareholders to profit from the management of the Company's fund in accordance with a fixed investment strategy and the principle of risk diversification for collective investment as per Sections 162 to 213 of the German Investment Code and the applicable Investment Conditions.

iShares DE I is structured as an investment stock company (Investmentaktiengesellschaft) in the form of an umbrella construction. Since its formation on 13/10/2008 up to 28/02/2017, iShares DE I has set up 21 sub-funds. These include the original TGV iShares I Founder Shares and twenty other sub-funds admitted for distribution.

The share capital contained in the iShares I Founder Shares sub-fund was, as of the key date 28/02/2017, invested in five of the Group's own investment fund units, in order to comply with the requirements of Section 206 (4) of the German Investment Code. The ordinary net income calculated in the reporting period will be reinvested in the SFC after the corresponding tax deduction, including solidarity surcharge, at the end of the financial year.

The 20 sub-funds admitted for distribution focus on replicating individual segments of the capital market that are tracked in an index. The aim is to achieve a low tracking error by replicating the index as closely as possible.

State Street Bank International GmbH, Munich was appointed as custodian bank under the terms of a custodian bank agreement.

1.2. Third-party management agreement

iShares DE I has appointed BlackRock Asset Management Deutschland AG, Munich, ("BAMDE") as external management company as defined in Section 112 Paragraph 1 KAGB. Under the third-party management agreement concluded with BAMDE, the external management company is responsible for the investment and administration of the Company's funds and carrying out the general management activities of iShares DE I, including distribution. The third-party management agreement is for an indefinite period and may be terminated by either party with a notification period of 12 months to the end of each calendar month.

In accordance with this third-party management agreement, BAMDE may, in particular, take all the investment decisions and represent the Company upon sale or disposal of assets. BAMDE is also responsible for exercising voting rights. As part of its general management activities, the management company shall provide the required material and personnel. The services provided by BAMDE include, in particular, finance, fund administration and controlling, legal and product governance, product development, public relations, marketing and distribution. BAMDE manages the sub-funds in line with the funds it manages itself.

The risk management system of iShares (DE) I, including the risk management of the sub-funds, has been transferred to BAMDE and integrated into the risk management system of the management company accordingly. The risk management system of BAMDE ensures that the risks associated with the investment positions as well as their respective effect on the entire risk profile for the Investment Stock Company can be monitored and measured at any time.

BAMDE receives a management fee from the respective sub-fund for its work under the third-party management agreement in accordance with the respective sub-fund's regulations on costs.

BAMDE's liability is limited to the fulfilment of its obligations under the third-party management agreement. In particular, BAMDE is not liable for performance or a desired investment result.

No outsourcing contracts have been entered into by iShares DE I. Under the third-party management agreement, BAMDE, as management company, may partially or completely outsource contractual services to external service providers. BAMDE outsourced fund administration to State Street Bank International GmbH, Munich.

2. Economic report

2.1. Development of the sector and overall economy

The recovery of the German economy as a whole also continued in 2016. Over the year, economic output (GDP) in Germany rose by around 1.9%, thus exceeding the previous year's growth and the average score for the last ten years. The growth was bolstered in particular by strong domestic demand and here, private consumption benefited from the favourable situation on the labour market. In comparison to the previous year, national consumer prices increased by +1.7%. A base effect resulting from the significant decline in December 2015 has also contributed to this. For the global equity and bond markets, the year was characterised by both severe price fluctuations and low yields in a long-term comparison.

The international stock markets saw a weak start to 2016, with concerns regarding decelerated growth in China and a weaker oil price leading to falling prices. Over the further course of the year, the financial markets recovered, which was driven by continued robust economic development, especially in the USA. As a result, key indices in the USA, Europe and Japan contributed to a positive performance in 2016. Up by 11.95%, the S&P 500 performed the best, followed by the NASDAQ 100, with an increase of 7.27%.

In Germany, the DAX ended the year with 6.87% growth, while in Japan the Nikkei 225 rose by 2.38%. Over the year, the US dollar appreciated against the euro from USD 1.0887/EUR to USD 1.0541/EUR, while oil prices (WTI) rose from USD 37.24 to USD 54.67. The German investment sector continued to grow in 2016. The assets managed by them amounted to EUR 2.8 trillion as at 31 December 2016 (previous year: EUR 2.6 trillion). This corresponds to growth of around EUR 1,018 billion, or 57 per cent, within the last five years. Of total net assets, special funds amounted to EUR 1.5 trillion. Among retail funds, it was the mixed funds that were in most demand. These funds recorded inflows in the amount of EUR 11.6 billion. Capital protection funds and equity funds recorded declines of EUR 4.4 billion and EUR 1.8 billion, respectively.¹

In 2016, the market for ETPs and ETFs in Europe continued its dynamic growth. iShares in particular benefited from this trend. In 2016, iShares accounted for the highest share of inflows into ETFs in the EMEA region.² In 2016, iShares achieved net inflows across the entire EMEA region of approx. USD 31.9 billion, or EUR 30.3 billion³ (previous year: USD 33.9 billion, or EUR 31.1 billion). Exchange-traded funds (ETFs) have now become an important part of Germany's investment funds industry. At the end of the financial year 2017, the investment volume of the 20 iShares-branded ETFs launched and managed by iShares (DE) I in Germany stood at around EUR 5.3 billion. The iShares STOXX Global Select Dividend 100 UCITS ETF (DE) is the largest mutual fund launched and managed by iShares (DE) I, with a volume of EUR 1.2 billion (as of the end of February 2017).

2.2. The Company's fund assets and net funds raised

In the previous year's management report, we forecasted a rise in the assets under management for 2015 and 2016 of at least EUR 100 million. Due in part to the positive growth in equity markets, the assets managed by iShares (DE) I⁴ rose by EUR 1.58 billion in the reporting period. As such, assets under management in the 20 sub-funds of iShares (DE) I as at 28/02/2017 totalled EUR 5.25 billion (previous status as at 29/2/2016: EUR 3.67 billion).

3. Presentation of the situation

3.1. Presentation of the sub-funds

The Directive-compliant iShares I Founder Shares founding sub-fund comprises the initial capital of its founder BAMDE and is allocated to investment assets. The initial shareholders' capital amounted to EUR 300,000 divided into 3,000 registered company shares, which exclusively represent rights to the sub-fund iShares I Founder Shares. Each company share gives one vote in the Annual General Meeting and is issued as a no-par value share. All of the 3,000 iShares I Founder Shares with a value of EUR 303,722.33 as at 28/02/2017 are held by BlackRock Asset Management Deutschland AG, Munich, Germany. In accordance with the investment conditions, the management company receives an annual management fee of 0.09% based on the sub-fund's net asset value determined on each exchange trading day. The "iShares Founder Shares" sub-fund generated ordinary net income of EUR 2,825.82 in the reporting period.

The 20 iShares DE I sub-funds admitted for distribution are fully replicating, distributing, open-ended ETFs. For managing these sub-funds, BAMDE, as management company, receives from the assets of these sub-funds a flat fee of 0.45% per annum based on the net asset value of the sub-fund determined each exchange trading day.

The number of non-voting investment shares and the total volume as at 28/02/2017, the ordinary net income and the cash distribution during the financial year from 01/03/2016 through 28/02/2017 of the sub-funds admitted for distribution are as follows:

Sub-funds	Number of investment shares	Total volume in EUR 28/02/2017	Ordinary net income in EUR 28/02/2017	Cash distribution in EUR 28/02/2017
iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)	4,040,000	213,747,395.53	6,817,677.65	0.86
iShares STOXX Europe 600 Banks UCITS ETF (DE)	33,200,000	568,931,355.54	40,496,313.98	0.65
iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)	8,550,000	368,031,290.89	9,100,132.35	0.56
iShares STOXX Europe 600 Chemicals UCITS ETF (DE)	1,350,000	116,596,870.67	1,848,918.04	1.15
iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)	2,200,000	96,760,971.07	2,542,201.46	0.75
iShares STOXX Europe 600 Financial Services UCITS ETF (DE)	420,000	17,905,074.60	1,081,667.53	2.04
iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)	2,875,000	180,082,204.35	3,524,990.76	1.35
iShares STOXX Europe 600 Health Care UCITS ETF (DE)	10,500,000	786,709,624.43	11,406,279.52	1.18
iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)	1,850,000	90,111,124.09	3,020,824.12	0.88
iShares STOXX Europe 600 Insurance UCITS ETF (DE)	5,750,000	154,736,981.49	10,580,886.91	0.73
iShares STOXX Europe 600 Media UCITS ETF (DE)	420,000	11,535,025.89	1,064,439.15	1.47
iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)	18,200,000	564,826,028.76	30,796,931.19	1.36
iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)	675,000	55,451,245.37	1,278,242.08	2.02
iShares STOXX Europe 600 Real Estate UCITS ETF (DE)	5,250,000	89,919,469.01	3,590,742.57	0.44
iShares STOXX Europe 600 Retail UCITS ETF (DE)	420,000	12,648,850.75	585,882.57	1.19
iShares STOXX Europe 600 Technology UCITS ETF (DE)	1,450,000	55,090,844.33	1,141,108.99	0.92
iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)	10,800,000	302,083,184.93	36,555,261.70	0.87
iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)	1,250,000	28,924,104.81	1,089,603.61	0.89
iShares STOXX Europe 600 Utilities UCITS ETF (DE)	11,750,000	326,334,850.46	16,848,945.43	1.15
iShares STOXX Global Select Dividend 100 UCITS ETF (DE)	41,850,000	1,210,628,934.25	64,658,150.43	1.16

iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Automobiles & Parts Index. This index tracks the companies of the European automobile manufacturing and supply sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 100.000% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
19/09/2016	Schaeffler AG Inhaber-Vorzugsakt.o.St. o.N.	DE000SHA0159

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Automobiles & Parts Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Banks UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Banks UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Banks Index. This index tracks the companies of the European banking sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.994% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Banks UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
20/06/2016	ABN AMRO Group N.V.Aand.op naam Dep.Rec./EO 1	NL0011540547
20/06/2016	CYBG PLC Registered Shares LS 0.10	GB00BD6GN030
19/12/2016	Cembra Money Bank AG Namens-Aktien SF 1	CH0225173167

Removals		
20/06/2016	Bca Pop. di Sondrio S.c.p.A.Azioni nom. EO 3	IT0000784196
19/09/2016	Alpha Bank S.A. Namens-Aktien EO 0.30	GRS015003007
19/09/2016	Eurobank Ergasias S.A. Namens-Aktien EO 0.30	GRS323003012
19/09/2016	Banco Com. Português SA (BCP) Acq.Nom.+ Port.Reg. o.N.	PTBCP0AM0007
19/09/2016	Bca Monte dei Paschi di Siena Azioni nom. o.N.	IT0005092165
02/01/2017	Banca Pop. di Milano S.C.a.R.L Azioni o.N.	IT0000064482

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Banks Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Basic Resources Index. This index tracks companies of the European basic resources industry that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 100.000% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares. Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
16/05/2016	Polymetal Intl PLC Registered Shares o.N.	JE00B6T5S470
19/09/2016	Centamin PLC Registered Shares o.N.	JE00B5TT1872
02/01/2017	Outokumpu Oyj Registered Shares Cl.A o.N.	FI0009002422

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Basic Resources Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Chemicals UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Chemicals UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Chemicals Index. This index tracks companies of the European chemicals industry that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.992% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Chemicals UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
01/04/2016	Covestro AG Inhaber-Aktien o.N.	DE0006062144
19/09/2016	IMCD N.V. Aandelen op naam EO 0.16	NL0010801007

Removals		
20/06/2016	Elementis PLC Registered Shares LS 0.05	GB0002418548
08/11/2016	OCI N.V. Registered Shares EO 0.02	NL0010558797

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Chemicals Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Construction & Materials Index. This index tracks the companies of the European construction and materials sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.995% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
21/03/2016	Italcementi - Fab.Riun.Cem.SpA Azioni nom. o.N.	IT0001465159
20/06/2016	HOCHTIEF AG Inhaber-Aktien o.N.	DE0006070006
20/06/2016	Wienerberger AG Inhaber-Aktien o.N.	AT0000831706
19/12/2016	Melrose Industries PLC Registered Shares LS 0.01	GB00BZ1G4322

Removals		
20/06/2016	FLSmidth & Co. AS Navne-Aktier B DK 20	DK0010234467
07/10/2016	Italcementi - Fab.Riun.Cem.SpA Azioni nom. o.N.	IT0001465159

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Construction & Materials Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Financial Services UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Financial Services UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Financial Services Index. This index tracks companies of the European financial sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.974% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Financial Services UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Removals		
21/03/2016	Ashmore Group PLC Registered Shares LS 0.0001	GB00B132NW22
19/12/2016	GAM Holding AG Nam.-Aktien SF 0.05	CH0102659627

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Financial Services Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Food & Beverage Index. This index tracks companies of the European food and beverage industry that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.992% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares. Changes to the index published by the index provider were directly taken into account in the fund.

Removals		
05/10/2016	SABMiller PLC Registered Shares DL 0.10	GB0004835483

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Food & Beverage Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Health Care UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Health Care UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Health Care Index. This index tracks the companies of the European health care sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.987% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Health Care UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares. Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
04/04/2016	Ipsen S.A. Actions au Porteur EO 1	FR0010259150
07/06/2016	Mediclinic International PLC Registered Shares LS 0.10	GB00B8HX8Z88
05/08/2016	Indivior PLC Registered Shares DL 0.10	GB00BRS65X63
19/09/2016	H. Lundbeck A/S Navne-Aktier DK 5	DK0010287234
19/12/2016	Galapagos N.V. Actions Nom. o.N.	BE0003818359

Removals		
21/03/2016	MorphoSys AG Inhaber-Aktien o.N.	DE0006632003
20/06/2016	Indivior PLC Registered Shares DL 0.10	GB00BRS65X63
05/08/2016	Meda AB Namn-Aktier A SK 1	SE0000221723

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Health Care Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Industrial Goods & Services Index. This index tracks companies of the European industrial goods and services sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.873% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
21/03/2016	Worldpay Group Plc Registered Shares LS 1	GB00BYK2V80
21/03/2016	Sartorius AG Vorzugsaktien o.St. o.N.	DE0007165631
21/03/2016	AA PLC Registered Shares LS 0.001	GB00BMSKPJ95
20/06/2016	Saab AB Namn-Aktier B SK 25	SE0000112385
26/07/2016	KUKA AG Inhaber-Aktien o.N.	DE0006204407
19/09/2016	Paysafe Group PLC Registered Shares LS 0.01	GB0034264548
07/10/2016	Melrose Industries PLC Registered Shares LS 0.01	GB00BZ1G4322
19/12/2016	Nets A/S Ihændelever-Aktier DK1	DK0060745370

Removals		
21/03/2016	Sulzer AG Namens-Aktien SF 0.01	CH0038388911
21/03/2016	Melrose Industries PLC Registered Shares LS 0.01	GB00BZ1G4322
07/06/2016	TNT Express N.V.Aandelen op naam EO 0.08	NL0009739424
27/06/2016	Rexam PLC Reg. Shares LS 0.8035714	GB00BMHTPY25
13/09/2016	KUKA AG Inhaber-Aktien o.N.	DE0006204407
19/12/2016	Zardoya Otis S.A. Acciones Port.EO 0.10	ES0184933812
19/12/2016	PageGroup PLC Registered Shares LS 0.01	GB0030232317
19/12/2016	Grafton Group PLC Reg.Uts(1 Shs,1 ShsC,17ShsA)oN	IE00B00MZ448
19/12/2016	Carillion PLC Registered Shares LS 0.50	GB0007365546
19/12/2016	Melrose Industries PLC Registered Shares LS 0.01	GB00BZ1G4322

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Industrial Goods & Services Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to external companies are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of the fund accounting to State Street Bank GmbH, Munich and intra-group outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Insurance UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Insurance UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Insurance Index. This index tracks companies of the European insurance sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.997% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Insurance UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
21/03/2016	Poste Italiane S.p.A. Azioni nom. EO 0.51	IT0003796171
19/12/2016	Delta Lloyd N.V.Aandelen op naam EO 0.20	NL0009294552
19/12/2016	Storebrand ASA Navne-Aksjer NK 5	NO0003053605

Removals		
20/06/2016	Lancashire Holdings Ltd. Registered Shares DL 0.50	BMG5361W1047
19/09/2016	Unipol Gruppo Finanziario SpA Azioni nom. o. N.	IT0004810054

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Insurance Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Media UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Media UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Media Index. This index tracks companies of the European media industry that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.997% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Media UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Removals		
04/04/2016	Kabel Deutschland Holding AG Inhaber-Aktien o.N.	DE000KD88880

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Media Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Oil & Gas Index. This index tracks the companies of the European oil and gas sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.686% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
20/06/2016	Saipem S.p.A. Azioni nom. o.N.	IT0000068525
Removals		
21/03/2016	SeaDrill Ltd. Registered Shares DL 2.0	BMG7945E1057
21/03/2016	Saipem S.p.A. Azioni nom. o.N.	IT0000068525
20/06/2016	TGS Nopec Geophysical Co. ASA Navne-Aksjer NK 0.25	NO0003078800

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Oil & Gas Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Personal & Household Goods Index. This index tracks the companies of the European personal and household goods sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.986% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
21/03/2016	Ontex Group N.V.Actions Nom.EO 0.01	BE0974276082
19/09/2016	Moncler S.p.A. Azioni nom. o.N.	IT0004965148

Removals		
19/12/2016	Bovis Homes Group PLC Registered Shares LS 0.50	GB0001859296

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Personal & Household Goods Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Real Estate UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Real Estate UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Real Estate Index. This index tracks the companies of the European real estate sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.939% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Real Estate UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
21/03/2016	Fabege AB Namn-Aktier SK 28.50	SE0000950636
20/06/2016	Fastighets AB Balder Namn-Aktier B SK 1	SE0000455057
19/09/2016	L E Lundbergföretagen AB Namn-Aktier B (fria) SK 10	SE0000108847
19/12/2016	BUWOG AG Inhaber-Aktien o.N.	AT00BUWOG001

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Real Estate Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Retail UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Retail UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Retail Index. This index tracks companies of the European retail sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.965% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Retail UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
20/06/2016	Saga PLC Registered Shares LS 0.01	GB00BLT1Y088
Removals		
21/03/2016	AA PLC Registered Shares LS 0.001	GB00BMSKPJ95
20/06/2016	Sports Direct Intl PLC Registered Shares LS 0.10	GB00B1QH8P22
26/07/2016	Delhaize Group S.A. Actions au Porteur o.N.	BE0003562700

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking as closely as possible the performance of the STOXX® Europe 600 Retail Index in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Technology UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Technology UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Technology Index. This index tracks the companies of the European technology sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.974% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Technology UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
05/10/2016	Software AG Inhaber-Aktien o.N.	DE0003304002
19/12/2016	SimCorp A/S Navne-Aktier DK 1	DK0060495240

Removals		
05/09/2016	ARM Holdings PLC Registered Shares LS 0.0005	GB0000595859

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Technology Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Telecommunications UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Telecommunications Index. This index tracks the companies of the European telecommunications sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.999% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Telecommunications UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Removals		
16/05/2016	Cable & Wireless Communic.PLC Registered Shares USD 0.05	GB00B5KKT968
19/09/2016	Hellenic Telecomm.Organ.S.A. Namens-Aktien EO 2.83	GRS260333000
19/12/2016	Talk Telecom Group PLC Registered Shares LS 0.001	GB00B4YCDF59

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Telecommunications Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Travel & Leisure Index. This index tracks the companies of the European travel and leisure sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 100.000% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares. Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
20/06/2016	Elior Group SCA Actions au Port.EO 0.01	FR0011950732
20/06/2016	GVC Holdings PLC Registered Shares EO 0.01	IM00B5VQMV65

Removals		
20/06/2016	Greek Org. of Football Progn.Inhaber-Aktien EO 0.30	GRS419003009
20/06/2016	Stagecoach Group PLC Registered Shares LS 0.0054824	GB00B6YTLS95
20/06/2016	Restaurant Group PLC, The Registered Shares LS 0.28125	GB00B0YG1K06
19/09/2016	Thomas Cook Group PLC Registered Shares EO 0.01	GB00B1VYCH82
19/12/2016	Air France-KLM S.A. Actions Port.EO 1	FR0000031122

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Travel & Leisure Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Europe 600 Utilities UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Europe 600 Utilities UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Europe 600 Utilities Index. This index tracks the companies of the European utilities sector that are included in the cross-sector STOXX® Europe 600 Index. This index, in turn, replicates large, mid and small-cap companies in 18 developed economies of Europe. The product represents market capitalisation based on the current share price and the total number of shares of a company. To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 98.379% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Europe 600 Utilities UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Newly included		
27/06/2016	A2A S.p.A. Azioni nom. EO 0.52	IT0001233417
05/09/2016	DONG Energy A/S Indehaver Aktier DK 10	DK0060094928
12/09/2016	Uniper SE Namens-Aktien o.N.	DE000UNSE018
07/11/2016	Italgas S.P.A.Azioni nom. o.N.	IT0005211237
19/12/2016	innogy SE Inhaber-Aktien o.N.	DE000A2AADD2

Removals		
01/04/2016	Enel Green Power S.P.A.Azioni nom. EO 0.20	IT0004618465

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Europe 600 Utilities Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of European equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in European companies in the period under review. As the fund is denominated in euros, the currency risk is to be regarded as medium.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

iShares STOXX Global Select Dividend 100 UCITS ETF (DE)

Investment objectives and policies

The sub-fund iShares STOXX Global Select Dividend 100 UCITS ETF (DE) is comparable to an exchange traded fund (ETF) that tracks as closely as possible the performance of the STOXX® Global Select Dividend 100 Index. This index gives access to 100 equities with high dividend distributions that are included in the STOXX® Global 1800 Index.

To replicate the index, the sub-fund invests directly in securities in the index under a passive investment approach.

Structure of the sub-fund in terms of its investment goals and significant changes during the reporting period

The duplication percentage of the fund in comparison with the benchmark index was 99.856% at the end of the reporting period.

Inflows during the reporting period were also invested in line with the weighting of the shares in the index.

Dividends are accumulated in the fund. The fund may enter into securities lending transactions.

The sub-fund iShares STOXX Global Select Dividend 100 UCITS ETF (DE) is a distributing fund. Income is distributed after expenses have been offset in the course of interim distributions or, as the case may be, six weeks after the end of the financial year. The realised profits and losses are primarily the result of transactions involving bonds that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

Changes to the index published by the index provider were directly taken into account in the fund.

Newly included		
21/03/2016	Bendigo & Adelaide Bank Ltd. Registered Shares o.N.	AU000000BEN6
21/03/2016	Sky Network Television Ltd. Registered Shares o.N.	NZSKTE0001S6
21/03/2016	Pearson PLC Registered Shares LS 0.25	GB0006776081
21/03/2016	Tokai Tokyo Finl Holdings Inc. Registered Shares o.N.	JP3577600004
21/03/2016	Société Générale S.A. Actions Port.EO 1.25	FR0000130809
21/03/2016	Kon.Boskalis Westminster N.V.Cert.v.Aandelen EO 0.01	NL0000852580
21/03/2016	Foncière des Régions S.A. Actions Port.EO 3	FR0000064578
21/03/2016	Bank of Nova Scotia, The Registered Shares o.N.	CA0641491075
21/03/2016	HP Inc. Registered Shares DL 0.01	US40434L1052
21/03/2016	WestRock Co. Registered Shares DL 0.01	US96145D1054
21/03/2016	Viacom Inc. Reg. Shares Class B DL 0.001	US92553P2011
21/03/2016	Kohl's Corp. Registered Shares DL 0.01	US5002551043
21/03/2016	Prudential Financial Inc. Registered Shares DL 0.01	US7443201022
21/03/2016	Mosaic Co., The Registered Shares DL 0.01	US61945C1036
21/03/2016	Invesco Ltd. Registered Shares DL 0.10	BMG491BT1088
21/03/2016	Eaton Corporation PLC Registered Shares DL 0.01	IE00B8KQN827
21/03/2016	Cummins Inc. Registered Shares DL 2.50	US2310211063
19/12/2016	Entergy Corp. Registered Shares DL 0.01	US29364G1031

Removals		
21/03/2016	UBM PLC Reg. Shares LS 0.10	JE00B2R84W06
21/03/2016	Provident Financial PLC Registered Shs LS 0.17868339	GB00B1Z4ST84
21/03/2016	Orange S.A. Actions Port.EO 4	FR0000133308
21/03/2016	Bâloise Holding AG Namens-Aktien SF 0.10	CH0012410517
21/03/2016	ConocoPhillips Registered Shares DL 0.01	US20825C1045
21/03/2016	Lilly & Co., Eli Registered Shares o.N.	US5324571083
21/03/2016	Kimberly-Clark Corp. Registered Shares DL 1.25	US4943681035
21/03/2016	Lockheed Martin Corp. Registered Shares DL 1	US5398301094
21/03/2016	TransCanada Corp. Registered Shares o.N.	CA89353D1078
21/03/2016	National Oilwell Varco Inc. Registered Shares DL 0.01	US6370711011
21/03/2016	Entergy Corp. Registered Shares DL 0.01	US29364G1031
21/03/2016	ConAgra Brands Inc. Registered Shares DL 5	US2058871029
21/03/2016	New York Community Bancorp Inc Registered Shares DL 0.01	US6494451031
21/03/2016	Cincinnati Financial Corp. Registered Shares DL 2	US1720621010
21/03/2016	NTT DOCOMO INC.Registered Shares o.N.	JP3165650007
21/03/2016	Daito Trust Constr.Co. Ltd. Registered Shares o.N.	JP3486800000
21/03/2016	Television Broadcasts Ltd. Reg. Shares (BL 100) o.N.	HK0000139300
19/12/2016	Viacom Inc. Reg. Shares Class B DL 0.001	US92553P2011

Material risks and events in the reporting period

Market price risk

In order to achieve the investment objective of tracking the performance of the STOXX® Global Select Dividend 100 Index as closely as possible in the period under review, fund management pursued an exclusively passive investment approach.

Accordingly, as part of the fund management activities affecting this sub-fund, no risks were actively managed or entered into. The sub-fund was subject to the general and specific market price risk arising from individual stocks in the period under review. Throughout the period under review, the sub-fund implemented the sector and stock diversification within the investment universe of global equities prescribed by the provider of the index. This meant that the sub-fund was subject to a high absolute market price risk.

Currency risk

As prescribed by the index, the sub-fund invested in the period under review in global companies. As the fund is denominated in euro, the currency risk is to be regarded as high.

Liquidity risk

The assets held in the sub-fund were at all times liquid, so that the liquidity risk is to be regarded as low.

Operational risk

Operational risks for the sub-fund are managed using BlackRock Asset Management Deutschland AG's risk management system.

Business areas and processes that are relevant to this sub-fund and which are outsourced by BlackRock Asset Management Deutschland AG to an external company are subject to an outsourcing controlling process within BlackRock Asset Management Deutschland AG. This includes the outsourcing of fund accounting to State Street Bank International GmbH, Munich, as well as the intragroup outsourcing of the trade management process to BlackRock Investment Management (UK) Limited.

Processes that are material to this sub-fund and their related operational risks are subject to a process of regularly identifying, analysing and monitoring operational risks.

If operational risks materialise, these events are recorded immediately in a risk database for appropriate documentation and analysis and steps are initiated and taken to minimise the operational risks.

With events that affect the sub-fund, the third-party management company generally compensates for any losses incurred.

3.2. Financial position

The Company's assets as of 28/02/2017 exclusively consist of investment assets. The shareholders' capital of the iShares I Founder Shares sub-fund amounted to €303,722.33 as at the financial year-end (previous year: EUR 306,267.94). Thus, corporate equities with voting rights represent 0.01% of the total assets of iShares DE I.

The share capital of the individual sub-funds at the balance sheet date was as follows:

iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)	EUR 213,747,395.53	(previous year: EUR 77,133,178.55)
iShares STOXX Europe 600 Banks UCITS ETF (DE)	EUR 568,931,355.54	(previous year: EUR 351,401,687.14)
iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)	EUR 368,031,290.89	(previous year: EUR 161,819,921.97)
iShares STOXX Europe 600 Chemicals UCITS ETF (DE)	EUR 116,596,870.67	(previous year: EUR 48,252,282.92)
iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)	EUR 96,760,971.07	(previous year: EUR 20,828,790.17)
iShares STOXX Europe 600 Financial Services UCITS ETF (DE)	EUR 17,905,074.60	(previous year: EUR 20,949,099.63)
iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)	EUR 180,082,204.35	(previous year: EUR 159,147,614.95)
iShares STOXX Europe 600 Health Care UCITS ETF (DE)	EUR 786,709,624.43	(previous year: EUR 506,393,294.94)
iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)	EUR 90,111,124.09	(previous year: EUR 51,060,452.90)
iShares STOXX Europe 600 Insurance UCITS ETF (DE)	EUR 154,736,981.49	(previous year: EUR 77,184,742.35)
iShares STOXX Europe 600 Media UCITS ETF (DE)	EUR 11,535,025.89	(previous year: EUR 24,378,612.45)
iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)	EUR 564,826,028.76	(previous year: EUR 567,919,281.00)
iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)	EUR 55,451,245.37	(previous year: EUR 55,512,210.35)
iShares STOXX Europe 600 Real Estate UCITS ETF (DE)	EUR 89,919,469.01	(previous year: EUR 96,756,111.30)
iShares STOXX Europe 600 Retail UCITS ETF (DE)	EUR 12,648,850.75	(previous year: EUR 25,123,099.66)
iShares STOXX Europe 600 Technology UCITS ETF (DE)	EUR 55,090,844.33	(previous year: EUR 47,540,193.16)
iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)	EUR 302,083,184.93	(previous year: EUR 258,320,417.23)
iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)	EUR 28,924,104.81	(previous year: EUR 55,060,194.33)
iShares STOXX Europe 600 Utilities UCITS ETF (DE)	EUR 326,334,850.46	(previous year: EUR 189,865,441.88)
iShares STOXX Global Select Dividend 100 UCITS ETF (DE)	EUR 1,210,628,934.25	(previous year: EUR 871,624,888.80)

3.3. Results of operations

The major income components for the fund assets are dividends from domestic and foreign issuers, interest on securities and from investing liquidity, income from securities lending and securities repurchase agreements and other income from withholding tax refunds. After deducting the management fee and other expenses, net ordinary income from all sub-funds amounted to €248,032,025.86 (previous year: EUR 125,280,022.10). After accounting for realised gains and losses from sales transactions, there is a realised net income for the financial year of EUR 207,593,890.71 (previous year: EUR 257,600,824.21).

4. Supplementary report

Significant events after the end of the reporting period that could have had a material influence on the net assets, financial situation and results of operations, have not occurred up to the preparation of this interim management report.

5. Forecast and opportunities report

5.1. Forecast of future profit growth

Global growth should accelerate in 2017. Not only industrialised countries, but also emerging markets should see stronger growth than in 2016. At the same time, a synchronised rise in inflation rates can be expected, which in the end should increase willingness to invest. Accordingly, interest rates will likely trend upwards, while prospects for equity markets are on the positive side. Political events overlay these trends. The demand for transparent and day-traded investment products is therefore also likely to continue to grow in 2017. In contrast to many competitors in the German market, iShares (DE) I will continue to rely heavily on the physical replication of indices without using derivatives with their corresponding counterparty risk. The Management Board of iShares (DE) I therefore considers it realistic to expect an increase of at least EUR 100 million in assets under management in 2017. We expect the ETF industry in Europe to continue to grow in the coming years. As part of this, we foresee growth for our sector funds in particular. iShares wishes to maintain and further develop its position as market leader in Europe and Germany and will further optimise iShares' German ETFs in respect of the fund and distribution structure in order to generate further net inflows of funds.

5.2 Opportunities for future business development

BlackRock is seeking to further grow its business in Europe with ETFs and index funds. At the same time, continuous checks are carried out to verify whether the existing product range can be made accessible to further European investors. Wider registration of the funds in selected Asian and Latin American markets is also being sought. The European sector funds issued by iShares (DE) are the priority in this regard.

6. Risk report

6.1 Operative organisation

As the external management company, BAMDE strives to organise low-risk operating procedures as efficiently as possible in all business areas. Over the course of as effective implementation as possible, BAMDE also uses the expertise of other Group-internal departments within the BlackRock Group as well as external service providers.

In order to ensure appropriate performance by service providers, the management company will devote a significant portion of its activities to ongoing supervision, monitoring and quality assurance for the outsourced processes. The application of a process and risk-oriented approach should facilitate suitable outsourcing control while ensuring that the synergies gained remain in place.

6.2 Methods and objectives of the risk management system

6.2.1 General requirements

The risk management system is guaranteed by the external management company BAMDE using the third-party management contract. Thus, it matches the processes of the internal control and risk management systems that are likewise utilised for the funds launched and managed by BAMDE.

The overall responsibility for implementing an appropriate risk management system belongs to the management board of the external management company. The management board will be assisted in this by the Risk Manager. As part of this activity, the Risk Manager is responsible for the coordination, operative implementation and, where necessary, the further development of the risk management system within the BAMDE. The Risk Manager is independent and reports directly to the Management Board.

The risk management system covers all areas of the external management company and the level of the managed funds, including the sub-fund. The main goal is the ongoing assurance of the interests of the investors. In addition to ensuring adequate organisational conditions, particular focus is placed on the lasting, sensible and appropriate handling of the risks associated with day-to-day business (risk culture). The central positioning of risk management within the external management company, in combination with its relevance for all areas of the Company, ensures a systematic and consistent handling of risks.

In order to deal with actual and potential risks for investors in the sub-fund and the Company as efficiently and effectively as possible, risk management is focused on identifying potential risks as early as possible and on appropriately and transparently managing risks that have materialised. Early detection of potential risks is intended to make it possible to analyse them appropriately and then direct their management effectively. For risk situations that have already occurred, it is crucial for them to be handled in an appropriate and transparent manner. The local risk management system of the external management company is integrated into the global risk management system of the BlackRock Group. In order to implement Group-wide standards while observing local legal and supervisory requirements, the Company utilises established systems and processes from the global risk management system.

6.2.2 Business and risk strategy

The conditions for dealing with risk are defined by the external management company's risk strategy. The risk strategy, which is reviewed at least annually and adjusted as needed, is based on the business strategy of the management company, which is likewise reviewed annually. In addition, a risk policy was implemented that describes the risk management and control processes at the level of the funds and the sub-fund. The risk strategy and risk policy are supplemented by further instructions and process descriptions regarding individual components of the risk management system.

6.2.3 Risk and Control Committee

Risk management is also supported by a local Risk and Control Committee. Meetings take place monthly and are chaired by the Company's Risk Manager and Compliance Officer.

Department heads and staff positions that have responsibility for the essential operating activities of the external management company are permanently represented on this committee. The Risk and Control Committee serves as a central forum to identify potential risks early, or for reporting on the handling of existing, known risks. Furthermore, the Risk Manager and the Compliance Officer report back on current developments relating to the risk situation and current topics or initiatives relating to both control functions.

6.2.4 Risk management at the level of the external management company – Operational risks

Key components in the management and controlling of operational risks are the early warning system, comprising the Key Risk Indicator System and ad hoc reporting. In addition, all cases of damage identified are subject to analysis and documentation. The performance of Risk and Control Self Assessments serves to consistently identify major, relevant risks across various areas of the Company.

The purpose of the Key Risk Indicator System is to regularly monitor risks in all business areas. It is supplemented by the ad hoc reporting system. Using this tool, significant, risk-laden developments affecting the sub-fund or Company can be escalated right away, as needed, in order to comply appropriately with the duty to report critical situations immediately.

Claims and cases of operational failure (operating events) are documented in detail in a claims database. This also applies to claims which have no financial implications. As part of treatment for cases of damage or cases of operational failure, any necessary process adjustments are also mentioned. This should result in a reduction in the probability or impact of a repeated occurrence.

Another instrument used to identify and manage operational risk is the “Risk and Control Self-Assessment” (RCSA). This is a risk inventory to determine the key risks in the area under review. The relevant controls in place are compared to the key risks identified. By means of evaluating the design and reliability of a control, the control efficiency per risk as well as on aggregate level is determined for the area of business inspected. Any requirement for action is inferred based on the control efficiency and the level of residual risk identified.

In addition, the risk management function is significantly involved in carrying out planned outsourcing. It is the risk manager’s responsibility to prepare or coordinate an outsourcing risk analysis. This serves to determine any relevant risks related to outsourcing initiatives. A decision model is created for the Management Board based on the results of this analysis.

6.2.5 Risk management at the level of the sub-funds

The market risk at the level of the sub-fund is monitored for the fund through daily monitoring of leverage according to the simple approach under Sections 15 et seq. of the German Regulation on Derivates (Derivateverordnung – DerivateV). In order to ensure compliance with statutory or regulatory limits, more restrictive limits are applied internally. Relative market risk is monitored through regular monitoring of the tracking error as per the recommendations of the ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937).

Moreover, for sub-funds that track an equity index, monitoring of the degree of duplication is performed on a daily basis. In the area of monitoring and managing counterparty risk, the global processes and units within the BlackRock Group are used. All authorised participants for the sub-fund are monitored continually, utilising the Group-wide capacities for global credit risk management.

6.3 Risk reporting

The Company’s Management Board will be given a risk report quarterly, in which the Risk Manager reports on the current risk profile of the Company and of the managed sub-funds. In addition to presenting the relevant risks, if necessary, the risk report may also contain recommendations by the Risk Manager, who is independent from the operational departments. In case of significant, risk-laden developments that affect the managed sub-funds or the Company and require immediate escalation to the Management Board, this will be done by means of an ad hoc report apart from the quarterly reporting cycle.

6.4 Potential economic risks

With our broad product range oriented towards investor and market interests, we believe we are well-armed for competition. In order to remain market leader in the future despite the increasing level of competition on the ETF market, we are planning a host of client-group specific and individualised activities for 2017.

6.5 Potential legal risks

No potential risk can be identified under the current legal and tax framework. Changes in this framework could result in a different assessment.

6.6 Operational functions

The external management company BAMDE takes account of operational risks through its organisational and technical procedures and staff instructions. BAMDE possesses the appropriate data acquisition, management and control instruments for the risks indicated. In the operating model, important parts are outsourced both within the Group and to external service providers. In order to appropriately control the operational risks arising from the outsourcing relationships, BAMDE has created an outsourcing controlling framework that is linked to the risk management system.

6.7 Other risks

6.7.1 Withdrawal of the United Kingdom from the European Union (BREXIT)

The Company currently does not see any direct, relevant, significant risks as a result of the British people’s vote in June 2016 resulting in the United Kingdom’s withdrawal from the European Union.

Nevertheless, investigations into the implications, risks and opportunities possibly associated with a potential exit from the EU began prior to the referendum. Following the vote, the focus was put on developing appropriate plans. Given the continuing uncertainty about the structure and actual process of the withdrawal, the plans will be adapted to current developments on an ongoing basis.

Other than the pointed mentioned above, no other significant risks in the areas of liquidity risk, foreign currency risk, counterparty default risk, market risk and other legal risks were known at the reporting date.

7. Declaration of Appropriateness of the Transactions with Affiliated Companies under Section 312 para. 3 AktG

The Management Board hereby declares that, in the transactions listed in the report on relationships with affiliated companies, an appropriate consideration was stipulated and/or received in every transaction according to the circumstances known to the Management Board at the time when they were undertaken, and no actions as defined in Section 312 AktG were taken or omitted.

Munich, 24 May 2017
iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

Management Board



Christian Staub

Alexander Mertz

Harald Klug

¹ Source: BVI press release dated 21 February 2017, Bundesverband für Investment und Asset Management e. V. (BVI)

² Source: BlackRock, Global ETP Landscape – Industry Highlights, December 2016, page 13. It is not possible to compile precise information on ETF trading on the German market through the exchanges; sufficiently accurate estimates are only possible in a European context.

³ Calculated using the European Central Bank's euro reference rate as at 31 December 2016 (EUR 1 = USD 1.0541).

⁴ The "iShares I Founder Shares" sub-fund is not mentioned here, as the company shares it contains – analogous to variable share capital – are wholly owned by the parent BAMDE and the Fund is not registered for public distribution.

iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

Balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	5,255,055,878.84	3,670,645,723.57
1. Securities	5,208,366,025.27	3,637,880,421.77
2. Cash and cash equivalents	20,312,921.08	9,682,815.57
a) Bank deposits available on a daily basis	20,312,921.08	9,682,815.57
3. Receivables	25,784,004.95	22,774,052.18
a) Interest and dividend claims	11,569,629.53	9,928,112.82
b) Other receivables	14,214,375.42	12,845,939.36
4. Other assets	592,927.54	308,434.05
B. Liabilities	5,255,055,878.84	3,670,645,723.57
1. Loans	254,745.14	125,395.63
a) from banks	254,745.14	125,395.63
2. Other liabilities	3,441,980.15	3,942,544.32
a) Other	3,441,980.15	3,942,544.32
3. Shareholders' capital	5,251,359,153.55	3,666,577,783.62
a) Capital inflows	5,088,145,345.40	3,811,999,552.67
b) Unrealised profits/losses from the revaluation	375,459,440.91	-102,800,044.51
c) Retained profits/losses brought forward	-296,097,404.68	-203,240,627.20
d) Annual realised results	83,851,771.92	160,618,902.66

iShares I Founder Shares

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	303,747.30	306,289.69
1. Securities	298,302.82	301,271.19
2. Cash and cash equivalents	4,451.48	2,938.14
a) Bank deposits available on a daily basis	4,451.48	2,938.14
3. Receivables	993.00	2,080.36
a) Interest and dividend claims	0.00	2,080.36
b) Other receivables	993.00	0.00
B. Liabilities	303,747.30	306,289.69
1. Other liabilities	24.97	21.75
a) Other	24.97	21.75
2. Shareholders' capital	303,722.33	306,267.94
a) Capital inflows	300,000.00	300,000.00
b) Unrealised profits/losses from the revaluation	-2,971.74	-3,199.63
c) Retained profits/losses brought forward	7,650.68	7,195.50
d) Annual realised results	-956.61	2,272.07

iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	213,823,344.15	77,159,648.23
1. Securities	213,629,781.45	77,087,897.68
2. Cash and cash equivalents	152,961.32	59,264.17
a) Bank deposits available on a daily basis	152,961.32	59,264.17
3. Receivables	38,486.38	12,486.38
a) other receivables	38,486.38	12,486.38
4. Other assets	2,115.00	0.00
B. Liabilities	213,823,344.15	77,159,648.23
1. Other liabilities	75,948.62	26,469.68
a) Other	75,948.62	26,469.68
2. Shareholders' capital	213,747,395.53	77,133,178.55
a) Capital inflows	283,468,728.95	122,619,290.23
b) Unrealised profits/losses from the revaluation	14,883,500.85	-13,262,748.44
c) Retained profits/losses brought forward	-77,183,874.94	-35,091,708.71
d) Annual realised results	-7,420,959.33	2,868,345.47

iShares STOXX Europe 600 Banks UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	569,136,751.87	351,537,492.01
1. Securities	561,590,209.16	350,604,708.63
2. Cash and cash equivalents	3,598,142.59	271,209.45
a) Bank deposits available on a daily basis	3,598,142.59	271,209.45
3. Receivables	4,069,515.12	641,868.93
a) Interest and dividend claims	1,235,867.73	0.00
b) Other receivables	2,833,647.39	641,868.93
4. Other assets	-121,115.00	19,705.00
B. Liabilities	569,136,751.87	351,537,492.01
1. Other liabilities	205,396.33	135,804.87
a) Other	205,396.33	135,804.87
2. Shareholders' capital	568,931,355.54	351,401,687.14
a) Capital inflows	1,320,817,413.69	952,063,776.98
b) Unrealised profits/losses from the revaluation	-14,714,458.47	-94,621,160.78
c) Retained profits/losses brought forward	-717,103,152.75	-486,452,244.71
d) Annual realised results	-20,068,446.93	-19,588,684.35

iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	368,408,847.83	161,982,106.36
1. Securities	365,830,392.66	160,233,288.48
2. Cash and cash equivalents	575.33	4,862.14
a) Bank deposits available on a daily basis	575.33	4,862.14
3. Receivables	2,661,917.60	1,669,710.74
a) Interest and dividend claims	2,296,618.91	1,406,496.03
b) Other receivables	365,298.69	263,214.71
4. Other assets	-84,037.76	74,245.00
B. Liabilities	368,408,847.83	161,982,106.36
1. Loans	246,564.70	74,865.74
a) from banks	246,564.70	74,865.74
2. Other liabilities	130,992.24	87,318.65
a) Other	130,992.24	87,318.65
3. Shareholders' capital	368,031,290.89	161,819,921.97
a) Capital inflows	113,978,626.15	74,715,395.95
b) Unrealised profits/losses from the revaluation	72,787,662.15	-44,382,042.93
c) Retained profits/losses brought forward	173,987,304.33	132,949,694.43
d) Annual realised results	7,277,698.26	-1,463,125.48

iShares STOXX Europe 600 Chemicals UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	116,646,302.97	48,269,264.58
1. Securities	116,402,527.33	47,881,054.61
2. Cash and cash equivalents	71,462.36	247,706.80
a) Bank deposits available on a daily basis	71,462.36	247,706.80
3. Receivables	163,988.28	163,543.17
a) other receivables	163,988.28	163,543.17
4. Other assets	8,325.00	-23,040.00
B. Liabilities	116,646,302.97	48,269,264.58
1. Loans	211.77	0.63
a) from banks	211.77	0.63
2. Other liabilities	49,220.53	16,981.03
a) Other	49,220.53	16,981.03
3. Shareholders' capital	116,596,870.67	48,252,282.92
a) Capital inflows	41,952,749.72	17,720,987.93
b) Unrealised profits/losses from the revaluation	10,170,301.44	-225,234.79
c) Retained profits/losses brought forward	63,478,362.44	25,565,642.84
d) Annual realised results	995,457.07	5,190,886.94

iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	96,815,269.02	20,847,908.36
1. Securities	96,224,871.25	20,541,115.48
2. Cash and cash equivalents	407,822.77	169,512.51
a) Bank deposits available on a daily basis	407,822.77	169,512.51
3. Receivables	158,705.00	124,200.37
a) other receivables	158,705.00	124,200.37
4. Other assets	23,870.00	13,080.00
B. Liabilities	96,815,269.02	20,847,908.36
1. Loans	7.96	278.39
a) from banks	7.96	278.39
2. Other liabilities	54,289.99	18,839.80
a) Other	54,289.99	18,839.80
3. Shareholders' capital	96,760,971.07	20,828,790.17
a) Capital inflows	155,108,948.28	37,495,399.55
b) Unrealised profits/losses from the revaluation	8,099,712.70	-8,285.91
c) Retained profits/losses brought forward	-66,335,155.18	-17,004,369.77
d) Annual realised results	-112,534.73	346,046.30

iShares STOXX Europe 600 Financial Services UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	17,914,389.32	20,957,109.73
1. Securities	17,819,867.06	20,837,203.71
2. Cash and cash equivalents	28,733.24	47,785.91
a) Bank deposits available on a daily basis	28,733.24	47,785.91
3. Receivables	63,309.02	81,420.11
a) Interest and dividend claims	5,172.42	0.00
b) Other receivables	58,136.60	81,420.11
4. Other assets	2,480.00	-9,300.00
B. Liabilities	17,914,389.32	20,957,109.73
1. Loans	519.78	823.32
a) from banks	519.78	823.32
2. Other liabilities	8,794.94	7,186.78
a) Other	8,794.94	7,186.78
3. Shareholders' capital	17,905,074.60	20,949,099.63
a) Capital inflows	26,943,714.12	35,350,762.53
b) Unrealised profits/losses from the revaluation	3,621,676.75	2,835,428.14
c) Retained profits/losses brought forward	-13,493,613.85	-21,962,400.76
d) Annual realised results	833,297.58	4,725,309.72

iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	180,200,218.58	159,204,032.24
1. Securities	178,628,831.29	158,165,422.82
2. Cash and cash equivalents	106,510.17	103,338.43
a) Bank deposits available on a daily basis	106,510.17	103,338.43
3. Receivables	1,405,462.12	951,880.99
a) Interest and dividend claims	349,118.72	236,914.16
b) Other receivables	1,056,343.40	714,966.83
4. Other assets	59,415.00	-16,610.00
B. Liabilities	180,200,218.58	159,204,032.24
1. Loans	54.80	1.92
a) from banks	54.80	1.92
2. Other liabilities	117,959.43	56,415.37
a) Other	117,959.43	56,415.37
3. Shareholders' capital	180,082,204.35	159,147,614.95
a) Capital inflows	74,005,683.02	66,241,062.04
b) Unrealised profits/losses from the revaluation	11,241,524.21	9,671,070.66
c) Retained profits/losses brought forward	91,448,575.11	61,305,320.00
d) Annual realised results	3,386,422.01	21,930,162.25

iShares STOXX Europe 600 Health Care UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	787,416,304.16	506,671,477.29
1. Securities	778,787,012.12	497,900,626.01
2. Cash and cash equivalents	1,607,282.64	2,381,938.09
a) Bank deposits available on a daily basis	1,607,282.64	2,381,938.09
3. Receivables	6,561,551.76	6,318,842.37
a) Interest and dividend claims	2,852,421.56	2,729,938.47
b) Other receivables	3,709,130.20	3,588,903.90
4. Other assets	460,457.64	70,070.82
B. Liabilities	787,416,304.16	506,671,477.29
1. Loans	4,248.32	9,883.81
a) from banks	4,248.32	9,883.81
2. Other liabilities	702,431.41	268,298.54
a) Other	702,431.41	268,298.54
3. Shareholders' capital	786,709,624.43	506,393,294.94
a) Capital inflows	565,654,490.99	367,486,388.18
b) Unrealised profits/losses from the revaluation	89,965,186.29	54,123,505.62
c) Retained profits/losses brought forward	116,167,194.39	39,672,825.25
d) Annual realised results	14,922,752.76	45,110,575.89

iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	90,150,181.71	51,093,849.19
1. Securities	89,691,120.60	50,921,701.92
2. Cash and cash equivalents	324,742.58	91,216.60
a) Bank deposits available on a daily basis	324,742.58	91,216.60
3. Receivables	122,666.86	75,390.67
a) other receivables	122,666.86	75,390.67
4. Other assets	11,651.67	5,540.00
B. Liabilities	90,150,181.71	51,093,849.19
1. Loans	0.00	11,149.79
a) from banks	0.00	11,149.79
2. Other liabilities	39,057.62	22,246.50
a) Other	39,057.62	22,246.50
3. Shareholders' capital	90,111,124.09	51,060,452.90
a) Capital inflows	28,748,420.41	15,858,840.19
b) Unrealised profits/losses from the revaluation	10,252,623.11	1,957,383.72
c) Retained profits/losses brought forward	48,583,057.66	28,718,746.66
d) Annual realised results	2,527,022.91	4,525,482.33

iShares STOXX Europe 600 Insurance UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	154,792,485.82	77,233,872.10
1. Securities	154,572,110.23	76,841,257.44
2. Cash and cash equivalents	51,543.61	223,951.91
a) Bank deposits available on a daily basis	51,543.61	223,951.91
3. Receivables	167,181.98	159,807.75
a) Interest and dividend claims	0.00	33,533.09
b) Other receivables	167,181.98	126,274.66
4. Other assets	1,650.00	8,855.00
B. Liabilities	154,792,485.82	77,233,872.10
1. Loans	80.01	13,126.62
a) from banks	80.01	13,126.62
2. Other liabilities	55,424.32	36,003.13
a) Other	55,424.32	36,003.13
3. Shareholders' capital	154,736,981.49	77,184,742.35
a) Capital inflows	230,718,196.76	126,180,781.55
b) Unrealised profits/losses from the revaluation	9,642,264.49	1,910,431.52
c) Retained profits/losses brought forward	-93,467,471.07	-61,520,843.90
d) Annual realised results	7,843,991.31	10,614,373.18

iShares STOXX Europe 600 Media UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	12,367,032.32	24,386,773.73
1. Securities	11,491,975.18	24,180,297.87
2. Cash and cash equivalents	565,348.79	176,907.65
a) Bank deposits available on a daily basis	565,348.79	176,907.65
3. Receivables	308,883.35	28,103.21
a) other receivables	308,883.35	28,103.21
4. Other assets	825.00	1,465.00
B. Liabilities	12,367,032.32	24,386,773.73
1. Loans	0.03	0.03
a) from banks	0.03	0.03
2. Other liabilities	832,006.40	8,161.25
a) Other	832,006.40	8,161.25
3. Shareholders' capital	11,535,025.89	24,378,612.45
a) Capital inflows	9,590,482.12	18,614,920.23
b) Unrealised profits/losses from the revaluation	-193,814.93	1,887,511.31
c) Retained profits/losses brought forward	1,787,734.60	2,051,983.56
d) Annual realised results	350,624.10	1,824,197.35

iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	565,029,254.65	570,597,742.72
1. Securities	559,209,166.23	562,918,678.56
2. Cash and cash equivalents	2,151,403.39	921,106.80
a) Bank deposits available on a daily basis	2,151,403.39	921,106.80
3. Receivables	3,693,110.96	6,515,455.03
a) Interest and dividend claims	2,234,457.30	2,471,246.22
b) Other receivables	1,458,653.66	4,044,208.81
4. Other assets	-24,425.93	242,502.33
B. Liabilities	565,029,254.65	570,597,742.72
1. Other liabilities	203,225.89	2,678,461.72
a) Other	203,225.89	2,678,461.72
2. Shareholders' capital	564,826,028.76	567,919,281.00
a) Capital inflows	438,316,151.42	513,470,334.54
b) Unrealised profits/losses from the revaluation	56,227,595.96	-31,233,761.78
c) Retained profits/losses brought forward	65,093,101.71	87,539,330.63
d) Annual realised results	5,189,179.67	-1,856,622.39

iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	55,486,594.49	55,534,283.39
1. Securities	55,213,773.81	55,192,077.19
2. Cash and cash equivalents	33,681.58	127,288.47
a) Bank deposits available on a daily basis	33,681.58	127,288.47
3. Receivables	223,264.10	209,292.73
a) Interest and dividend claims	116,861.48	109,942.71
b) Other receivables	106,402.62	99,350.02
4. Other assets	15,875.00	5,625.00
B. Liabilities	55,486,594.49	55,534,283.39
1. Other liabilities	35,349.12	22,073.04
a) Other	35,349.12	22,073.04
2. Shareholders' capital	55,451,245.37	55,512,210.35
a) Capital inflows	20,138,358.02	22,553,331.18
b) Unrealised profits/losses from the revaluation	10,669,159.00	8,331,966.57
c) Retained profits/losses brought forward	21,883,282.36	19,926,314.10
d) Annual realised results	2,760,445.99	4,700,598.50

iShares STOXX Europe 600 Real Estate UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	89,960,046.64	96,790,277.33
1. Securities	89,570,604.38	96,183,439.44
2. Cash and cash equivalents	112,525.82	317,435.08
a) Bank deposits available on a daily basis	112,525.82	317,435.08
3. Receivables	266,186.44	306,905.02
a) Interest and dividend claims	0.00	21,416.43
b) Other receivables	266,186.44	285,488.59
4. Other assets	10,730.00	-17,502.21
B. Liabilities	89,960,046.64	96,790,277.33
1. Loans	0.00	2.89
a) from banks	0.00	2.89
2. Other liabilities	40,577.63	34,163.14
a) Other	40,577.63	34,163.14
3. Shareholders' capital	89,919,469.01	96,756,111.30
a) Capital inflows	82,427,864.99	91,328,413.14
b) Unrealised profits/losses from the revaluation	-18,326.98	1,153,443.73
c) Retained profits/losses brought forward	3,407,702.56	-2,329,249.00
d) Annual realised results	4,102,228.44	6,603,503.43

iShares STOXX Europe 600 Retail UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	12,654,017.79	25,131,896.14
1. Securities	12,595,511.47	24,964,061.40
2. Cash and cash equivalents	23,283.49	125,543.85
a) Bank deposits available on a daily basis	23,283.49	125,543.85
3. Receivables	36,422.83	47,745.89
a) other receivables	36,422.83	47,745.89
4. Other assets	-1,200.00	-5,455.00
B. Liabilities	12,654,017.79	25,131,896.14
1. Other liabilities	5,167.04	8,796.48
a) Other	5,167.04	8,796.48
2. Shareholders' capital	12,648,850.75	25,123,099.66
a) Capital inflows	12,438,297.53	22,015,701.18
b) Unrealised profits/losses from the revaluation	-1,253,656.00	-1,754,292.34
c) Retained profits/losses brought forward	2,478,088.41	3,698,370.40
d) Annual realised results	-1,013,879.19	1,163,320.42

iShares STOXX Europe 600 Technology UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	55,121,060.54	47,567,103.15
1. Securities	55,027,265.54	47,438,754.78
2. Cash and cash equivalents	40,957.85	74,551.05
a) Bank deposits available on a daily basis	40,957.85	74,551.05
3. Receivables	49,827.15	59,927.32
a) Interest and dividend claims	21,338.98	21,052.43
b) Other receivables	28,488.17	38,874.89
4. Other assets	3,010.00	-6,130.00
B. Liabilities	55,121,060.54	47,567,103.15
1. Loans	2,722.82	10,518.43
a) from banks	2,722.82	10,518.43
2. Other liabilities	27,493.39	16,391.56
a) Other	27,493.39	16,391.56
3. Shareholders' capital	55,090,844.33	47,540,193.16
a) Capital inflows	41,987,505.34	43,057,024.41
b) Unrealised profits/losses from the revaluation	5,654,916.51	1,544,863.21
c) Retained profits/losses brought forward	2,756,473.75	-1,807,525.67
d) Annual realised results	4,691,948.73	4,745,831.21

iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	302,247,394.12	258,415,114.67
1. Securities	299,443,606.61	256,054,733.12
2. Cash and cash equivalents	2,132,824.65	1,814,105.58
a) Bank deposits available on a daily basis	2,132,824.65	1,814,105.58
3. Receivables	618,227.86	589,990.97
a) other receivables	618,227.86	589,990.97
4. Other assets	52,735.00	-43,715.00
B. Liabilities	302,247,394.12	258,415,114.67
1. Loans	5.59	4,731.91
a) from banks	5.59	4,731.91
2. Other liabilities	164,203.60	89,965.53
a) Other	164,203.60	89,965.53
3. Shareholders' capital	302,083,184.93	258,320,417.23
a) Capital inflows	352,789,890.20	275,866,238.10
b) Unrealised profits/losses from the revaluation	-26,324,302.21	-10,760,794.72
c) Retained profits/losses brought forward	-10,929,535.74	-16,637,326.30
d) Annual realised results	-13,452,867.32	9,852,300.15

iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	28,944,122.62	55,099,994.86
1. Securities	28,547,624.67	54,514,922.06
2. Cash and cash equivalents	277,224.23	337,040.54
a) Bank deposits available on a daily basis	277,224.23	337,040.54
3. Receivables	105,498.72	216,662.26
a) Interest and dividend claims	40,812.19	133,677.88
b) Other receivables	64,686.53	82,984.38
4. Other assets	13,775.00	31,370.00
B. Liabilities	28,944,122.62	55,099,994.86
1. Loans	0.29	0.00
a) from banks	0.29	0.00
2. Other liabilities	20,017.52	39,800.53
a) Other	20,017.52	39,800.53
3. Shareholders' capital	28,924,104.81	55,060,194.33
a) Capital inflows	20,452,387.19	36,776,494.02
b) Unrealised profits/losses from the revaluation	1,751,464.82	4,596,022.95
c) Retained profits/losses brought forward	7,273,257.69	7,739,651.66
d) Annual realised results	-553,004.89	5,948,025.70

iShares STOXX Europe 600 Utilities UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	326,585,146.47	189,934,480.70
1. Securities	320,560,534.99	188,205,077.67
2. Cash and cash equivalents	4,586,798.94	617,217.43
a) Bank deposits available on a daily basis	4,586,798.94	617,217.43
3. Receivables	1,281,020.62	1,154,457.49
a) Interest and dividend claims	20,604.33	49,359.81
b) Other receivables	1,260,416.29	1,105,097.68
4. Other assets	156,791.92	-42,271.89
B. Liabilities	326,585,146.47	189,934,480.70
1. Loans	2.23	2.47
a) from banks	2.23	2.47
2. Other liabilities	250,293.78	69,036.35
a) Other	250,293.78	69,036.35
3. Shareholders' capital	326,334,850.46	189,865,441.88
a) Capital inflows	351,559,994.33	210,295,885.15
b) Unrealised profits/losses from the revaluation	-10,457,064.85	-12,405,398.45
c) Retained profits/losses brought forward	-17,680,407.67	-9,304,447.18
d) Annual realised results	2,912,328.65	1,279,402.36

iShares STOXX Global Select Dividend 100 UCITS ETF (DE)

Interim balance sheet as at 28/02/2017

	Market value in EUR as at 28/02/2017	Market value in EUR as at 29/02/2016
I. Investment capital assets		
A. Assets	1,211,053,366.47	871,925,007.10
1. Securities	1,203,230,936.42	866,912,831.71
2. Cash and cash equivalents	4,034,644.25	1,567,894.97
a) Bank deposits available on a daily basis	4,034,644.25	1,567,894.97
3. Receivables	3,787,785.80	3,444,280.42
a) Interest and dividend claims	2,396,355.91	2,712,455.23
b) Other receivables	1,391,429.89	731,825.19
B. Liabilities	1,211,053,366.47	871,925,007.10
1. Loans	326.84	9.68
a) from banks	326.84	9.68
2. Other liabilities	424,105.38	300,108.62
a) Other	424,105.38	300,108.62
3. Shareholders' capital	1,210,628,934.25	871,624,888.80
a) Capital inflows	916,747,442.17	761,988,525.59
b) Unrealised profits/losses from the revaluation	123,456,447.81	17,845,247.83
c) Retained profits/losses brought forward	101,744,020.83	39,694,413.77
d) Annual realised results	68,681,023.44	52,096,701.61

iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

Income statement

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	1,604,358.23	EUR	7,766,717.79
2. Dividends from foreign issuers (before withholding tax) ¹⁾	EUR	262,104,289.08	EUR	128,934,029.01
3. Interest from foreign securities (before withholding tax)	EUR	914.64	EUR	6,839.12
4. Interest from domestic liquidity investments	EUR	1,690.07	EUR	3,987.30
5. Income from investment units	EUR	2,254.26	EUR	393.13
6. Income from securities lending and securities repurchase agreements	EUR	553,469.15	EUR	200,807.55
7. Deduction of foreign withholding tax	EUR	-12,584,955.12	EUR	-12,149,002.54
8. Other income	EUR	18,274,348.18	EUR	18,511,658.61
Total income	EUR	269,956,368.49	EUR	143,275,429.97
II. Expenses				
1. Interest from borrowings	EUR	-21,742.31	EUR	-10,596.04
2. Management fee	EUR	-21,117,174.51	EUR	-17,414,782.09
3. Other expenses	EUR	-785,425.81	EUR	-570,029.74
Total expenses	EUR	-21,924,342.63	EUR	-17,995,407.87
III. Ordinary net income	EUR	248,032,025.86	EUR	125,280,022.10
IV. Disposals				
1. Realised gains	EUR	88,655,894.62	EUR	247,686,691.95
2. Realised losses	EUR	-129,094,029.77	EUR	-115,365,889.84
Gain/loss on disposals	EUR	-40,438,135.15	EUR	132,320,802.11
V. Annual realised results	EUR	207,593,890.71	EUR	257,600,824.21
1. Net change in unrealised gains	EUR	271,762,649.41	EUR	-450,700,074.91
2. Net change in unrealised losses	EUR	206,496,836.01	EUR	-322,028,179.64
VI. Annual unrealised results	EUR	478,259,485.42	EUR	-772,728,254.55
VII. Result for the financial year	EUR	685,853,376.13	EUR	-515,127,430.34

1) Includes dividends within the meaning of Section 19 Paragraph 1 of the German REIT Act amounting to EUR 10,182,329.51

iShares I Founder Shares

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

for the period from 01/03/2016 to 28/02/2017		2016/2017		2015/2016	
I. Income					
1. Interest from foreign securities (before withholding tax)	EUR	914.64	EUR	6,839.12	
2. Income from investment units	EUR	2,254.26	EUR	393.13	
Total income	EUR	3,168.90	EUR	7,232.25	
II. Expenses					
1. Management fee	EUR	-273.74	EUR	-275.28	
2. Other expenses	EUR	-69.34	EUR	-68.28	
Total expenses	EUR	-343.08	EUR	-343.56	
III. Ordinary net income	EUR	2,825.82	EUR	6,888.69	
IV. Disposals					
1. Realised gains	EUR	323.37	EUR	67.56	
2. Realised losses	EUR	-4,105.80	EUR	-4,684.18	
Gain/loss on disposals	EUR	-3,782.43	EUR	-4,616.62	
V. Annual realised results	EUR	-956.61	EUR	2,272.07	
1. Net change in unrealised gains	EUR	-575.40	EUR	-974.22	
2. Net change in unrealised losses	EUR	803.29	EUR	-1,465.89	
VI. Annual unrealised results	EUR	227.89	EUR	-2,440.11	
VII. Result for the financial year	EUR	-728.72	EUR	-168.04	

iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	2,831,534.74	EUR	2,314,210.96
2. Dividends from foreign issuers (before withholding tax)	EUR	4,790,816.97	EUR	1,507,298.15
3. Deduction of foreign withholding tax	EUR	-21,686.53	EUR	-23,773.25
4. Other income	EUR	58,657.80	EUR	52,345.10
Total income	EUR	7,659,322.98	EUR	3,850,080.96
II. Expenses				
1. Interest from borrowings	EUR	-308.17	EUR	-163.97
2. Management fee	EUR	-810,937.48	EUR	-437,981.87
3. Other expenses	EUR	-30,399.68	EUR	-13,084.12
Total expenses	EUR	-841,645.33	EUR	-451,229.96
III. Ordinary net income	EUR	6,817,677.65	EUR	3,398,851.00
IV. Disposals				
1. Realised gains	EUR	-437,364.65	EUR	5,872,609.89
2. Realised losses	EUR	-10,375,524.71	EUR	-3,442,190.00
Gain/loss on disposals	EUR	-10,812,889.36	EUR	2,430,419.89
V. Annual realised results	EUR	-3,995,211.71	EUR	5,829,270.89
1. Net change in unrealised gains	EUR	13,472,739.40	EUR	-14,118,290.07
2. Net change in unrealised losses	EUR	14,673,509.89	EUR	-14,663,020.86
VI. Annual unrealised results	EUR	28,146,249.29	EUR	-28,781,310.93
VII. Result for the financial year	EUR	24,151,037.58	EUR	-22,952,040.04

iShares STOXX Europe 600 Banks UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	0.00	EUR	481,900.08
2. Dividends from foreign issuers (before withholding tax)	EUR	37,895,755.41	EUR	12,740,884.49
3. Interest from domestic liquidity investments	EUR	0.05	EUR	24.73
4. Income from securities lending and securities repurchase agreements	EUR	95,819.39	EUR	34,686.06
5. Deduction of foreign withholding tax	EUR	-1,147,374.97	EUR	-716,046.12
6. Other income	EUR	5,889,772.49	EUR	3,732,502.25
Total income	EUR	42,733,972.37	EUR	16,273,951.49
II. Expenses				
1. Interest from borrowings	EUR	-1,461.64	EUR	-1,105.04
2. Management fee	EUR	-2,154,248.53	EUR	-2,239,038.96
3. Other expenses	EUR	-81,948.22	EUR	-61,953.53
Total expenses	EUR	-2,237,658.39	EUR	-2,302,097.53
III. Ordinary net income	EUR	40,496,313.98	EUR	13,971,853.96
IV. Disposals				
1. Realised gains	EUR	-7,120,760.72	EUR	8,139,851.86
2. Realised losses	EUR	-35,365,234.99	EUR	-28,131,586.22
Gain/loss on disposals	EUR	-42,485,995.71	EUR	-19,991,734.36
V. Annual realised results	EUR	-1,989,681.73	EUR	-6,019,880.40
1. Net change in unrealised gains	EUR	26,583,125.06	EUR	-64,556,340.20
2. Net change in unrealised losses	EUR	53,323,577.25	EUR	-90,204,608.91
VI. Annual unrealised results	EUR	79,906,702.31	EUR	-154,760,949.11
VII. Result for the financial year	EUR	77,917,020.58	EUR	-160,780,829.51

iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from foreign issuers (before withholding tax)	EUR	10,148,484.99	EUR	7,329,275.82
2. Interest from domestic liquidity investments	EUR	0.55	EUR	39.73
3. Deduction of foreign withholding tax	EUR	-149,585.44	EUR	-163,343.09
4. Other income	EUR	331,284.54	EUR	295,666.64
Total income	EUR	10,330,184.64	EUR	7,461,639.10
II. Expenses				
1. Interest from borrowings	EUR	-907.10	EUR	-348.07
2. Management fee	EUR	-1,183,254.28	EUR	-778,333.96
3. Other expenses	EUR	-45,890.91	EUR	-28,903.71
Total expenses	EUR	-1,230,052.29	EUR	-807,585.74
III. Ordinary net income	EUR	9,100,132.35	EUR	6,654,053.36
IV. Disposals				
1. Realised gains	EUR	10,439,468.67	EUR	3,871,209.62
2. Realised losses	EUR	-10,073,048.81	EUR	-7,813,348.01
Gain/loss on disposals	EUR	366,419.86	EUR	-3,942,138.39
V. Annual realised results	EUR	9,466,552.21	EUR	2,711,914.97
1. Net change in unrealised gains	EUR	66,155,480.40	EUR	-11,456,645.97
2. Net change in unrealised losses	EUR	51,014,224.68	EUR	-41,487,896.70
VI. Annual unrealised results	EUR	117,169,705.08	EUR	-52,944,542.67
VII. Result for the financial year	EUR	126,636,257.29	EUR	-50,232,627.70

iShares STOXX Europe 600 Chemicals UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	877,973.50	EUR	742,584.93
2. Dividends from foreign issuers (before withholding tax)	EUR	1,513,762.91	EUR	630,029.50
3. Interest from domestic liquidity investments	EUR	0.00	EUR	4.42
4. Deduction of foreign withholding tax	EUR	-100,625.70	EUR	-82,880.67
5. Other income	EUR	40,279.77	EUR	124,057.54
Total income	EUR	2,331,390.48	EUR	1,413,795.72
II. Expenses				
1. Interest from borrowings	EUR	-20.67	EUR	-16.57
2. Management fee	EUR	-465,297.66	EUR	-254,992.60
3. Other expenses	EUR	-17,154.11	EUR	-7,215.65
Total expenses	EUR	-482,472.44	EUR	-262,224.82
III. Ordinary net income	EUR	1,848,918.04	EUR	1,151,570.90
IV. Disposals				
1. Realised gains	EUR	1,448,155.66	EUR	5,335,473.67
2. Realised losses	EUR	-790,007.05	EUR	-130,704.48
Gain/loss on disposals	EUR	658,148.61	EUR	5,204,769.19
V. Annual realised results	EUR	2,507,066.65	EUR	6,356,340.09
1. Net change in unrealised gains	EUR	7,438,845.03	EUR	-14,390,308.01
2. Net change in unrealised losses	EUR	2,956,691.20	EUR	-3,070,265.35
VI. Annual unrealised results	EUR	10,395,536.23	EUR	-17,460,573.36
VII. Result for the financial year	EUR	12,902,602.88	EUR	-11,104,233.27

iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	29,758.82	EUR	14,984.03
2. Dividends from foreign issuers (before withholding tax)	EUR	2,874,454.76	EUR	774,493.76
3. Income from securities lending and securities repurchase agreements	EUR	24,062.86	EUR	419.06
4. Deduction of foreign withholding tax	EUR	-37,617.23	EUR	-27,462.01
5. Other income	EUR	17,461.36	EUR	334,369.24
Total income	EUR	2,908,120.57	EUR	1,096,804.08
II. Expenses				
1. Interest from borrowings	EUR	-711.21	EUR	-202.75
2. Management fee	EUR	-347,816.12	EUR	-101,919.29
3. Other expenses	EUR	-17,391.78	EUR	-3,398.25
Total expenses	EUR	-365,919.11	EUR	-105,520.29
III. Ordinary net income	EUR	2,542,201.46	EUR	991,283.79
IV. Disposals				
1. Realised gains	EUR	2,355,162.26	EUR	976,024.54
2. Realised losses	EUR	-3,872,170.25	EUR	-877,274.49
Gain/loss on disposals	EUR	-1,517,007.99	EUR	98,750.05
V. Annual realised results	EUR	1,025,193.47	EUR	1,090,033.84
1. Net change in unrealised gains	EUR	6,409,490.62	EUR	-2,067,924.42
2. Net change in unrealised losses	EUR	1,698,507.99	EUR	-1,775,009.17
VI. Annual unrealised results	EUR	8,107,998.61	EUR	-3,842,933.59
VII. Result for the financial year	EUR	9,133,192.08	EUR	-2,752,899.75

iShares STOXX Europe 600 Financial Services UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	76,140.00	EUR	128,519.50
2. Dividends from foreign issuers (before withholding tax)	EUR	1,099,472.63	EUR	973,578.34
3. Deduction of foreign withholding tax	EUR	-32,858.25	EUR	-45,574.96
4. Other income	EUR	17,715.82	EUR	98,967.98
Total income	EUR	1,160,470.20	EUR	1,155,490.86
II. Expenses				
1. Interest from borrowings	EUR	-10.71	EUR	-16.09
2. Management fee	EUR	-76,005.93	EUR	-116,975.27
3. Other expenses	EUR	-2,786.03	EUR	-3,437.29
Total expenses	EUR	-78,802.67	EUR	-120,428.65
III. Ordinary net income	EUR	1,081,667.53	EUR	1,035,062.21
IV. Disposals				
1. Realised gains	EUR	762,737.78	EUR	4,813,667.47
2. Realised losses	EUR	-365,622.27	EUR	-146,478.92
Gain/loss on disposals	EUR	397,115.51	EUR	4,667,188.55
V. Annual realised results	EUR	1,478,783.04	EUR	5,702,250.76
1. Net change in unrealised gains	EUR	531,350.68	EUR	-7,905,597.65
2. Net change in unrealised losses	EUR	254,897.93	EUR	-725,100.31
VI. Annual unrealised results	EUR	786,248.61	EUR	-8,630,697.96
VII. Result for the financial year	EUR	2,265,031.65	EUR	-2,928,447.20

iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from foreign issuers (before withholding tax)	EUR	4,746,363.98	EUR	3,731,146.86
2. Interest from domestic liquidity investments	EUR	1.17	EUR	12.82
3. Deduction of foreign withholding tax	EUR	-795,062.01	EUR	-630,474.02
4. Other income	EUR	404,768.46	EUR	466,333.02
Total income	EUR	4,356,071.60	EUR	3,567,018.68
II. Expenses				
1. Interest from borrowings	EUR	-7,072.30	EUR	-320.02
2. Management fee	EUR	-794,427.32	EUR	-724,299.08
3. Other expenses	EUR	-29,581.22	EUR	-24,532.13
Total expenses	EUR	-831,080.84	EUR	-749,151.23
III. Ordinary net income	EUR	3,524,990.76	EUR	2,817,867.45
IV. Disposals				
1. Realised gains	EUR	4,102,908.44	EUR	22,679,510.89
2. Realised losses	EUR	-822,611.84	EUR	-784,522.59
Gain/loss on disposals	EUR	3,280,296.60	EUR	21,894,988.30
V. Annual realised results	EUR	6,805,287.36	EUR	24,712,855.75
1. Net change in unrealised gains	EUR	3,020,487.92	EUR	-27,584,141.12
2. Net change in unrealised losses	EUR	-1,450,034.37	EUR	-211,994.89
VI. Annual unrealised results	EUR	1,570,453.55	EUR	-27,796,136.01
VII. Result for the financial year	EUR	8,375,740.91	EUR	-3,083,280.26

iShares STOXX Europe 600 Health Care UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	511,567.72	EUR	293,033.98
2. Dividends from foreign issuers (before withholding tax)	EUR	15,257,326.17	EUR	18,272,341.41
3. Interest from domestic liquidity investments	EUR	1.67	EUR	0.00
4. Income from securities lending and securities repurchase agreements	EUR	16,186.03	EUR	2,154.00
5. Deduction of foreign withholding tax	EUR	-1,576,490.60	EUR	-3,535,798.35
6. Other income	EUR	594,940.52	EUR	2,444,309.22
Total income	EUR	14,803,531.51	EUR	17,476,040.26
II. Expenses				
1. Interest from borrowings	EUR	-1,257.33	EUR	-906.49
2. Management fee	EUR	-3,275,404.90	EUR	-2,539,454.09
3. Other expenses	EUR	-120,589.76	EUR	-73,249.76
Total expenses	EUR	-3,397,251.99	EUR	-2,613,610.34
III. Ordinary net income	EUR	11,406,279.52	EUR	14,862,429.92
IV. Disposals				
1. Realised gains	EUR	15,826,291.91	EUR	41,281,608.89
2. Realised losses	EUR	-3,031,087.22	EUR	-1,278,937.27
Gain/loss on disposals	EUR	12,795,204.69	EUR	40,002,671.62
V. Annual realised results	EUR	24,201,484.21	EUR	54,865,101.54
1. Net change in unrealised gains	EUR	33,895,212.13	EUR	-101,403,383.00
2. Net change in unrealised losses	EUR	1,946,468.54	EUR	-4,462,902.44
VI. Annual unrealised results	EUR	35,841,680.67	EUR	-105,866,285.44
VII. Result for the financial year	EUR	60,043,164.88	EUR	-51,001,183.90

iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	336,979.14	EUR	214,513.75
2. Dividends from foreign issuers (before withholding tax)	EUR	3,131,274.16	EUR	1,146,855.79
3. Interest from domestic liquidity investments	EUR	0.00	EUR	0.25
4. Deduction of foreign withholding tax	EUR	-109,141.91	EUR	-100,685.57
5. Other income	EUR	36,308.01	EUR	203,519.60
Total income	EUR	3,395,419.40	EUR	1,464,203.82
II. Expenses				
1. Interest from borrowings	EUR	-627.28	EUR	-52.85
2. Management fee	EUR	-359,101.81	EUR	-248,644.95
3. Other expenses	EUR	-14,866.19	EUR	-7,953.45
Total expenses	EUR	-374,595.28	EUR	-256,651.25
III. Ordinary net income	EUR	3,020,824.12	EUR	1,207,552.57
IV. Disposals				
1. Realised gains	EUR	3,800,917.10	EUR	5,224,457.35
2. Realised losses	EUR	-3,067,715.31	EUR	-979,817.59
Gain/loss on disposals	EUR	733,201.79	EUR	4,244,639.76
V. Annual realised results	EUR	3,754,025.91	EUR	5,452,192.33
1. Net change in unrealised gains	EUR	7,462,085.63	EUR	-12,185,873.98
2. Net change in unrealised losses	EUR	833,153.76	EUR	-1,729,917.77
VI. Annual unrealised results	EUR	8,295,239.39	EUR	-13,915,791.75
VII. Result for the financial year	EUR	12,049,265.30	EUR	-8,463,599.42

iShares STOXX Europe 600 Insurance UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	854,175.42	EUR	590,747.06
2. Dividends from foreign issuers (before withholding tax)	EUR	10,376,936.18	EUR	1,801,762.97
3. Interest from domestic liquidity investments	EUR	0.00	EUR	3.84
4. Deduction of foreign withholding tax	EUR	-245,140.79	EUR	-90,117.64
5. Other income	EUR	233,749.58	EUR	244,163.04
Total income	EUR	11,219,720.39	EUR	2,546,559.27
II. Expenses				
1. Interest from borrowings	EUR	-317.90	EUR	-148.99
2. Management fee	EUR	-613,754.39	EUR	-391,873.22
3. Other expenses	EUR	-24,761.19	EUR	-12,233.32
Total expenses	EUR	-638,833.48	EUR	-404,255.53
III. Ordinary net income	EUR	10,580,886.91	EUR	2,142,303.74
IV. Disposals				
1. Realised gains	EUR	2,848,622.10	EUR	11,499,263.93
2. Realised losses	EUR	-1,416,662.45	EUR	-843,976.14
Gain/loss on disposals	EUR	1,431,959.65	EUR	10,655,287.79
V. Annual realised results	EUR	12,012,846.56	EUR	12,797,591.53
1. Net change in unrealised gains	EUR	5,520,868.24	EUR	-20,459,599.40
2. Net change in unrealised losses	EUR	2,210,964.73	EUR	-2,711,631.73
VI. Annual unrealised results	EUR	7,731,832.97	EUR	-23,171,231.13
VII. Result for the financial year	EUR	19,744,679.53	EUR	-10,373,639.60

iShares STOXX Europe 600 Media UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	27,677.65	EUR	71,808.35
2. Dividends from foreign issuers (before withholding tax)	EUR	1,064,596.14	EUR	1,241,798.40
3. Interest from domestic liquidity investments	EUR	0.00	EUR	3.73
4. Deduction of foreign withholding tax	EUR	-18,027.95	EUR	-28,597.59
5. Other income	EUR	48,987.30	EUR	159,333.34
Total income	EUR	1,123,233.14	EUR	1,444,346.23
II. Expenses				
1. Interest from borrowings	EUR	-6.29	EUR	-24.45
2. Management fee	EUR	-57,028.76	EUR	-119,218.89
3. Other expenses	EUR	-1,758.94	EUR	-3,537.67
Total expenses	EUR	-58,793.99	EUR	-122,781.01
III. Ordinary net income	EUR	1,064,439.15	EUR	1,321,565.22
IV. Disposals				
1. Realised gains	EUR	751,574.63	EUR	1,921,912.47
2. Realised losses	EUR	-851,112.36	EUR	-295,713.90
Gain/loss on disposals	EUR	-99,537.73	EUR	1,626,198.57
V. Annual realised results	EUR	964,901.42	EUR	2,947,763.79
1. Net change in unrealised gains	EUR	-1,728,285.87	EUR	-3,118,091.82
2. Net change in unrealised losses	EUR	-353,040.37	EUR	-1,029,521.92
VI. Annual unrealised results	EUR	-2,081,326.24	EUR	-4,147,613.74
VII. Result for the financial year	EUR	-1,116,424.82	EUR	-1,199,849.95

iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from foreign issuers (before withholding tax)	EUR	31,743,875.47	EUR	21,140,398.79
2. Interest from domestic liquidity investments	EUR	0.00	EUR	1,175.54
3. Income from securities lending and securities repurchase agreements	EUR	135,514.61	EUR	76,865.07
4. Deduction of foreign withholding tax	EUR	-1,792,568.06	EUR	-1,291,825.15
5. Other income	EUR	3,175,042.96	EUR	2,784,061.08
Total income	EUR	33,261,864.98	EUR	22,710,675.33
II. Expenses				
1. Interest from borrowings	EUR	-815.04	EUR	-2,584.76
2. Management fee	EUR	-2,382,770.12	EUR	-2,037,984.03
3. Other expenses	EUR	-81,348.63	EUR	-99,768.19
Total expenses	EUR	-2,464,933.79	EUR	-2,140,336.98
III. Ordinary net income	EUR	30,796,931.19	EUR	20,570,338.35
IV. Disposals				
1. Realised gains	EUR	6,412,516.74	EUR	25,837,957.98
2. Realised losses	EUR	-13,263,163.46	EUR	-36,106,040.27
Gain/loss on disposals	EUR	-6,850,646.72	EUR	-10,268,082.29
V. Annual realised results	EUR	23,946,284.47	EUR	10,302,256.06
1. Net change in unrealised gains	EUR	49,225,290.15	EUR	-27,375,586.88
2. Net change in unrealised losses	EUR	38,236,067.59	EUR	-35,848,462.55
VI. Annual unrealised results	EUR	87,461,357.74	EUR	-63,224,049.43
VII. Result for the financial year	EUR	111,407,642.21	EUR	-52,921,793.37

iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	75,239.92	EUR	58,584.88
2. Dividends from foreign issuers (before withholding tax)	EUR	1,493,763.05	EUR	1,162,291.20
3. Deduction of foreign withholding tax	EUR	-65,752.60	EUR	-54,892.20
4. Other income	EUR	15,385.44	EUR	134,457.13
Total income	EUR	1,518,635.81	EUR	1,300,441.01
II. Expenses				
1. Interest from borrowings	EUR	-30.22	EUR	-64.40
2. Management fee	EUR	-232,331.47	EUR	-243,607.12
3. Other expenses	EUR	-8,032.04	EUR	-7,387.76
Total expenses	EUR	-240,393.73	EUR	-251,059.28
III. Ordinary net income	EUR	1,278,242.08	EUR	1,049,381.73
IV. Disposals				
1. Realised gains	EUR	2,930,989.19	EUR	4,752,706.69
2. Realised losses	EUR	-246,023.43	EUR	-166,657.82
Gain/loss on disposals	EUR	2,684,965.76	EUR	4,586,048.87
V. Annual realised results	EUR	3,963,207.84	EUR	5,635,430.60
1. Net change in unrealised gains	EUR	2,002,913.84	EUR	-4,042,401.39
2. Net change in unrealised losses	EUR	334,278.59	EUR	-472,674.27
VI. Annual unrealised results	EUR	2,337,192.43	EUR	-4,515,075.66
VII. Result for the financial year	EUR	6,300,400.27	EUR	1,120,354.94

iShares STOXX Europe 600 Real Estate UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	-110,050.93	EUR	191,229.45
2. Dividends from foreign issuers (before withholding tax) ²⁾	EUR	4,227,461.35	EUR	2,474,636.28
3. Interest from domestic liquidity investments	EUR	0.00	EUR	0.10
4. Income from securities lending and securities repurchase agreements	EUR	13,985.44	EUR	6,883.97
5. Deduction of foreign withholding tax	EUR	-299,011.21	EUR	-312,232.26
6. Other income	EUR	182,483.28	EUR	506,429.90
Total income	EUR	4,014,867.93	EUR	2,866,947.44
II. Expenses				
1. Interest from borrowings	EUR	-143.07	EUR	-1,477.97
2. Management fee	EUR	-409,811.28	EUR	-485,504.12
3. Other expenses	EUR	-14,171.01	EUR	-14,552.15
Total expenses	EUR	-424,125.36	EUR	-501,534.24
III. Ordinary net income	EUR	3,590,742.57	EUR	2,365,413.20
IV. Disposals				
1. Realised gains	EUR	4,685,981.71	EUR	7,405,718.24
2. Realised losses	EUR	-2,154,138.39	EUR	-929,959.96
Gain/loss on disposals	EUR	2,531,843.32	EUR	6,475,758.28
V. Annual realised results	EUR	6,122,585.89	EUR	8,841,171.48
1. Net change in unrealised gains	EUR	-808,469.01	EUR	-19,929,325.92
2. Net change in unrealised losses	EUR	-363,301.70	EUR	-2,719,202.38
VI. Annual unrealised results	EUR	-1,171,770.71	EUR	-22,648,528.30
VII. Result for the financial year	EUR	4,950,815.18	EUR	-13,807,356.82

2) Includes dividends within the meaning of Section 19 Paragraph 1 of the German REIT Act amounting to EUR 2,085,542.70

iShares STOXX Europe 600 Retail UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	9,343.38	EUR	17,987.00
2. Dividends from foreign issuers (before withholding tax)	EUR	635,134.52	EUR	484,956.80
3. Deduction of foreign withholding tax	EUR	-31,386.29	EUR	-23,780.22
4. Other income	EUR	39,338.84	EUR	124,149.32
Total income	EUR	652,430.45	EUR	603,312.90
II. Expenses				
1. Interest from borrowings	EUR	-125.29	EUR	-162.46
2. Management fee	EUR	-64,452.58	EUR	-121,569.11
3. Other expenses	EUR	-1,970.01	EUR	-3,979.41
Total expenses	EUR	-66,547.88	EUR	-125,710.98
III. Ordinary net income	EUR	585,882.57	EUR	477,601.92
IV. Disposals				
1. Realised gains	EUR	539,454.67	EUR	1,587,106.77
2. Realised losses	EUR	-1,666,731.37	EUR	-456,274.91
Gain/loss on disposals	EUR	-1,127,276.70	EUR	1,130,831.86
V. Annual realised results	EUR	-541,394.13	EUR	1,608,433.78
1. Net change in unrealised gains	EUR	22,827.17	EUR	-2,264,470.95
2. Net change in unrealised losses	EUR	477,809.17	EUR	-2,523,237.72
VI. Annual unrealised results	EUR	500,636.34	EUR	-4,787,708.67
VII. Result for the financial year	EUR	-40,757.79	EUR	-3,179,274.89

iShares STOXX Europe 600 Technology UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	151,217.47	EUR	196,465.60
2. Dividends from foreign issuers (before withholding tax)	EUR	948,732.61	EUR	541,875.97
3. Deduction of foreign withholding tax	EUR	-83,402.27	EUR	-33,592.51
4. Other income	EUR	366,875.86	EUR	77,295.70
Total income	EUR	1,383,423.67	EUR	782,044.76
II. Expenses				
1. Interest from borrowings	EUR	-3,974.97	EUR	-269.11
2. Management fee	EUR	-229,890.97	EUR	-223,653.53
3. Other expenses	EUR	-8,448.74	EUR	-6,648.96
Total expenses	EUR	-242,314.68	EUR	-230,571.60
III. Ordinary net income	EUR	1,141,108.99	EUR	551,473.16
IV. Disposals				
1. Realised gains	EUR	9,198,746.52	EUR	5,199,147.48
2. Realised losses	EUR	-4,355,747.18	EUR	-353,503.43
Gain/loss on disposals	EUR	4,842,999.34	EUR	4,845,644.05
V. Annual realised results	EUR	5,984,108.33	EUR	5,397,117.21
1. Net change in unrealised gains	EUR	2,864,247.14	EUR	-7,535,471.64
2. Net change in unrealised losses	EUR	1,245,806.16	EUR	-1,661,359.88
VI. Annual unrealised results	EUR	4,110,053.30	EUR	-9,196,831.52
VII. Result for the financial year	EUR	10,094,161.63	EUR	-3,799,714.31

iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	-5,831,507.36	EUR	683,497.47
2. Dividends from foreign issuers (before withholding tax)	EUR	43,844,423.44	EUR	8,005,688.19
3. Interest from domestic liquidity investments	EUR	0.00	EUR	24.18
4. Deduction of foreign withholding tax	EUR	-471,319.47	EUR	-298,484.73
5. Other income	EUR	361,722.40	EUR	838,908.39
Total income	EUR	37,903,319.01	EUR	9,229,633.50
II. Expenses				
1. Interest from borrowings	EUR	-273.09	EUR	-788.13
2. Management fee	EUR	-1,296,003.33	EUR	-1,085,530.03
3. Other expenses	EUR	-51,780.89	EUR	-39,918.59
Total expenses	EUR	-1,348,057.31	EUR	-1,126,236.75
III. Ordinary net income	EUR	36,555,261.70	EUR	8,103,396.75
IV. Disposals				
1. Realised gains	EUR	-30,086,644.56	EUR	9,545,660.27
2. Realised losses	EUR	-11,567,414.26	EUR	-1,151,285.77
Gain/loss on disposals	EUR	-41,654,058.82	EUR	8,394,374.50
V. Annual realised results	EUR	-5,098,797.12	EUR	16,497,771.25
1. Net change in unrealised gains	EUR	-3,418,205.30	EUR	-11,551,739.79
2. Net change in unrealised losses	EUR	-12,145,302.19	EUR	-23,009,553.61
VI. Annual unrealised results	EUR	-15,563,507.49	EUR	-34,561,293.40
VII. Result for the financial year	EUR	-20,662,304.61	EUR	-18,063,522.15

iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	99,258.64	EUR	108,727.36
2. Dividends from foreign issuers (before withholding tax)	EUR	1,108,435.38	EUR	1,103,553.48
3. Deduction of foreign withholding tax	EUR	-7,492.09	EUR	-7,469.81
4. Other income	EUR	21,052.38	EUR	25,334.48
Total income	EUR	1,221,254.31	EUR	1,230,145.51
II. Expenses				
1. Interest from borrowings	EUR	-12.25	EUR	-39.74
2. Management fee	EUR	-127,191.46	EUR	-234,778.29
3. Other expenses	EUR	-4,446.99	EUR	-7,435.29
Total expenses	EUR	-131,650.70	EUR	-242,253.32
III. Ordinary net income	EUR	1,089,603.61	EUR	987,892.19
IV. Disposals				
1. Realised gains	EUR	1,497,176.50	EUR	6,040,182.61
2. Realised losses	EUR	-2,315,147.95	EUR	-506,562.10
Gain/loss on disposals	EUR	-817,971.45	EUR	5,533,620.51
V. Annual realised results	EUR	271,632.16	EUR	6,521,512.70
1. Net change in unrealised gains	EUR	-2,771,555.36	EUR	-2,581,535.77
2. Net change in unrealised losses	EUR	-73,002.77	EUR	-963,071.02
VI. Annual unrealised results	EUR	-2,844,558.13	EUR	-3,544,606.79
VII. Result for the financial year	EUR	-2,572,925.97	EUR	2,976,905.91

iShares STOXX Europe 600 Utilities UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	836,188.76	EUR	927,453.76
2. Dividends from foreign issuers (before withholding tax)	EUR	14,931,912.84	EUR	6,874,482.78
3. Income from securities lending and securities repurchase agreements	EUR	56,190.40	EUR	16,116.97
4. Deduction of foreign withholding tax	EUR	-733,030.88	EUR	-459,849.78
5. Other income	EUR	3,068,873.54	EUR	2,842,906.88
Total income	EUR	18,160,134.66	EUR	10,201,110.61
II. Expenses				
1. Interest from borrowings	EUR	-657.21	EUR	-343.32
2. Management fee	EUR	-1,249,428.54	EUR	-950,799.13
3. Other expenses	EUR	-61,103.48	EUR	-28,234.59
Total expenses	EUR	-1,311,189.23	EUR	-979,377.04
III. Ordinary net income	EUR	16,848,945.43	EUR	9,221,733.57
IV. Disposals				
1. Realised gains	EUR	654,468.60	EUR	3,131,032.89
2. Realised losses	EUR	-5,733,114.78	EUR	-3,840,581.15
Gain/loss on disposals	EUR	-5,078,646.18	EUR	-709,548.26
V. Annual realised results	EUR	11,770,299.25	EUR	8,512,185.31
1. Net change in unrealised gains	EUR	-1,369,928.91	EUR	-8,736,111.31
2. Net change in unrealised losses	EUR	3,318,262.51	EUR	-24,810,374.61
VI. Annual unrealised results	EUR	1,948,333.60	EUR	-33,546,485.92
VII. Result for the financial year	EUR	13,718,632.85	EUR	-25,034,300.61

iShares STOXX Global Select Dividend 100 UCITS ETF (DE)

“Interim Profit and Loss Account”

for the period from 01/03/2016 to 28/02/2017

		2016/2017		2015/2016
I. Income				
1. Dividends from domestic issuers	EUR	828,861.36	EUR	730,469.63
2. Dividends from foreign issuers (before withholding tax) ³⁾	EUR	70,271,306.12	EUR	36,996,680.03
3. Interest from domestic liquidity investments	EUR	1,686.63	EUR	2,697.96
4. Income from securities lending and securities repurchase agreements	EUR	211,710.42	EUR	63,682.42
5. Deduction of foreign withholding tax	EUR	-4,867,380.87	EUR	-4,222,122.61
6. Other income	EUR	3,369,647.83	EUR	3,022,548.76
Total income	EUR	69,815,831.49	EUR	36,593,956.19
II. Expenses				
1. Interest from borrowings	EUR	-3,010.57	EUR	-1,560.86
2. Management fee	EUR	-4,987,743.84	EUR	-4,078,349.27
3. Other expenses	EUR	-166,926.65	EUR	-122,537.64
Total expenses	EUR	-5,157,681.06	EUR	-4,202,447.77
III. Ordinary net income	EUR	64,658,150.43	EUR	32,391,508.42
IV. Disposals				
1. Realised gains	EUR	58,045,168.70	EUR	72,571,520.88
2. Realised losses	EUR	-17,757,645.89	EUR	-27,125,790.64
Gain/loss on disposals	EUR	40,287,522.81	EUR	45,445,730.24
V. Annual realised results	EUR	104,945,673.24	EUR	77,837,238.66
1. Net change in unrealised gains	EUR	57,254,705.85	EUR	-87,436,261.40
2. Net change in unrealised losses	EUR	48,356,494.13	EUR	-67,946,907.66
VI. Annual unrealised results	EUR	105,611,199.98	EUR	-155,383,169.06
VII. Result for the financial year	EUR	210,556,873.22	EUR	-77,545,930.40

3) Includes dividends within the meaning of Section 19 Paragraph 1 of the German REIT Act amounting to EUR 8,096,786.81

Notes as of 28/02/2017

1. General information

The annual financial statements of iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen ("iShares DE I") were prepared according to the regulations of Section 120 of the German Investment Code ("KAGB"), taking into account the Regulation on the content, extent and presentation of the accounts of funds, investment companies and investment limited partnerships and the valuation of the assets that are part of the investment assets ("KARBV") of 16 July 2013, and the corresponding regulations under German commercial law.

The balance sheet was prepared in accordance with Section 120 para. 2 in conjunction with Section 101 para. 1 sentence 3 no. 1 KAGB.

The income statement was prepared in accordance with Section 120 para. 3 in conjunction with Section 101 para. 1 sentence 3 no. 4 KAGB. The information to be included as a supplement to the notes of the investment company under Section 120 para. 4 KAGB according to Section 101 para. 1 KAGB is provided in the annex to these notes.

As at 28/02/2017, iShares DE I consists of 21 sub-funds:

iShares I Founder Shares
iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)
iShares STOXX Europe 600 Banks UCITS ETF (DE)
iShares STOXX Europe 600 Basic Resources UCITS ETF (DE)
iShares STOXX Europe 600 Chemicals UCITS ETF (DE)
iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)
iShares STOXX Europe 600 Financial Services UCITS ETF (DE)
iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)
iShares STOXX Europe 600 Health Care UCITS ETF (DE)
iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)
iShares STOXX Europe 600 Insurance UCITS ETF (DE)
iShares STOXX Europe 600 Media UCITS ETF (DE)
iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)
iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)
iShares STOXX Europe 600 Real Estate UCITS ETF (DE)
iShares STOXX Europe 600 Retail UCITS ETF (DE)
iShares STOXX Europe 600 Technology UCITS ETF (DE)
iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)
iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE)
iShares STOXX Europe 600 Utilities UCITS ETF (DE)
iShares STOXX Global Select Dividend 100 UCITS ETF (DE)

2. Accounting and valuation principles

Valuation of the interest-bearing securities and investment fund units in the "iShares I Founder Shares" sub-fund and the equities and derivatives in the other 20 sub-funds was carried out at the last known stock exchange prices or those determined on 28/02/2017. Securities in the 20 exchange-traded sub-funds as at the reporting date were valued without exception on the basis of prices traded on the stock exchange.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions. Investment fund units are generally valued at their last determined redemption price or the last available traded price which ensures a reliable valuation. If these values are not available, investment fund units are valued at their current market value, assessed with due care using appropriate valuation models and taking into consideration the current overall market situation.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value.

Existing liabilities are reported at the amounts payable.

Securities not denominated in euros are converted at the mean spot exchange rate on the same day.

3. Notes to the balance sheet

Cash at banks includes demand deposits at the Custodian Bank.

The composition of the securities in the respective sub-funds of the Company may be found in the investment portfolio included in the information on the individual sub-funds pursuant to Section 101 Paragraph 1 sentence 3 no. 1 KAGB (see annex).

The other assets in the sub-funds include interest and dividend claims and withholding tax refund claims as well as claims from foreign exchange spot transactions and security transactions, and paid and initial variation margin payments with a residual maturity of less than 12 months.

Other liabilities include administration fees, liabilities from foreign exchange spot transactions, security transactions and variation margin payments received.

On the balance sheet date 28/02/2017, there exist 3,000 company shares (previous year: 3,000) with a value of EUR 101.24 (previous year: €102.09) per unit, which shall be held entirely by BlackRock Asset Management Deutschland AG, Munich (hereinafter referred to as "BAMDE").

In addition, as at 28/02/2017, the following investment shares existed, which are held in full in the respective sub-funds:

- iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE):
4,040,000 investment shares (previous year: 1,700,000) with a value of EUR 52.91 (previous year: EUR 45.37) per unit
- iShares STOXX Europe 600 Banks UCITS ETF (DE):
33,200,000 investment shares (previous year: 23,500,000) with a value of EUR 17.14 (previous year: EUR 14.95) per unit
- iShares STOXX Europe 600 Basic Resources UCITS ETF (DE):
8,550,000 investment shares (previous year: 6,350,000) with a value of EUR 43.04 (previous year: EUR 25.48) per unit
- iShares STOXX Europe 600 Chemicals UCITS ETF (DE):
1,350,000 investment shares (previous year: 650,000) with a value of EUR 86.37 (previous year: EUR 74.23) per unit
- iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE):
2,200,000 investment shares (previous year: 560,000) with a value of EUR 43.98 (previous year: EUR 37.19) per unit
- iShares STOXX Europe 600 Financial Services UCITS ETF (DE):
420,000 investment shares (previous year: 540,000) with a value of EUR 42.63 (previous year: EUR 38.79) per unit
- iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE):
2,875,000 investment shares (previous year: 2,600,000) with a value of EUR 62.64 (previous year: EUR 61.21) per unit
- iShares STOXX Europe 600 Health Care UCITS ETF (DE):
10,500,000 investment shares (previous year: 7,050,000) with a value of EUR 74.92 (previous year: EUR 71.83) per unit
- iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE):
1,850,000 investment shares (previous year: 1,250,000) with a value of EUR 48.71 (previous year: EUR 40.85) per unit
- iShares STOXX Europe 600 Insurance UCITS ETF (DE):
5,750,000 investment shares (previous year: 3,150,000) with a value of EUR 26.91 (previous year: EUR 24.50) per unit
- iShares STOXX Europe 600 Media UCITS ETF (DE):
420,000 investment shares (previous year: 840,000) with a value of EUR 27.46 (previous year: EUR 29.02) per unit
- iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE):
18,200,000 investment shares (previous year: 21,600,000) with a value of EUR 31.03 (previous year: EUR 26.29) per unit
- iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE):
675,000 investment shares (previous year: 750,000) with a value of EUR 82.15 (previous year: EUR 74.02) per unit
- iShares STOXX Europe 600 Real Estate UCITS ETF (DE):
5,250,000 investment shares (previous year: 5,700,000) with a value of EUR 17.13 (previous year: EUR 16.97) per unit
- iShares STOXX Europe 600 Retail UCITS ETF (DE):
420,000 investment shares (previous year: 800,000) with a value of EUR 30.12 (previous year: EUR 31.40) per unit
- iShares STOXX Europe 600 Technology UCITS ETF (DE):
1,450,000 investment shares (previous year: 1,500,000) with a value of EUR 37.99 (previous year: EUR 31.69) per unit
- iShares STOXX Europe 600 Telecommunications UCITS ETF (DE):
10,800,000 investment shares (previous year: 8,300,000) with a value of EUR 27.97 (previous year: EUR 31.12) per unit
- iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE):
1,250,000 investment shares (previous year: 2,250,000) with a value of EUR 23.14 (previous year: EUR 24.47) per unit
- iShares STOXX Europe 600 Utilities UCITS ETF (DE):
11,750,000 investment shares (previous year: 6,750,000) with a value of EUR 27.77 (previous year: EUR 28.13) per unit
- iShares STOXX Global Select Dividend 100 UCITS ETF (DE):
41,850,000 investment shares (previous year: 34,850,000) with a value of EUR 28.93 (previous year: EUR 25.01) per unit

4. Notes on the income statement

The Company's income primarily comprises dividends and interest income from the securities in the individual sub-funds, and income from withholding tax refunds and securities lending and repurchase agreements.

The expenses primarily comprise administration fees. The other expenses primarily comprise custodian fees.

The realised profits and losses are primarily the result of transactions involving securities that were carried out as a consequence of changes in indices, corporate actions and the redemption of shares.

The realised losses in iShares I Founder Shares resulted from the final maturities of the following securities: ES00000123W5 and FI4000018049.

Detailed information on the sub-funds may be found in the sub-funds' annual reports attached as annexes hereto.

5. Employees

The Company does not have any employees.

6. Members of the Management Board and of the Supervisory Board

The members of the Management Board are as follows:

Christian Staub

Chairman of the Management Board of BlackRock Asset Management Deutschland AG, Munich

Alexander Mertz

Member of the Management Board of BlackRock Asset Management Deutschland AG, Munich

Harald Klug

Member of the Management Board of BlackRock Asset Management Deutschland AG, Munich, since 01/05/2016

The supervisory board is composed as follows:

Barry O'Dwyer, Chairman

Managing Director, BlackRock, Dublin, Ireland

Thomas Fekete, Deputy Chairman, Member of the supervisory board

Managing Director, BlackRock, London, United Kingdom

Harald Mährle

Member of the Supervisory Board of BlackRock Asset Management Deutschland AG, Munich, since 16/03/2016

Managing partners, Raymond James Corporate Finance GmbH, Munich

Harald Mährle meets the requirements as an independent member of the Supervisory Board within the meaning of Section 119 KAGB i.V.m. § 18 para. 3 KAGB i.V.m. Article 101 Para. 1 AktG.

Members leaving the Supervisory Board:

Prof. Dr Markus Rudolf

Member of the Supervisory Board of BlackRock Asset Management Deutschland AG, Munich, until 16/03/2016

Pro-Rector and University Professor, WHU Otto Beisheim School of Management

Munich, 24 May 2017

iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

Management Board

Christian Staub

Alexander Mertz

Harald Klug

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁴⁾
Securities								298,302.82	98.22
Investment fund units								298,302.82	98.22
Group's own investment fund units								298,302.82	98.22
iShares eb.rexx® Government Germany 1.5-2.5yr UCITS ETF (DE)	DE0006289473		UNITS	667	187	- EUR	89.770	59,876.59	19.71
iShares eb.rexx® Money Market UCITS ETF (DE)	DE000A0Q4RZ9		UNITS	739	199	- EUR	80.694	59,632.87	19.63
iShares Euro Government Bond Capped 1.5-2.5yr UCITS ETF (DE)	DE000A0H0793		UNITS	610	610	- EUR	95.780	58,425.80	19.24
iShs VII-EGBD1-3yr U.ETF EOAcc Registered Shares o.N.	IE00B3VTMJ91		UNITS	537	537	- EUR	111.880	60,079.56	19.78
iShsIV-EO Ultrashort Bd U.ETF Registered Shares o.N.	IE00BCRY6557		UNITS	600	145	5 EUR	100.480	60,288.00	19.85
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								4,451.48	1.47
Bank accounts								4,451.48	1.47
EUR balances								4,451.48	1.47
Custodian Bank: State Street Bank International GmbH			EUR	4,451.48		%	100.000	4,451.48	1.47
Other assets								993.00	0.33
Other receivables			EUR	993.00				993.00	0.33
Other liabilities								-24.97	-0.01
Management fee			EUR	-21.00				-21.00	-0.01
Other liabilities			EUR	-3.97				-3.97	-0.00
Sub-fund assets							EUR	303,722.33	100.00
Share value							EUR	101.24	
Shares in circulation							Units	3,000	

4) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals
Securities				
Exchange-traded securities				
Bonds				
0.000% Niederlande EO-Anl. 2013(16)	NL0010364139	EUR	-	43
1.750% Finnland, Republik EO-Notes 2010(16)	FI4000018049	EUR	-	58
2.750% Europ.Fin.Stab.Facility (EFSF) EO-Medium-Term Notes 2011(16)	EU000A1G0AA6	EUR	-	30
3.300% Spanien EO-Bonos 2013(16)	ES00000123W5	EUR	-	35

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Interest from foreign securities (before withholding tax)	EUR	914.64
2. Income from investment units	EUR	2,254.26
Total income	EUR	3,168.90
II. Expenses		
1. Management fee	EUR	-273.74
2. Other expenses	EUR	-69.34
Total expenses	EUR	-343.08
III. Ordinary net income	EUR	2,825.82
IV. Disposals		
1. Realised gains	EUR	323.37
2. Realised losses	EUR	-4,105.80
Gain/loss on disposals	EUR	-3,782.43
V. Annual realised results	EUR	-956.61
1. Net change in unrealised gains	EUR	-575.40
2. Net change in unrealised losses	EUR	803.29
VI. Annual unrealised results	EUR	227.89
VII. Result for the financial year	EUR	-728.72

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		306,267.94
1. Tax deduction for the previous year	EUR		-1,816.89
2. Inflow/outflow of funds (net)	EUR		0.00
a) Inflow of funds from sale of equities	EUR	0.00	
b) Outflow of funds from redemption of equities	EUR	0.00	
3. Income adjustment/cost compensation	EUR		0.00
4. Result for the financial year	EUR		-728.72
of which unrealised gains	EUR	-575.40	
of which unrealised losses	EUR	803.29	
II. Value of sub-fund assets at end of financial year	EUR		303,722.33

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of reinvestment (total and per share)

		Total	per share
I. Available for reinvestment	EUR	3,149.19	1.05
1. Realised net income for the financial year	EUR	-956.61	-0.32
2. Transfer from sub-fund assets	EUR	4,105.80	1.37
3. Tax deduction amount made available ⁵⁾	EUR	0.00	0.00
II. Reinvestment	EUR	3,149.19	1.05

5) As explained in the notes, no tax deduction amount is made available due to the revocation of a non-assessment certificate.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	303,722.33	101.24
2015/2016	EUR	306,267.94	102.09
2014/2015	EUR	307,402.32	102.47
2013/2014	EUR	307,596.74	102.53

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	101.24
Shares in circulation	Units	3,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Investment fund units:	Latest determined redemption prices or latest available tradable prices
All other securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price. Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Investment fund units are generally valued at their last determined redemption price or the last available traded price which ensures a reliable valuation. If these values are not available, investment fund units are valued at their current market value, assessed with due care using appropriate valuation models and taking into consideration the current overall market situation.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.11%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and the terms and conditions of investment, a fixed fee of 0.09% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.4175% p.a. is due to the Custodian Bank based on the average net asset value, and 2.9997% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, the investment management company iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares I Founder Shares.

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other expenses amounting to EUR 69.34 are broken down as follows:

a) Bank custody fees:	EUR	48.27
b) Tax expenses:	EUR	0.11
b) Other expenditure:	EUR	20.96

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Article 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 9.16.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant. Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares I Founder Shares for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes on the revocation of the non-assessment certificate

The sub-fund iShares I Founder Shares is no longer exempt from capital gains tax deductions in accordance with Section 44a of the German Income Tax Act ("EStG"). The non-assessment certificate valid from 1 January 2016 was revoked on 18 July 2016 as the sub-fund only issued company shares and generates taxable income from this pursuant to Section 11 Para. 1 Sentence 4 of the German Investment Tax Act ("InvStG").

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁶⁾
Securities								213,629,781.45	99.94
Exchange-traded securities								213,629,781.45	99.94
Equities								213,629,781.45	99.94
Bayerische Motoren Werke AG Stammaktien EO 1	DE0005190003		Units	275,987	271,534	115,154 EUR	84.370	23,285,023.19	10.89
Cie Génle Éts Michelin SCpA Actions Nom. EO 2	FR0000121261		Units	156,899	154,602	67,305 EUR	106.050	16,639,138.95	7.78
Compagnie Plastic Omnium S.A. Actions Port. EO 0.06	FR0000124570		Units	57,619	56,675	24,207 EUR	31.880	1,836,893.72	0.86
Continental AG Inhaber-Aktien o.N.	DE0005439004		Units	92,968	91,479	38,801 EUR	191.500	17,803,372.00	8.33
Daimler AG Namens-Aktien o.N.	DE0007100000		Units	857,911	858,307	351,461 EUR	68.640	58,887,011.04	27.55
Faurecia S.A. Actions Port. EO 7	FR0000121147		Units	63,355	66,381	25,516 EUR	41.490	2,628,598.95	1.23
Ferrari N.V. Aandelen op naam EO 0.01	NL0011585146		Units	112,425	111,521	49,022 EUR	61.500	6,914,137.50	3.23
Fiat Chrysler Automobiles N.V. Aandelen op naam EO 0.01	NL0010877643		Units	786,165	773,401	327,852 EUR	10.330	8,121,084.45	3.80
GKN PLC Registered Shares LS 0.10	GB0030646508		Units	1,485,660	1,461,886	620,142 GBP	3.599	6,261,690.37	2.93
Nokian Renkaat Oyj Registered Shares EO 0.2	FI0009005318		Units	116,991	114,453	47,708 EUR	37.130	4,343,875.83	2.03
Peugeot S.A. Actions Port.(C.R.)EO 1	FR0000121501		Units	410,952	407,809	170,551 EUR	17.960	7,380,697.92	3.45
Porsche Automobil Holding SE Inhaber-Vorzugsaktien o.St.o.N	DE000PAH0038		Units	131,808	129,674	54,989 EUR	52.150	6,873,787.20	3.22
Renault S.A. Actions Port. EO 3.81	FR0000131906		Units	166,122	166,973	78,063 EUR	83.710	13,906,072.62	6.51
Rheinmetall AG Inhaber-Aktien o.N.	DE0007030009		Units	37,495	36,885	15,639 EUR	72.120	2,704,139.40	1.27
Schaeffler AG Inhaber-Vorzugsakt.o.St. o.N.	DE000SHA0159		Units	142,890	155,255	12,365 EUR	14.880	2,126,203.20	0.99
Valéo S.A. Actions Port. EO 1	FR0013176526		Units	205,201	281,882	76,681 EUR	58.010	11,903,710.01	5.57
Volkswagen AG Vorzugsaktien o.St. o.N.	DE0007664039		Units	157,583	155,076	65,786 EUR	139.700	22,014,345.10	10.30
Derivatives								2,115.00	0.00
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								2,115.00	0.00
Claims/liabilities									
Equity index futures contracts								2,115.00	0.00
STOXX 600 AUTO MAR 17		EURX	Number	9		EUR		2,115.00	0.00
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								152,961.32	0.07
Bank accounts								152,961.32	0.07
EUR balances								146,836.50	0.07
Custodian Bank: State Street Bank International GmbH			EUR	146,836.50		%	100.000	146,836.50	0.07
Credit in other EU/EEA currencies								6,124.82	0.00
Custodian Bank: State Street Bank International GmbH			GBP	5,230.02		%	100.000	6,124.82	0.00
Other assets								38,486.38	0.02
Withholding tax reimbursement claims			EUR	12,486.38				12,486.38	0.01
Initial margin			EUR	26,000.00				26,000.00	0.01
Other liabilities								-75,948.62	-0.04
Management fee			EUR	-72,175.18				-72,175.18	-0.03
Received variation margin			EUR	-1,890.00				-1,890.00	-0.00
Other liabilities			EUR	-1,883.44				-1,883.44	-0.00
Sub-fund assets							EUR	213,747,395.53	100.00
Share value							EUR	52.91	
Shares in circulation							Units	4,040,000	

6) Rounding of percentages during the calculation may result in slight rounding differences.

Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1.000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
RCS MediaGroup S.p.A. Azioni nom. EO 1	IT0004931496	Units	26,839	26,839	
Valéo S.A. Actions Port. EO 3	FR0000130338	Units	15,218	44,861	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

2,112

Underlying security(ies): STXE 600 Automobiles & Parts Index (Price) (EUR)

Profit and Loss Account (incl. Income Adjustment)

for the period from 01/03/16 to 28/02/17

I. Income

1. Dividends from domestic issuers	EUR	2,831,534.74
2. Dividends from foreign issuers (before withholding tax)	EUR	4,790,816.97
3. Deduction of foreign withholding tax	EUR	-21,686.53
4. Other income	EUR	58,657.80
Total income	EUR	7,659,322.98

II. Expenses

1. Interest from borrowings	EUR	-308.17
2. Management fee	EUR	-810,937.48
3. Other expenses	EUR	-30,399.68
Total expenses	EUR	-841,645.33

III. Ordinary net income

EUR 6,817,677.65

IV. Disposals

1. Realised gains	EUR	-437,364.65
2. Realised losses	EUR	-10,375,524.71
Gain/loss on disposals	EUR	-10,812,889.36

V. Annual realised results

EUR -3,995,211.71

1. Net change in unrealised gains	EUR	13,472,739.40
2. Net change in unrealised losses	EUR	14,673,509.89

VI. Annual unrealised results

EUR 28,146,249.29

VII. Result for the financial year

EUR 24,151,037.58

Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Change in sub-fund assets

				2016/2017
I. Value of sub-fund assets at beginning of the financial year				EUR 77,133,178.55
1. Distribution for the previous year		EUR		-282,000.00
2. Interim distributions		EUR		-3,425,747.62
3. Inflow/outflow of funds (net)		EUR		114,325,806.00
a) Inflow of funds from sale of equities	EUR	185,050,746.00		
b) Outflow of funds from redemption of equities	EUR	-70,724,940.00		
4. Income adjustment/cost compensation		EUR		1,845,121.02
5. Result for the financial year		EUR		24,151,037.58
of which unrealised gains	EUR	13,472,739.40		
of which unrealised losses	EUR	14,673,509.89		
II. Value of sub-fund assets at end of financial year				EUR 213,747,395.53

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution		EUR 33,876,022.60	8.39
1. Carryforward from the previous year ⁷⁾	EUR	27,495,709.60	6.81
2. Realised net income for the financial year	EUR	-3,995,211.71	-0.99
3. Transfer from sub-fund assets ⁸⁾	EUR	10,375,524.71	2.57
II. Not used for distribution		EUR -30,415,991.54	-7.53
1. Reinvested	EUR	0.00	0.00
2. Carryforward to new account	EUR	-30,415,991.54	-7.53
III. Total distribution		EUR 3,460,031.06	0.86
1. Interim distribution		EUR 3,425,747.62	0.85
2. Final year-end distribution		EUR 34,283.44	0.01

7) Difference from previous year because of income adjustment calculated on carryforwards.

8) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	213,747,395.53	52.91
2015/2016	EUR	77,133,178.55	45.37
2014/2015	EUR	90,499,438.66	61.15
2013/2014	EUR	54,814,404.34	49.83

**Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE)
for the period from 01/03/2016 to 28/02/2017**

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	248,841.00
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Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

**Market value of securities
in EUR**

Total sum in connection with third-party derivatives for collateral:	EUR	0.00
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Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	52.91
Shares in circulation	Units	4,040,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price. Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
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Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0121% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0419% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 58,657.80 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	40,906.58
b) Other income:	EUR	17,751.22

Other expenses amounting to EUR 30,399.68 are broken down as follows:

a) Bank custody fees:	EUR	24,743.67
b) Other expenditure:	EUR	5,656.01

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 3,928.73.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.49 percentage points
Annual tracking difference level	0.40 percentage points
The STOXX® Europe 600 Automobiles & Parts Index (Net Total Return Index) posted a performance of 20.14% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) recorded a performance of 20.54% during the same period.	

Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers.

The portion deferred into stock vests in equal instalments over the three years following grant. Supplementary to the annual discretionary bonus as described above, equity awards from the "Partner Plan" and "Enterprise Leadership Acceleration at BlackRock Plan" are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual's role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.'s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁹⁾	
in the reporting period										
Securities								561,590,209.16	98.71	
Exchange-traded securities								561,590,209.16	98.71	
Equities								561,590,209.16	98.71	
ABN AMRO Group N.V. Aand.op naam Dep.Rec./EO 1	NL0011540547		Units	165,941	178,307	12,366	EUR	21.600	3,584,325.60	0.63
Banco Bilbao Vizcaya Argent.Acciones Nom. EO 0.49	ES0113211835		Units	3,875,181	1,649,957	520,526	EUR	6.178	23,940,868.22	4.21
Banco BPM S.p.A. Azioni o.N.	IT0005218380		Units	892,849	900,991	8,142	EUR	2.356	2,103,552.24	0.37
Banco de Sabadell S.A. Acciones Nom.Serie A EO 0.125	ES0113860A34		Units	3,147,568	1,385,130	415,724	EUR	1.388	4,368,824.38	0.77
Banco Santander S.A. Acciones Nom. EO 0.50	ES0113900J37		Units	8,605,526	3,623,848	1,243,493	EUR	5.154	44,352,881.00	7.80
Bank of Ireland (The Gov.&Co.)Reg. Capital Stock EO 0.05	IE0030606259		Units	16,445,552	6,953,849	2,512,159	EUR	0.224	3,683,803.65	0.65
BANKIA S.A. Acciones Nominativas EO 0.8	ES0113307021		Units	2,338,769	1,008,313	459,181	EUR	0.933	2,182,071.48	0.38
Bankinter S.A. Acciones Nom. EO 0.30	ES0113679I37		Units	380,969	163,889	57,465	EUR	7.279	2,773,073.35	0.49
Barclays PLC Registered Shares LS 0.25 ¹⁰⁾	GB0031348658		Units	9,999,857	4,211,170	1,450,257	GBP	2.265	26,524,811.56	4.66
Bco Pop.Esp.SA (POPULARBAN) Acciones Nom. EO 0.50 ¹⁰⁾	ES0113790226		Units	2,239,186	1,695,352	284,562	EUR	0.837	1,874,198.68	0.33
BNP Paribas S.A. Actions Port. EO 2	FR0000131104		Units	659,963	279,035	101,262	EUR	55.130	36,383,760.19	6.40
BPER Banca S.p.A. Azioni nom. EO 3	IT0000066123		Units	284,042	120,113	43,642	EUR	4.310	1,224,221.02	0.22
Caixabank S.A. Acciones Port. EO 1	ES0140609019		Units	1,851,684	1,039,712	220,098	EUR	3.298	6,106,853.83	1.07
Cembra Money Bank AG Namens-Aktien SF 1	CH0225173167		Units	16,634	16,784	150	CHF	81.500	1,273,958.48	0.22
Commerzbank AG Inhaber-Aktien o.N.	DE000CBK1001		Units	628,426	249,025	76,455	EUR	7.201	4,525,295.63	0.80
Credit Suisse Group AG Namens-Aktien SF 0.04	CH0012138530		Units	1,166,592	709,089	232,733	CHF	15.150	16,608,583.46	2.92
Crédit Agricole S.A. Actions Port. EO 3	FR0000045072		Units	721,832	331,476	105,243	EUR	11.395	8,225,275.64	1.45
CYBG PLC Registered Shares LS 0.10 ¹⁰⁾	GB00BD6GN030		Units	520,228	566,863	46,635	GBP	2.640	1,608,377.40	0.28
Danske Bank AS Navne-Aktier DK 10	DK0010274414		Units	464,420	228,701	71,818	DKK	234.200	14,633,234.15	2.57
Deutsche Bank AG Namens-Aktien o.N.	DE0005140008		Units	813,951	344,179	125,072	EUR	18.600	15,139,488.60	2.66
DNB ASA Navne-Aksjer A NK 10	NO0010031479		Units	544,324	230,157	83,355	NOK	137.500	8,427,947.60	1.48
Erste Group Bank AG Inhaber-Aktien o.N.	AT0000652011		Units	179,066	75,834	28,011	EUR	27.460	4,917,152.36	0.86
HSBC Holdings PLC Registered Shares DL 0.50	GB0005405286		Units	11,846,200	5,013,091	1,611,987	GBP	6.465	89,688,735.49	15.76
ING Groep N.V. Aandelen op naam EO 0.01	NL0011821202		Units	2,288,704	2,453,427	164,723	EUR	13.015	29,787,482.56	5.24
Intesa Sanpaolo S.p.A. Azioni nom. EO 0.52	IT0000072618		Units	8,485,110	3,587,448	1,299,718	EUR	2.200	18,667,242.00	3.28
Julius Baer Gruppe AG Namens-Aktien SF 0.02	CH0102484968		Units	132,083	55,859	20,309	CHF	49.150	6,100,584.03	1.07
Jyske Bank A/S Navne-Aktier DK 10	DK0010307958		Units	39,604	17,716	8,863	DKK	361.300	1,925,083.32	0.34
KBC Groep N.V.Parts Sociales Port. o.N.	BE0003565737		Units	154,006	65,111	23,354	EUR	57.740	8,892,306.44	1.56
Komerční Banka AS Inhaber-Aktien KC 100	CZ0008019106		Units	44,477	42,856	4,882	CZK	917.100	1,509,590.35	0.27
Lloyds Banking Group PLC Registered Shares LS 0.10	GB0008706128		Units	38,329,211	16,133,205	5,544,164	GBP	0.687	30,823,875.23	5.42
Mediobanca - Bca Cred.Fin.SpA Azioni nom. EO 0.50	IT0000062957		Units	354,422	150,913	54,258	EUR	7.565	2,681,202.43	0.47
Natixis S.A. Actions Port. EO 11.20	FR0000120685		Units	533,163	226,347	81,717	EUR	5.151	2,746,322.61	0.48
Nordea Bank AB Namn-Aktier EO 0.40	SE0000427361		Units	1,880,941	794,959	289,490	SEK	105.800	20,794,432.80	3.65
Raiffeisen Bank Intl AG Inhaber-Aktien o.N.	AT0000606306		Units	67,943	28,694	10,401	EUR	20.960	1,424,085.28	0.25
Royal Bk of Scotld Grp PLC,The Registered Shares LS 1	GB00B7T77214		Units	1,981,028	883,403	256,565	GBP	2.378	5,516,870.31	0.97
Skandinaviska Enskilda Banken Namn-Aktier A (fria) SK 10	SE0000148884		Units	936,639	396,064	143,917	SEK	103.300	10,110,177.88	1.78
Société Générale S.A. Actions Port. EO 1.25	FR0000130809		Units	476,612	201,911	72,946	EUR	41.910	19,974,808.92	3.51
Standard Chartered PLC Registered Shares DL 0.50	GB0004082847		Units	1,632,689	706,807	243,532	GBP	7.224	13,812,475.33	2.43
Svenska Handelsbanken AB Namn-Aktier A (fria) SK 1.433	SE0007100599		Units	895,414	386,503	130,997	SEK	125.600	11,751,674.61	2.07
Swedbank AB Namn-Aktier A o.N.	SE0000242455		Units	543,252	230,301	86,590	SEK	222.900	12,653,120.39	2.22
Sydbank AS Navne-Aktier DK 10	DK0010311471		Units	42,635	18,201	7,591	DKK	242.800	1,392,699.65	0.24
UBS Group AG Namens-Aktien SF 0.10	CH0244767585		Units	2,127,291	899,417	326,304	CHF	15.470	30,925,603.46	5.44
UniCredit S.p.A. Azioni nom. o.N.	IT0005239360		Units	346,199	346,199	-	EUR	12.650	4,379,417.35	0.77
Unio.di Banche Italiane S.p.A. Azioni nom. EO 2.50	IT0003487029		Units	532,156	225,029	81,766	EUR	2.950	1,569,860.20	0.28

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Designation of class of security	ISIN	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁹⁾
Derivatives							-121,115.00	-0.02
(The amounts marked with a minus sign are sold positions)								
Equity index derivatives							-121,115.00	-0.02
Claims/liabilities								
Equity index futures contracts							-121,115.00	-0.02
STOXX 600 BANK MAR 17		EURX	Number	883		EUR	-121,115.00	-0.02
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds							3,598,142.59	0.63
Bank accounts							3,598,142.59	0.63
EUR balances							3,597,491.94	0.63
Custodian Bank: State Street Bank International GmbH		EUR	3,597,491.94		%	100.000	3,597,491.94	0.63
Credit in other EU/EEA currencies							649.85	0.00
Custodian Bank: State Street Bank International GmbH		CZK	2,346.52		%	100.000	86.84	0.00
		DKK	0.11		%	100.000	0.01	0.00
		GBP	0.40		%	100.000	0.47	0.00
		NOK	4,994.73		%	100.000	562.44	0.00
		SEK	0.88		%	100.000	0.09	0.00
Non-EU/EEA currencies							0.80	0.00
Custodian Bank: State Street Bank International GmbH		CHF	0.85		%	100.000	0.80	0.00
Other assets							4,069,515.12	0.72
Dividend claims		USD	1,313,232.90				1,235,867.73	0.22
Withholding tax reimbursement claims		EUR	663,628.61				663,628.61	0.12
Receivables from compensation payments		USD	1,174,469.10				1,105,278.78	0.19
Initial margin		EUR	930,380.00				930,380.00	0.16
Paid variation margin		EUR	134,360.00				134,360.00	0.02
Other liabilities							-205,396.33	-0.04
Management fee		EUR	-200,298.21				-200,298.21	-0.04
Other liabilities		EUR	-5,098.12				-5,098.12	-0.00
Sub-fund assets						EUR	568,931,355.54	100.00
Share value						EUR	17.14	
Shares in circulation						Units	33,200,000	

9) Rounding of percentages during the calculation may result in slight rounding differences.
10) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security			Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
				limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:						
Barclays PLC Registered Shares LS 0.25	GB0031348658	Units	27,041	0.00	71,726.77	
Bco Pop.Esp.SA (POPULARBAN) Acciones Nom. EO 0.50	ES0113790226	Units	1,500,000	0.00	1,255,500.00	
CYBG PLC Registered Shares LS 0.10	GB00BD6GN030	Units	447,949	0.00	1,384,914.01	
Total value of securities loans repayable			EUR	0.00	2,712,140.78	2,712,140.78

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
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Securities

Exchange-traded securities

Equities

Alpha Bank S.A. Namens-Aktien EO 0.30	GRS015003007	Units	133,180	750,638	
Banca Pop. di Milano S.C.a.R.L. Azioni o.N.	IT0000064482	Units	988,251	2,970,995	
Banco Bilbao Vizcaya Argent.Anrechte	ES06132119D1	Units	2,932,035	2,932,035	
Banco Bilbao Vizcaya Argent.Anrechte	ES06132119C3	Units	2,705,302	2,705,302	
Banco de Sabadell S.A. Anrechte	ES0613860966	Units	2,194,966	2,194,966	
Banco Popolare Società Cooper.Azioni nom. Nuove o.N.	IT0005002883	Units	376,072	539,584	
Banco Santander S.A. Anrechte	ES06139009O4	Units	7,162,421	7,162,421	
Bca Monte dei Paschi di Siena Azioni nom. o.N.	IT0005092165	Units	285,472	1,549,993	
Bca Pop. di Sondrio S.c.p.A.Azioni nom. EO 3	IT0000784196	Units	41,748	237,285	
Bco Pop.Esp.SA (POPULARBAN) Acciones Nom.Em.5/16 EO 0.50	ES0113790549	Units	793,546	793,546	
Bco Pop.Esp.SA (POPULARBAN) Anrechte	ES06137909C2	Units	854,595	854,595	
Caixabank S.A. Anrechte	ES06406099G7	Units	1,377,627	1,377,627	
Caixabank S.A. Anrechte	ES06406099F9	Units	1,032,070	1,032,070	
Eurobank Ergasias S.A. Namens-Aktien EO 0.30	GRS323003012	Units	212,847	1,155,608	
UniCredit S.p.A. Azioni nom. o.N.	IT0004781412	Units	1,512,974	4,086,436	

Unlisted securities

Equities

Banca Pop. di Milano S.C.a.R.L. Anrechte	IT0005220634	Units	2,472,743	2,472,743	
Banco Com.Português SA (BCP) Acq. Nom.+ Port.Reg. o.N.	PTBCP0AM0007	Units	4,877,073	23,981,047	
Banco Popolare Società Cooper.Anrechte	IT0005188302	Units	147,527	147,527	
Banco Popolare Società Cooper.Anrechte	IT0005221384	Units	466,234	466,234	
ING Groep N.V.Cert.v.Aandelen EO 0.24	NL0000303600	Units	370,744	2,039,515	
UniCredit S.p.A. Anrechte	IT0005239311	Units	346,199	346,199	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

23,623

Underlying security(ies): STXE 600 Banks Index (Price) (EUR)

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
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Unlimited	EUR	252,065
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Underlyings:

BPER Banca S.p.A. Azioni nom. EO 3 (IT0000066123), Banca Pop. di Milano S.C.a.R.L. Azioni o.N.(IT0000064482), Banco Bilbao Vizcaya Argent.Acciones Nom. EO 0.49 (ES0113211835), Banco Com.Português SA (BCP) Acç. Nom.+ Port.Reg. o.N.(PTBCP0AM0007), Banco de Sabadell S.A. Acciones Nom.Serie A EO 0.125 (ES0113860A34), Banco de Sabadell S.A. Anrechte (ES0613860966), Barclays PLC Registered Shares LS 0.25 (GB0031348658), Bco Pop.Esp.SA (POPULARBAN) Acciones Nom. EO 0.50 (ES0113790226), CYBG PLC Registered Shares LS 0.10 (GB00BD6GN030), HSBC Holdings PLC Registered Shares DL 0.50 (GB0005405286), Intesa Sanpaolo S.p.A. Azioni nom. EO 0.52 (IT0000072618), Royal Bk of Scotld Grp PLC,The Registered Shares LS 1 (GB00B7T77214), Standard Chartered PLC Registered Shares DL 0.50 (GB0004082847), Svenska Handelsbanken AB Namn-Aktier A (fria) SK 1.433 (SE0007100599), Swedbank AB Namn-Aktier A o.N.(SE0000242455), UBS Group AG Namens-Aktien SF 0.10 (CH0244767585), UniCredit S.p.A. Azioni nom. o.N.IT0005239360

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from foreign issuers (before withholding tax)	EUR	37,895,755.41
2. Interest from domestic liquidity investments	EUR	0.05
3. Income from securities lending and securities repurchase agreements	EUR	95,819.39
4. Deduction of foreign withholding tax	EUR	-1,147,374.97
5. Other income	EUR	5,889,772.49
Total income	EUR	42,733,972.37
II. Expenses		
1. Interest from borrowings	EUR	-1,461.64
2. Management fee	EUR	-2,154,248.53
3. Other expenses	EUR	-81,948.22
Total expenses	EUR	-2,237,658.39
III. Ordinary net income	EUR	40,496,313.98
IV. Disposals		
1. Realised gains	EUR	-7,120,760.72
2. Realised losses	EUR	-35,365,234.99
Gain/loss on disposals	EUR	-42,485,995.71
V. Annual realised results	EUR	-1,989,681.73
1. Net change in unrealised gains	EUR	26,583,125.06
2. Net change in unrealised losses	EUR	53,323,577.25
VI. Annual unrealised results	EUR	79,906,702.31
VII. Result for the financial year	EUR	77,917,020.58

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Change in sub-fund assets

				2016/2017	
I. Value of sub-fund assets at beginning of the financial year				EUR	351,401,687.14
				EUR	-1,530,687.00
2. Interim distributions				EUR	-18,078,765.20
3. Inflow/outflow of funds (net)				EUR	156,079,445.00
a) Inflow of funds from sale of equities	EUR	211,969,975.00			
b) Outflow of funds from redemption of equities	EUR	-55,890,530.00			
4. Income adjustment/cost compensation				EUR	3,142,655.02
5. Result for the financial year				EUR	77,917,020.58
of which unrealised gains	EUR	26,583,125.06			
of which unrealised losses	EUR	53,323,577.25			
II. Value of sub-fund assets at end of financial year				EUR	568,931,355.54

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	107,842,804.40	3.25
1. Carryforward from the previous year ¹¹⁾	EUR	74,467,251.14	2.24
2. Realised net income for the financial year	EUR	-1,989,681.73	-0.06
3. Transfer from sub-fund assets ¹²⁾	EUR	35,365,234.99	1.07
II. Not used for distribution	EUR	-86,394,471.60	-2.60
1. Reinvested	EUR	-1,054,768.27	-0.03
2. Carryforward to new account	EUR	-85,339,703.33	-2.57
III. Total distribution	EUR	21,448,332.80	0.65
1. Interim distribution	EUR	18,078,765.20	0.55
2. Final year-end distribution	EUR	3,369,567.60	0.10

11) Difference from previous year because of income adjustment calculated on carryforwards.

12) Transfer in the amount of the realised losses for the financial year.

Comparative overview of the last three financial years

Financial year	Sub-fund assets at end of financial year		Share value
2016/2017	EUR	568,931,355.54	17.14
2015/2016	EUR	351,401,687.14	14.95
2014/2015	EUR	413,547,673.58	20.83
2013/2014	EUR	363,076,468.52	20.40

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Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	7,505,058.50
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	2,712,140.78
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Counterparty to securities loans:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	2,898,323.81
of which:		
Equities		2,392,419.05
Bonds		505,904.76

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	17.14
Shares in circulation	Units	33,200,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price. Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)
Czech koruna	(CZK)	27.02048 = 1 euro (EUR)
US dollar	(USD)	1.06260 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0070% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	37,609.36
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0137% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0440% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Banks UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 5,889,772.49 is broken down as follows:

a) Compensation payments:	EUR	5,371,834.83
b) Income from withholding tax refunds/claims:	EUR	517,937.66

Other expenses amounting to EUR 81,948.22 are broken down as follows:

a) Bank custody fees:	EUR	69,077.36
b) Other expenditure:	EUR	12,870.86

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 49,425.11.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.49 percentage points
Annual tracking difference level	0.22 percentage points

The STOXX® Europe 600 Banks Index (Net Total Return Index) posted a performance of 20.06% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Banks UCITS ETF (DE) recorded a performance of 20.28% during the same period.

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant. Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE)
for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

		Securities lending
		Assets used
Absolute		EUR 2,712,140.78
In % of fund assets		0.48
		Ten largest counterparties (descending)
Name		CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions		EUR 2,712,140.78
Country of residence		United Kingdom (UK)
		Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)
		Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).
		Transactions broken down by remaining maturity (absolute amounts)
unlimited		EUR 2,712,140.78
		Type(s) and quality(ies) of collateral received
		Type(s) of collateral received
Bonds		EUR 505,904.76
Equities		EUR 2,392,419.05
		Quality(ies) of collateral received
		The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
		<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
		Currency(ies) of collateral received
		CHF, EUR
		Collateral broken down by remaining maturity (absolute amounts)
unlimited		EUR 2,898,323.81
		Income and cost shares
		Funds
Absolute income share		EUR 95,819.39
Income share as % of gross income		60.75
Absolute cost share		EUR 37,609.36

Annual Report for iShares STOXX Europe 600 Banks UCITS ETF (DE)
for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	0.51
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	Germany, Federal Republic of
Volume of collateral received (absolute)	EUR 505,904.76
Name	Julius Baer Gruppe AG
Volume of collateral received (absolute)	EUR 458,553.96
Name	Actelion Ltd.
Volume of collateral received (absolute)	EUR 445,339.96
Name	Compagnie de Saint-Gobain S.A.
Volume of collateral received (absolute)	EUR 405,720.00
Name	Accor S.A.
Volume of collateral received (absolute)	EUR 372,000.00
Name	Nestlé S.A.
Volume of collateral received (absolute)	EUR 348,156.13
Name	LVMH Moët Hennessy Louis Vuitton SE
Volume of collateral received (absolute)	EUR 254,399.00
Name	Essilor International - Compagnie Générale d'Optique S.A.
Volume of collateral received (absolute)	EUR 108,250.00

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ¹³⁾
Securities								365,830,392.66	99.40
Exchange-traded securities								365,830,392.66	99.40
Equities								365,830,392.66	99.40
Anglo American PLC Registered Shares DL 0.54945	GB00B1XZS820		Units	1,978,908	966,421	692,385	GBP 12.705	29,443,578.01	8.00
Antofagasta PLC Registered Shares LS 0.05	GB0000456144		Units	629,997	306,019	146,485	GBP 8.120	5,990,800.01	1.63
ArcelorMittal S.A. Actions Nouvelles Nominat. oN	LU0323134006		Units	3,118,391	2,530,649	637,493	EUR 8.310	25,913,829.21	7.04
BHP Billiton PLC Registered Shares DL 0.50	GB0000566504		Units	3,244,668	1,688,345	757,905	GBP 12.975	49,302,386.66	13.40
BillerudKorsnäs AB Namn-Aktier SK 12.50	SE0000862997		Units	287,397	139,616	66,832	SEK 143.300	4,303,429.16	1.17
Boliden AB Namn-Aktier SK 2	SE0000869646		Units	420,558	205,467	96,686	SEK 275.600	12,111,316.40	3.29
Centamin PLC Registered Shares o.N.	JE00B5TT1872		Units	1,871,464	2,027,231	155,767	GBP 1.748	3,831,009.39	1.04
Fresnillo PLC Registered Shares DL 0.50	GB00B2QPKJ12		Units	299,374	145,416	69,609	GBP 14.860	5,209,825.78	1.42
Glencore PLC Registered Shares DL 0.01	JE00B4T3BW64		Units	14,714,368	8,525,650	8,569,525	GBP 3.220	55,495,175.35	15.08
IMERYS S.A. Actions Port. EO 2	FR0000120859		Units	53,109	25,647	12,671	EUR 76.220	4,047,967.98	1.10
Mondi PLC Registered Shares EO 0.20	GB00B1CRLC47		Units	561,510	271,551	156,024	GBP 18.790	12,355,905.74	3.36
Norsk Hydro ASA Navne-Aksjer NK 1.098	NO0005052605		Units	2,209,409	1,073,226	513,744	NOK 47.470	11,810,193.03	3.21
Outokumpu Oyj Registered Shares Cl.A o.N.	FI0009002422		Units	499,216	506,452	7,236	EUR 9.345	4,665,173.52	1.27
Polymetal Intl PLC Registered Shares o.N.	JE00B6T5S470		Units	529,398	667,736	138,338	GBP 9.565	5,930,039.44	1.61
Randgold Resources Ltd. Registered Shares DL 0.05	GB00B01C3S32		Units	152,252	73,497	34,318	GBP 75.100	13,390,390.87	3.64
Rio Tinto PLC Registered Shares LS 0.10	GB0007188757		Units	1,950,174	942,218	469,749	GBP 32.970	75,297,857.73	20.46
Stora Enso Oyj Reg. Shares Cl.R EO 1.70	FI0009005961		Units	926,892	450,340	215,519	EUR 10.140	9,398,684.88	2.55
Tenaris S.A. Actions Nom.DL 1	LU0156801721		Units	758,428	368,404	176,352	EUR 15.530	11,778,386.84	3.20
UPM Kymmene Corp. Registered Shares o.N.	FI0009005987		Units	820,952	400,637	190,162	EUR 22.430	18,413,953.36	5.00
voestalpine AG Inhaber-Aktien o.N.	AT0000937503		Units	179,748	88,179	41,597	EUR 39.725	7,140,489.30	1.94
Derivatives								-84,037.76	-0.02
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								-84,037.76	-0.02
Claims/liabilities									
Equity index futures contracts								-84,037.76	-0.02
STOXX 600 BAS MAR 17		EURX	Number	94			EUR	-84,037.76	-0.02
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								575.33	0.00
Bank accounts								575.33	0.00
Credit in other EU/EEA currencies								574.86	0.00
Custodian Bank: State Street Bank International GmbH			SEK	5,501.48		%	100.000	574.86	0.00
Non-EU/EEA currencies								0.47	0.00
Custodian Bank: State Street Bank International GmbH			USD	0.50		%	100.000	0.47	0.00
Other assets								2,661,917.60	0.72
Dividend claims			GBP	1,961,094.97				2,296,618.91	0.62
Withholding tax reimbursement claims			EUR	45,760.93				45,760.93	0.01
Initial margin			EUR	259,000.00				259,000.00	0.07
Paid variation margin			EUR	60,537.76				60,537.76	0.02

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ¹³⁾
Liabilities arising from loans								-246,564.70	-0.07
EUR loans								-246,206.75	-0.07
			EUR	-246,206.75		%	100.000	-246,206.75	-0.07
Loans in other EU/EEA currencies								-357.95	-0.00
			NOK	-3,178.78		%	100.000	-357.95	-0.00
Other liabilities								-130,992.24	-0.04
Management fee			EUR	-127,491.73				-127,491.73	-0.03
Other liabilities			EUR	-3,500.51				-3,500.51	-0.00
Sub-fund assets							EUR	368,031,290.89	100.00
Share value							EUR	43.04	
Shares in circulation							Units	8,550,000	

13) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Unlisted securities					
Equities					
ArcelorMittal S.A. Anrechte	LU1376516610	Units	1,157,184	1,157,184	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:	7,696
Underlying security(ies): STXE 600 Basic Resources Index (Price) (EUR)	

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from foreign issuers (before withholding tax)	EUR	10,148,484.99
2. Interest from domestic liquidity investments	EUR	0.55
3. Deduction of foreign withholding tax	EUR	-149,585.44
4. Other income	EUR	331,284.54
Total income	EUR	10,330,184.64
II. Expenses		
1. Interest from borrowings	EUR	-907.10
2. Management fee	EUR	-1,183,254.28
3. Other expenses	EUR	-45,890.91
Total expenses	EUR	-1,230,052.29
III. Ordinary net income	EUR	9,100,132.35
IV. Disposals		
1. Realised gains	EUR	10,439,468.67
2. Realised losses	EUR	-10,073,048.81
Gain/loss on disposals	EUR	366,419.86
V. Annual realised results	EUR	9,466,552.21
1. Net change in unrealised gains	EUR	66,155,480.40
2. Net change in unrealised losses	EUR	51,014,224.68
VI. Annual unrealised results	EUR	117,169,705.08
VII. Result for the financial year	EUR	126,636,257.29

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		161,819,921.97
1. Distribution for the previous year	EUR		-2,107,208.60
2. Interim distributions	EUR		-2,188,853.95
3. Inflow/outflow of funds (net)	EUR		85,404,925.00
a) Inflow of funds from sale of equities	EUR	136,932,665.00	
b) Outflow of funds from redemption of equities	EUR	-51,527,740.00	
4. Income adjustment/cost compensation	EUR		-1,533,750.82
5. Result for the financial year	EUR		126,636,257.29
of which unrealised gains	EUR	66,155,480.40	
of which unrealised losses	EUR	51,014,224.68	
II. Value of sub-fund assets at end of financial year	EUR		368,031,290.89

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	52,222,128.58	6.11
1. Carryforward from the previous year ¹⁴⁾	EUR	32,682,527.56	3.82
2. Realised net income for the financial year	EUR	9,466,552.21	1.11
3. Transfer from sub-fund assets ¹⁵⁾	EUR	10,073,048.81	1.18
II. Not used for distribution	EUR	-47,483,399.58	-5.55
1. Reinvested	EUR	0.00	0.00
2. Carryforward to new account	EUR	-47,483,399.58	-5.55
III. Total distribution	EUR	4,738,729.00	0.56
1. Interim distribution	EUR	2,188,853.95	0.26
2. Final year-end distribution	EUR	2,549,875.05	0.30

14) Difference from previous year because of income adjustment calculated on carryforwards. 15) Transfer in the amount of the realised losses for the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	368,031,290.89	43.04
2015/2016	EUR	161,819,921.97	25.48
2014/2015	EUR	150,894,670.02	43.11
2013/2014	EUR	190,427,448.92	41.85

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 2,006,195.00

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR
Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	43.04
Shares in circulation	Units	8,550,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price. Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
US dollar	(USD)	1.06260 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0117% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0443% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Basic Resources UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 331,284.54 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	307,937.84
b) Other income:	EUR	23,346.70

Other expenses amounting to EUR 45,890.91 are broken down as follows:

a) Bank custody fees:	EUR	39,192.84
b) Other expenditure:	EUR	6,698.07

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 51,003.57.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV 0.44 percentage points

Annual tracking difference level -0.67 percentage points

The STOXX® Europe 600 Basic Resources Index (Net Total Return Index) posted a performance of 73.21% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) recorded a performance of 72.54% during the same period.

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant. Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares STOXX Europe 600 Basic Resources UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Chemicals UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ¹⁶⁾
Securities								116,402,527.33	99.83
Exchange-traded securities								116,402,527.33	99.83
Equities								116,402,527.33	99.83
Air Liquide-SA Ét.Expl.P.G. Cl.Actions Port. EO 5.50	FR0000120073		Units	119,381	82,816	14,063	EUR 101.900	12,164,923.90	10.43
Akzo Nobel N.V. Aandelen aan toonder EO 2	NL0000009132		Units	77,247	50,147	9,334	EUR 63.310	4,890,507.57	4.19
Arkema S.A. Actions au Porteur EO 10	FR0010313833		Units	21,697	14,087	2,617	EUR 91.500	1,985,275.50	1.70
BASF SE Namens-Aktien o.N.	DE000BASF111		Units	282,003	205,980	36,275	EUR 87.900	24,788,063.70	21.26
Bayer AG Namens-Aktien o.N.	DE000BAY0017		Units	179,870	148,294	90,100	EUR 103.800	18,670,506.00	16.01
Brenntag AG Namens-Aktien o.N.	DE000A1DAH0		Units	44,564	28,066	6,235	EUR 54.120	2,411,803.68	2.07
Clariant AG Namens-Aktien SF 3.70	CH0012142631		Units	87,808	56,459	10,708	CHF 18.770	1,548,814.21	1.33
Covestro AG Inhaber-Aktien o.N.	DE0006062144		Units	22,272	24,916	2,644	EUR 71.070	1,582,871.04	1.36
Croda International PLC Regist.Shares LS 0.10357143	GB00BYZWX769		Units	41,509	46,379	4,870	GBP 35.080	1,705,266.13	1.46
Ems-Chemie Holding AG Namens-Aktien SF 0.01	CH0016440353		Units	2,174	1,396	264	CHF 571.500	1,167,553.37	1.00
Evonik Industries AG Namens-Aktien o.N.	DE000EVNK013		Units	45,937	29,538	5,604	EUR 30.310	1,392,350.47	1.19
FUCHS PETROLUB SE Inhaber-Vorzugsakt. o.St.o.N.	DE0005790430		Units	21,352	13,731	2,606	EUR 43.710	933,295.92	0.80
Givaudan SA Namens-Aktien SF 10	CH0010645932		Units	2,440	1,568	299	CHF 1,824.000	4,182,304.28	3.59
Hexpol AB Namn-Aktier B o.N.	SE0007074281		Units	78,307	50,242	9,279	SEK 90.500	740,517.63	0.64
IMCD N.V. Aandelen op naam EO 0.16	NL0010801007		Units	16,155	17,751	1,596	EUR 44.780	723,420.90	0.62
Johnson, Matthey PLC Registered Shares LS 1.101698	GB00BZ4BQC70		Units	61,109	39,292	7,455	GBP 30.640	2,192,725.41	1.88
K+S Aktiengesellschaft Namens-Aktien o.N.	DE000KSAG888		Units	58,793	37,806	7,175	EUR 22.070	1,297,561.51	1.11
Koninklijke DSM N.V. Aandelen op naam EO 1.50	NL0000009827		Units	55,703	35,831	6,823	EUR 62.000	3,453,586.00	2.96
LANXESS AG Inhaber-Aktien o.N.	DE0005470405		Units	28,113	18,074	3,428	EUR 64.100	1,802,043.30	1.55
Linde AG Inhaber-Aktien o.N.	DE0006483001		Units	57,027	38,104	6,597	EUR 153.350	8,745,090.45	7.50
Solvay S.A. Actions au Porteur A o.N.	BE0003470755		Units	22,520	14,536	2,898	EUR 109.950	2,476,074.00	2.12
Symrise AG Inhaber-Aktien o.N.	DE000SYM9999		Units	37,478	23,996	4,600	EUR 58.710	2,200,333.38	1.89
Syngenta AG Nam.-Aktien SF 0.10	CH0011037469		Units	28,426	18,319	3,569	CHF 432.500	11,553,214.32	9.91
Umicore S.A. Actions Nom.New o.N.	BE0003884047		Units	29,244	18,804	3,560	EUR 49.715	1,453,865.46	1.25
Victrex PLC Registered Shares LS 0.01	GB0009292243		Units	26,271	16,870	3,170	GBP 19.110	587,932.68	0.50
Yara International ASA Navne-Aksjer NK 1.70	NO0010208051		Units	48,898	31,654	6,219	NOK 318.300	1,752,626.52	1.50
Derivatives								8,325.00	0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								8,325.00	0.01
Claims/liabilities									
Equity index futures contracts								8,325.00	0.01
STOXX 600 CHEM MAR 17		EURX	Number	5			EUR	8,325.00	0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								71,462.36	0.06
Bank accounts								71,462.36	0.06
EUR balances								49,730.00	0.04
Custodian Bank: State Street Bank International GmbH			EUR	49,730.00			% 100.000	49,730.00	0.04
Credit in other EU/EEA currencies								21,714.34	0.02
Custodian Bank: State Street Bank International GmbH			GBP	18,541.99			% 100.000	21,714.34	0.02
Non-EU/EEA currencies								18.02	0.00
Custodian Bank: State Street Bank International GmbH			CHF	19.18			% 100.000	18.02	0.00
Other assets								163,988.28	0.14
Withholding tax reimbursement claims			CHF	118,986.20				111,814.35	0.10
			EUR	34,943.93				34,943.93	0.03
Initial margin			EUR	17,230.00				17,230.00	0.01

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ¹⁶⁾
Liabilities arising from loans								-211.77	-0.00
Loans in other EU/EEA currencies								-211.77	-0.00
			NOK	-1,642.02		%	100.000	-184.90	-0.00
			SEK	-257.17		%	100.000	-26.87	-0.00
Other liabilities								-49,220.53	-0.04
Management fee			EUR	-40,293.58				-40,293.58	-0.03
Received variation margin			EUR	-7,875.00				-7,875.00	-0.01
Other liabilities			EUR	-1,051.95				-1,051.95	-0.00
Sub-fund assets							EUR	116,596,870.67	100.00
Share value							EUR	86.37	
Shares in circulation							Units	1,350,000	

16) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Air Liquide-SA Ét.Expl.P.G. Cl.Anrechte	FR0013201381	Units	78,803	78,803	
Croda International PLC Registered Shares LS 0.10	GB0002335270	Units	309	20,878	
Elementis PLC Registered Shares LS 0.05	GB0002418548	Units	1,575	69,653	
OCI N.V.Registered Shares EO 0.02	NL0010558797	Units	10,175	23,544	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

2,480

Underlying security(ies): STXE 600 Chemicals Index (Price) (EUR)

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
Unlimited	EUR 192
Underlyings:	
Air Liquide-SA Ét.Expl.P.G. Cl.Anrechte (FR0013201381)	

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	877,973.50
2. Dividends from foreign issuers (before withholding tax)	EUR	1,513,762.91
3. Deduction of foreign withholding tax	EUR	-100,625.70
4. Other income	EUR	40,279.77
Total income	EUR	2,331,390.48
II. Expenses		
1. Interest from borrowings	EUR	-20.67
2. Management fee	EUR	-465,297.66
3. Other expenses	EUR	-17,154.11
Total expenses	EUR	-482,472.44
III. Ordinary net income	EUR	1,848,918.04
IV. Disposals		
1. Realised gains	EUR	1,448,155.66
2. Realised losses	EUR	-790,007.05
Gain/loss on disposals	EUR	658,148.61
V. Annual realised results	EUR	2,507,066.65
1. Net change in unrealised gains	EUR	7,438,845.03
2. Net change in unrealised losses	EUR	2,956,691.20
VI. Annual unrealised results	EUR	10,395,536.23
VII. Result for the financial year	EUR	12,902,602.88

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		48,252,282.92
1. Distribution for the previous year	EUR		-192,873.85
2. Interim distributions	EUR		-1,511,609.58
3. Inflow/outflow of funds (net)	EUR		57,588,745.00
a) Inflow of funds from sale of equities	EUR	67,817,907.50	
b) Outflow of funds from redemption of equities	EUR	-10,229,162.50	
4. Income adjustment/cost compensation	EUR		-442,276.70
5. Result for the financial year	EUR		12,902,602.88
of which unrealised gains	EUR	7,438,845.03	
of which unrealised losses	EUR	2,956,691.20	
II. Value of sub-fund assets at end of financial year	EUR		116,596,870.67

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Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	18,329,515.74	13.58
1. Carryforward from the previous year ¹⁷⁾	EUR	15,032,442.04	11.14
2. Realised net income for the financial year	EUR	2,507,066.65	1.86
3. Transfer from sub-fund assets ¹⁸⁾	EUR	790,007.05	0.58
II. Not used for distribution	EUR	-16,775,637.66	-12.43
1. Reinvested	EUR	0.00	0.00
2. Carryforward to new account	EUR	-16,775,637.66	-12.43
III. Total distribution	EUR	1,553,878.08	1.15
1. Interim distribution	EUR	1,511,609.58	1.12
2. Final year-end distribution	EUR	42,268.50	0.03

17) Difference from previous year because of income adjustment calculated on carryforwards.

18) Transfer in the amount of the realised losses for the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	116,596,870.67	86.37
2015/2016	EUR	48,252,282.92	74.23
2014/2015	EUR	69,089,483.12	92.12
2013/2014	EUR	76,130,707.40	76.13

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 218,217.50

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR

Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	86.37
Shares in circulation	Units	1,350,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price. Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0170% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0410% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Chemicals UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 40,279.77 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	40,279.77
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Other expenses amounting to EUR 17,154.11 are broken down as follows:

a) Bank custody fees:	EUR	14,215.93
b) Other expenditure:	EUR	2,938.18

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 4,310.04.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.54 percentage points
Annual tracking difference level	0.15 percentage points

The STOXX® Europe 600 Chemicals Index (Net Total Return Index) posted a performance of 19.85% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Chemicals UCITS ETF (DE) recorded a performance of 20.00% during the same period.

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Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant. Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

During the year, a securities lending transaction as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 was carried out. As no information was available on the income to be received at the end of the financial year, the income and cost share relating to this transaction has not been stated.

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ¹⁹⁾	
Securities								96,224,871.25	99.45	
Exchange-traded securities								96,224,871.25	99.45	
Equities								96,224,871.25	99.45	
ACS, Act.de Constr.y Serv.SA Acciones Port. EO 0.50	ES0167050915		Units	82,182	92,000	30,965	EUR	29.625	2,434,641.75	2.52
Assa-Abloy AB Namn-Aktier B SK 0.33	SE0007100581		Units	405,449	452,476	156,438	SEK	175.600	7,439,555.42	7.69
Balfour Beatty PLC Registered Shares LS 0.50 ²⁰⁾	GB0000961622		Units	282,161	315,917	109,887	GBP	2.766	913,985.86	0.94
Bouygues S.A. Actions Port. EO 1	FR0000120503		Units	113,040	125,672	42,167	EUR	36.370	4,111,264.80	4.25
Compagnie de Saint-Gobain S.A. Actions au Porteur (C.R.)EO 4	FR0000125007		Units	212,560	238,848	81,263	EUR	45.230	9,614,088.80	9.94
CRH PLC Registered Shares EO 0.32	IE0001827041		Units	340,277	378,296	128,976	EUR	31.865	10,842,926.61	11.21
Eiffage S.A. Actions Port. EO 4	FR0000130452		Units	37,852	42,562	13,787	EUR	67.420	2,551,981.84	2.64
Ferrovial S.A. Acciones Port. EO 0.20	ES0118900010		Units	221,241	251,563	82,043	EUR	17.905	3,961,320.11	4.09
Geberit AG Nam.-Akt.(Dispost.)SF 0.10	CH0030170408		Units	15,154	17,030	6,052	CHF	434.600	6,188,964.21	6.40
HeidelbergCement AG Inhaber-Aktien o.N.	DE0006047004		Units	60,455	66,073	20,927	EUR	88.210	5,332,735.55	5.51
HOCHTIEF AG Inhaber-Aktien o.N.	DE0006070006		Units	7,441	10,015	2,574	EUR	144.000	1,071,504.00	1.11
Kingspan Group PLC Registered Shares EO 0.13	IE0004927939		Units	61,191	68,129	23,327	EUR	29.000	1,774,539.00	1.83
Kon.Boskalis Westminster N.V.Cert.v.Aandelen EO 0.01	NL0000852580		Units	34,586	38,678	13,173	EUR	34.400	1,189,758.40	1.23
LafargeHolcim Ltd. Namens-Aktien SF 2	CH0012214059		Units	196,566	222,291	74,647	CHF	57.150	10,556,637.32	10.91
Melrose Industries PLC Registered Shares LS 0.01	GB00BZ1G4322		Units	771,844	899,370	127,526	GBP	2.132	1,927,564.34	1.99
NCC AB Namn-Aktier B (fria) SK 8	SE0000117970		Units	34,320	38,213	13,042	SEK	214.700	769,955.39	0.80
NIBE Industrier AB Namn-Aktier B o.N.	SE0008321293		Units	135,273	181,022	45,749	SEK	72.600	1,026,204.65	1.06
Sika AG Inhaber-Aktien SF 0.60	CH0000587979		Units	881	978	334	CHF	5,655.000	4,681,763.64	4.84
Skanska AB Namn-Aktier B (fria) SK 3	SE0000113250		Units	152,206	170,213	59,459	SEK	215.200	3,422,632.56	3.54
VINCI S.A. Actions Port. EO 2.50	FR0000125486		Units	228,180	255,996	89,326	EUR	68.010	15,518,521.80	16.04
Wienerberger AG Inhaber-Aktien o.N.	AT0000831706		Units	48,082	64,921	16,839	EUR	18.600	894,325.20	0.92
Derivatives								23,870.00	0.02	
(The amounts marked with a minus sign are sold positions)										
Equity index derivatives								23,870.00	0.02	
Claims/liabilities										
Equity index futures contracts								23,870.00	0.02	
STOXX 600 CONS MAR 17		EURX	Number	25			EUR	23,870.00	0.02	
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								407,822.77	0.42	
Bank accounts								407,822.77	0.42	
EUR balances								407,821.78	0.42	
Custodian Bank: State Street Bank International GmbH			EUR	407,821.78			%	100.000	407,821.78	0.42
Credit in other EU/EEA currencies								0.18	0.00	
Custodian Bank: State Street Bank International GmbH			GBP	0.15			%	100.000	0.18	0.00
Non-EU/EEA currencies								0.81	0.00	
Custodian Bank: State Street Bank International GmbH			CHF	0.86			%	100.000	0.81	0.00
Other assets								158,705.00	0.16	
Withholding tax reimbursement claims			CHF	52,798.52					49,616.11	0.05
			EUR	52,408.89					52,408.89	0.05
Initial margin			EUR	56,680.00					56,680.00	0.06
Liabilities arising from loans								-7.96	-0.00	
Loans in other EU/EEA currencies								-7.96	-0.00	
			DKK	-21.20			%	100.000	-2.85	-0.00
			SEK	-48.92			%	100.000	-5.11	-0.00

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ¹⁹⁾
Other liabilities								-54,289.99	-0.06
Management fee			EUR	-32,902.46				-32,902.46	-0.03
Received variation margin			EUR	-20,495.00				-20,495.00	-0.02
Other liabilities			EUR	-892.53				-892.53	-0.00
Sub-fund assets								EUR 96,760,971.07	100.00
Share value								EUR 43.98	
Shares in circulation								Units 2,200,000	

19) Rounding of percentages during the calculation may result in slight rounding differences.
20) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security			Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
				limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:						
Balfour Beatty PLC Registered Shares LS 0.50	GB0000961622	Units	71,491	0.00	231,576.17	
Total value of securities loans repayable			EUR	0.00	231,576.17	231,576.17

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
ACS, Act.de Constr.y Serv.SA Anrechte	ES06670509A7	Units	81,432	81,432	
ACS, Act.de Constr.y Serv.SA Anrechte	ES0667050993	Units	40,565	40,565	
Bonava AB Namn-Aktier B (fria) SK 8	SE0008091581	Units	16,289	16,289	
Ferrovial S.A. Anrechte	ES0618900981	Units	179,049	179,049	
Ferrovial S.A. Anrechte	ES0618900973	Units	90,292	90,292	
FLSmidth & Co. AS Navne-Aktier B DK 20	DK0010234467	Units	3,979	8,785	
Italcementi - Fab.Riun.Cem.SpA Azioni nom. o.N.	IT0001465159	Units	62,265	62,265	
NIBE Industrier AB Anrechte B	SE0009163660	Units	71,895	71,895	
Unlisted securities					
Equities					
NIBE Industrier AB Namn-Aktier B Em.10/16 o.N.	SE0009163678	Units	10,270	10,270	
NIBE Industrier AB Namn-Aktier B o.N.	SE0000390296	Units	5,164	13,053	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

2,101

Underlying security(ies): STXE 600 Constr.& Materials Index (Price) (EUR)

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Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
Unlimited	EUR 2,212

Underlyings:

Balfour Beatty PLC Registered Shares LS 0.50 (GB0000961622), Bouygues S.A. Actions Port. EO 1 (FR0000120503), FLSmidth & Co. AS Navne-Aktier B DK 20 (DK0010234467), Geberit AG Nam.-Akt.(Dispost.)SF 0.10 (CH0030170408), LafargeHolcim Ltd. Namens-Aktien SF 2 (CH0012214059), NIBE Industrier AB Anrechte B (SE0009163660), NIBE Industrier AB Namn-Aktier B Em.10/16 o.N.(SE0009163678), NIBE Industrier AB Namn-Aktier B o.N.(SE0008321293)

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	29,758.82
2. Dividends from foreign issuers (before withholding tax)	EUR	2,874,454.76
3. Income from securities lending and securities repurchase agreements	EUR	24,062.86
4. Deduction of foreign withholding tax	EUR	-37,617.23
5. Other income	EUR	17,461.36
Total income	EUR	2,908,120.57
II. Expenses		
1. Interest from borrowings	EUR	-711.21
2. Management fee	EUR	-347,816.12
3. Other expenses	EUR	-17,391.78
Total expenses	EUR	-365,919.11
III. Ordinary net income	EUR	2,542,201.46
IV. Disposals		
1. Realised gains	EUR	2,355,162.26
2. Realised losses	EUR	-3,872,170.25
Gain/loss on disposals	EUR	-1,517,007.99
V. Annual realised results	EUR	1,025,193.47
1. Net change in unrealised gains	EUR	6,409,490.62
2. Net change in unrealised losses	EUR	1,698,507.99
VI. Annual unrealised results	EUR	8,107,998.61
VII. Result for the financial year	EUR	9,133,192.08

Change in sub-fund assets

		2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR	20,828,790.17
1. Distribution for the previous year	EUR	-210,775.24
2. Interim distributions	EUR	-1,137,728.20
3. Inflow/outflow of funds (net)	EUR	68,041,682.00
a) Inflow of funds from sale of equities	EUR	96,345,086.00
b) Outflow of funds from redemption of equities	EUR	-28,303,404.00
4. Income adjustment/cost compensation	EUR	105,810.26
5. Result for the financial year	EUR	9,133,192.08
of which unrealised gains	EUR	6,409,490.62
of which unrealised losses	EUR	1,698,507.99
II. Value of sub-fund assets at end of financial year	EUR	96,760,971.07

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Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	17,171,472.12	7.81
1. Carryforward from the previous year ²¹⁾	EUR	12,274,108.40	5.58
2. Realised net income for the financial year	EUR	1,025,193.47	0.47
3. Transfer from sub-fund assets ²²⁾	EUR	3,872,170.25	1.76
II. Not used for distribution	EUR	-15,528,287.32	-7.06
1. Reinvested	EUR	-1,014,141.66	-0.46
2. Carryforward to new account	EUR	-14,514,145.66	-6.60
III. Total distribution	EUR	1,643,184.80	0.75
1. Interim distribution	EUR	1,137,728.20	0.52
2. Final year-end distribution	EUR	505,456.60	0.23

21) Difference from previous year because of income adjustment calculated on carryforwards.

22) Transfer in the amount of the realised losses for the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	96,760,971.07	43.98
2015/2016	EUR	20,828,790.17	37.19
2014/2015	EUR	31,719,721.81	39.65
2013/2014	EUR	23,386,296.51	34.39

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Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	552,400.00
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	231,576.17
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Counterparty to securities loans:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	260,029.60
of which:		
Equities		194,911.50
Bonds		65,118.10

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	43.98
Shares in circulation	Units	2,200,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price. Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0056% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	9,023.56
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0267% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0444% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 17,461.36 is broken down as follows:

a) Compensation payments:	EUR	8,256.83
b) Income from withholding tax refunds/claims:	EUR	9,204.53

Other expenses amounting to EUR 17,391.78 are broken down as follows:

a) Bank custody fees:	EUR	12,242.63
b) Other expenditure:	EUR	5,149.15

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 14,205.23.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV 0.81 percentage points

Annual tracking difference level 0.13 percentage points

The STOXX® Europe 600 Construction & Materials Index (Net Total Return Index) posted a performance of 21.88% during the period under review.

Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE) recorded a performance of 22.01% during the same period.

Annual Report for iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above.

The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant. Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Securities lending	
Assets used	
Absolute	EUR 231,576.17
In % of fund assets	0.24
Ten largest counterparties (descending)	
Name	CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions	EUR 231,576.17
Country of residence	United Kingdom (UK)
Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)	
Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).	
Transactions broken down by remaining maturity (absolute amounts)	
unlimited	EUR 231,576.17
Type(s) and quality(ies) of collateral received	
Type(s) of collateral received	
Bonds	EUR 65,118.10
Equities	EUR 194,911.50
Quality(ies) of collateral received	
The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:	
Quality	<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK
	<ul style="list-style-type: none"> Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
Currency(ies) of collateral received	
EUR	
Collateral broken down by remaining maturity (absolute amounts)	
unlimited	EUR 260,029.60
Income and cost shares	
Funds	
Absolute income share	EUR 24,062.86
Income share as % of gross income	62.50
Absolute cost share	EUR 9,023.56

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Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	0.25
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	Germany, Federal Republic of
Volume of collateral received (absolute)	EUR 58,474.73
Name	Total S.A.
Volume of collateral received (absolute)	EUR 47,240.00
Name	E.On Se
Volume of collateral received (absolute)	EUR 38,064.00
Name	LVMH Moët Hennessy Louis Vuitton SE
Volume of collateral received (absolute)	EUR 28,477.50
Name	Kering S.A.
Volume of collateral received (absolute)	EUR 23,100.00
Name	Compagnie de Saint-Gobain S.A.
Volume of collateral received (absolute)	EUR 22,540.00
Name	Sodexo S.A.
Volume of collateral received (absolute)	EUR 20,610.00
Name	Accor S.A.
Volume of collateral received (absolute)	EUR 14,880.00
Name	France, Republic of
Volume of collateral received (absolute)	EUR 6,643.37

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ²³⁾
Securities								17,819,867.06	99.52
Exchange-traded securities								17,819,867.06	99.52
Equities								17,819,867.06	99.52
3i Group PLC Registered Shares LS 0.738636	GB00B1YW4409		Units	125,207	11,027	42,288	GBP 6.885	1,009,538.46	5.64
Aareal Bank AG Inhaber-Aktien o.N.	DE0005408116		Units	7,705	651	2,576	EUR 34.860	268,596.30	1.50
Aberdeen Asset Management PLC Registered Shares LS 0.10	GB0000031285		Units	123,920	11,349	41,866	GBP 2.765	401,260.91	2.24
Ackermans & van Haaren N.V. Actions Nom. o.N.	BE0003764785		Units	2,889	245	967	EUR 130.500	377,014.50	2.11
Azimut Holding S.p.A. Azioni nom. EUR o.N.	IT0003261697		Units	14,608	1,321	4,934	EUR 15.850	231,536.80	1.29
Bolsas y Mercados Espanoles Acciones Nominativas EO 3	ES0115056139		Units	9,528	-	3,226	EUR 29.400	280,123.20	1.56
Close Brothers Group PLC Registered Shares LS 0.25	GB0007668071		Units	19,390	1,698	6,547	GBP 15.080	342,428.15	1.91
Deutsche Börse AG z. Umtausch eing. Namens-Aktien	DE000A2AA253		Units	21,399	28,093	6,694	EUR 80.900	1,731,179.10	9.67
Euronext N.V. Aandelen an toonder WI EO 1.60	NL0006294274		Units	6,004	508	2,009	EUR 40.800	244,963.20	1.37
EXOR N.V. Aandelen aan toonder o.N.	NL0012059018		Units	14,930	14,930	-	EUR 44.730	667,818.90	3.73
Grpe Bruxelles Lambert SA(GBL) Actions au Porteur o.N.	BE0003797140		Units	10,385	914	3,508	EUR 80.010	830,903.85	4.64
Hargreaves Lansdown PLC Registered Shares DL 0.004	GB00B1VZ0M25		Units	31,686	2,788	10,705	GBP 13.350	495,380.60	2.77
Henderson Group PLC Registered Shares LS 0.125	JE00B3CM9527		Units	145,687	12,462	49,522	GBP 2.235	381,319.18	2.13
IG Group Holdings PLC Registered Shares LS 0.00005	GB00B06QFB75		Units	47,237	4,197	15,945	GBP 5.355	296,232.09	1.65
Industrivärden AB Namn-Aktier A (fria) o.N.	SE0000190126		Units	22,628	1,604	9,894	SEK 190.800	451,139.42	2.52
Intermediate Capital Grp PLC Registered Shares LS 0.2625	GB00BYT1DJ19		Units	37,806	43,345	5,539	GBP 7.100	314,347.05	1.76
Intrum Justitia AB Namn-Aktier SK 0.02	SE0000936478		Units	9,312	702	3,202	SEK 326.500	317,696.47	1.77
Investec PLC Registered Shares LS 0.0002	GB00B17BBQ50		Units	77,809	11,075	25,374	GBP 5.785	527,137.02	2.94
Investor AB Namn-Aktier B (fria) SK 6.25	SE0000107419		Units	58,628	5,160	19,809	SEK 358.000	2,193,180.34	12.25
Jupiter Fund Management PLC Registered Shares LS 0.02	GB00B53P2009		Units	59,956	6,380	20,058	GBP 4.193	294,406.79	1.64
Kinnevik AB Namn-Aktier B SK 0.10	SE0008373906		Units	30,159	34,554	4,395	SEK 244.100	769,256.11	4.30
London Stock Exchange Group PLC Reg. Shares LS 0.069186047	GB00B0SWJX34		Units	40,459	3,812	13,625	GBP 30.780	1,458,391.32	8.15
Man Group PLC Reg. Shares DL 0.03428571	GB00B83VD954		Units	218,908	19,569	74,006	GBP 1.464	375,312.49	2.10
Nex Group PLC Registered Shares LS 0.175	GB00BZ02MH16		Units	40,647	40,647	-	GBP 5.810	276,563.55	1.54
Pargesa Holding S.A. Inhaber-Aktien SF 20	CH0021783391		Units	4,880	1,011	1,410	CHF 66.250	303,813.22	1.70
Partners Group Holding AG Namens-Aktien SF 0.01	CH0024608827		Units	2,829	697	874	CHF 525.500	1,397,032.90	7.80
Provident Financial PLC Registered Shs LS 0.17868339	GB00B1Z4ST84		Units	19,005	1,771	6,410	GBP 29.200	649,891.77	3.63
Schroders PLC Registered Shares LS 1	GB0002405495		Units	14,751	1,295	4,983	GBP 30.730	530,853.07	2.96
Wendel S.A. Actions Port. EO 4	FR0000121204		Units	3,854	299	1,350	EUR 104.450	402,550.30	2.25
Derivatives								2,480.00	0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								2,480.00	0.01
Claims/liabilities									
Equity index futures contracts								2,480.00	0.01
STOXX 600 F S MAR 17		EURX	Number	4			EUR	2,480.00	0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								28,733.24	0.16
Bank accounts								28,733.24	0.16
EUR balances								28,733.24	0.16
Custodian Bank: State Street Bank International GmbH			EUR	28,733.24		%	100.000	28,733.24	0.16

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ²³⁾
Other assets								63,309.02	0.35
Dividend claims			GBP	4,416.76				5,172.42	0.03
Withholding tax reimbursement claims			CHF	29,816.18				28,019.02	0.16
			EUR	21,057.58				21,057.58	0.12
Initial margin			EUR	9,060.00				9,060.00	0.05
Liabilities arising from loans								-519.78	-0.00
Loans in other EU/EEA currencies								-483.02	-0.00
			GBP	-335.99		%	100.000	-393.47	-0.00
			SEK	-857.02		%	100.000	-89.55	-0.00
Loans in non-EU/EEA currencies								-36.76	-0.00
			CHF	-39.12		%	100.000	-36.76	-0.00
Other liabilities								-8,794.94	-0.05
Management fee			EUR	-6,184.02				-6,184.02	-0.03
Received variation margin			EUR	-2,440.00				-2,440.00	-0.01
Other liabilities			EUR	-170.92				-170.92	-0.00
Sub-fund assets							EUR	17,905,074.60	100.00
Share value							EUR	42.63	
Shares in circulation							Units	420,000	

23) Rounding of percentages during the calculation may result in slight rounding differences.

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Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Ashmore Group PLC Registered Shares LS 0.0001	GB00B132NW22	Units	-	68,237	
Deutsche Börse AG Namens-Aktien o.N.	DE0005810055	Units	1,422	32,471	
EXOR S.p.A. Azioni nom. o.N.	IT0001353140	Units	4,525	19,938	
GAM Holding AG Nam.-Aktien SF 0.05	CH0102659627	Units	2,102	28,389	
Icap PLC Registered Shares LS 0.10	GB0033872168	Units	4,990	93,835	
Intermediate Capital Grp PLC Registered Shares LS 0.233333	GB00BY5B507	Units	3,117	56,239	
Kinnevik AB Namn-Aktier B SK 0.10	SE0000164626	Units	739	38,609	
TP ICAP PLC Registered Shares LS 0.25	GB00B1H0DZ51	Units	32,970	32,970	
Unlisted securities					
Equities					
EXOR S.p.A. Anrechte (technisch)	IT0005217408	Units	16,463	16,463	
Kinnevik AB Reg.Redempt.Shs.B SK 0.10	SE0008373922	Units	32,811	32,811	
Nex Group PLC Registered Shares LS 0.10	GB00BDBBJQ12	Units	70,606	70,606	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

1,473

Underlying security(ies): STXE 600 Financial Services Index (Price) (EUR)

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	76,140.00
2. Dividends from foreign issuers (before withholding tax)	EUR	1,099,472.63
3. Deduction of foreign withholding tax	EUR	-32,858.25
4. Other income	EUR	17,715.82
Total income	EUR	1,160,470.20
II. Expenses		
1. Interest from borrowings	EUR	-10.71
2. Management fee	EUR	-76,005.93
3. Other expenses	EUR	-2,786.03
Total expenses	EUR	-78,802.67
III. Ordinary net income	EUR	1,081,667.53
IV. Disposals		
1. Realised gains	EUR	762,737.78
2. Realised losses	EUR	-365,622.27
Gain/loss on disposals	EUR	397,115.51
V. Annual realised results	EUR	1,478,783.04
1. Net change in unrealised gains	EUR	531,350.68
2. Net change in unrealised losses	EUR	254,897.93
VI. Annual unrealised results	EUR	786,248.61
VII. Result for the financial year	EUR	2,265,031.65

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		20,949,099.63
1. Distribution for the previous year	EUR		-95,271.98
2. Interim distributions	EUR		-645,485.46
3. Inflow/outflow of funds (net)	EUR		-4,688,562.00
a) Inflow of funds from sale of equities	EUR	777,996.00	
b) Outflow of funds from redemption of equities	EUR	-5,466,558.00	
4. Income adjustment/cost compensation	EUR		120,262.76
5. Result for the financial year	EUR		2,265,031.65
of which unrealised gains	EUR	531,350.68	
of which unrealised losses	EUR	254,897.93	
II. Value of sub-fund assets at end of financial year	EUR		17,905,074.60

Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	4,288,466.92	10.21
1. Carryforward from the previous year ²⁴⁾	EUR	2,444,061.61	5.82
2. Realised net income for the financial year	EUR	1,478,783.04	3.52
3. Transfer from sub-fund assets ²⁵⁾	EUR	365,622.27	0.87
II. Not used for distribution	EUR	-3,430,889.44	-8.17
1. Reinvested	EUR	-745,128.25	-1.78
2. Carryforward to new account	EUR	-2,685,761.19	-6.39
III. Total distribution	EUR	857,577.48	2.04
1. Interim distribution	EUR	645,485.46	1.54
2. Final year-end distribution	EUR	212,092.02	0.50

²⁴⁾ Difference from previous year because of income adjustment calculated on carryforwards.

²⁵⁾ Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	17,905,074.60	42.63
2015/2016	EUR	20,949,099.63	38.79
2014/2015	EUR	38,306,922.49	44.54
2013/2014	EUR	23,143,152.77	35.07

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 86,864.00

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR
Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	42.63
Shares in circulation	Units	420,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0597% p.a. is due to the Custodian Bank based on the average net asset value, and 0.1053% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Financial Services UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 17,715.82 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	17,715.82
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Other expenses amounting to EUR 2,786.03 are broken down as follows:

a) Bank custody fees:	EUR	2,270.94
b) Other expenditure:	EUR	515.09

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 4,140.60. Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.70 percentage points
Annual tracking difference level	0.11 percentage points

The STOXX® Europe 600 Financial Services Index (Net Total Return Index) posted a performance of 14.43% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX 600 Financial Services UCITS ETF (DE) recorded a performance of 14.54% during the same period.

Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares STOXX Europe 600 Financial Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ²⁶⁾
Securities								178,628,831.29	99.19
Exchange-traded securities								178,628,831.29	99.19
Equities								178,628,831.29	99.19
Anheuser-Busch InBev S.A./N.V. Actions au Port. o.N.	BE0974293251		Units	255,755	272,670	16,915	EUR 103.250	26,406,703.75	14.66
Aryzta AG Namens-Aktien SF 0.02 ²⁷⁾	CH0043238366		Units	40,824	12,740	1,761	CHF 32.480	1,246,041.60	0.69
Associated British Foods PLC Registered Shares LS 0.0568	GB0006731235		Units	160,129	49,969	6,914	GBP 26.190	4,911,292.51	2.73
Barry Callebaut AG Namensaktien SF 18.60	CH0009002962		Units	1,013	317	45	CHF 1,299.000	1,236,572.44	0.69
Britvic PLC Registered Shares LS 0.20	GB00B0N8QD54		Units	117,035	36,673	4,531	GBP 6.315	865,524.63	0.48
Carlsberg AS Navne-Aktier B DK 20	DK0010181759		Units	47,131	14,423	1,750	DKK 616.500	3,909,149.25	2.17
Chocoladef. Lindt & Sprüngli vink.Namens-Aktien SF 100	CH0010570759		Units	48	14	1	CHF 65,095.000	2,936,228.40	1.63
Coca-Cola HBC AG Nam.-Aktien SF 6.70	CH0198251305		Units	86,164	26,690	4,116	GBP 19.450	1,962,617.96	1.09
Danone S.A. Actions Port.(C.R) EO 0.25	FR0000120644		Units	271,808	85,091	11,714	EUR 62.560	17,004,308.48	9.44
Davide Campari-Milano S.p.A. Azioni nom. EO 0.10	IT0003849244		Units	98,881	30,377	3,547	EUR 9.550	944,313.55	0.52
Diageo PLC Reg. Shares LS 0.28935185	GB0002374006		Units	1,032,878	263,158	47,604	GBP 22.680	27,433,573.88	15.23
Glanbia PLC Registered Shares EO 0.06	IE0000669501		Units	83,704	26,093	3,507	EUR 18.480	1,546,849.92	0.86
Heineken Holding N.V. Aandelen aan toonder EO 1.60	NL0000008977		Units	42,711	13,328	1,845	EUR 71.690	3,061,951.59	1.70
Heineken N.V. Aandelen aan toonder EO 1.60	NL0000009165		Units	95,940	29,938	4,142	EUR 77.900	7,473,726.00	4.15
Kerry Group PLC Registered Shares A EO 0.125	IE0004906560		Units	67,568	21,122	2,911	EUR 72.500	4,898,680.00	2.72
Marine Harvest ASA Navne-Aksjer NK 7.50	NO0003054108		Units	167,168	62,992	6,833	NOK 146.600	2,759,616.69	1.53
Nestlé S.A. Namens-Aktien SF 0.10	CH0038863350		Units	778,908	182,446	135,773	CHF 74.250	54,348,002.78	30.18
Orkla ASA Navne-Aksjer NK 1.25	NO0003733800		Units	367,116	131,738	14,868	NOK 73.750	3,048,786.29	1.69
Pernod-Ricard S.A. Actions Port.(C.R.) o.N.	FR0000120693		Units	92,691	28,926	3,999	EUR 107.900	10,001,358.90	5.55
Tate & Lyle PLC Registered Shares LS 0.25	GB0008754136		Units	208,471	64,995	8,738	GBP 7.440	1,816,389.14	1.01
Viscofan S.A. Acciones Port. EO 0.70	ES0184262212		Units	16,533	4,337	1,925	EUR 49.425	817,143.53	0.45
Derivatives								59,415.00	0.03
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								59,415.00	0.03
Claims/liabilities									
Equity index futures contracts								59,415.00	0.03
STOXX 600 FOOD MAR 17		EURX	Number	45			EUR	59,415.00	0.03
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								106,510.17	0.06
Bank accounts								106,510.17	0.06
EUR balances								106,476.73	0.06
Custodian Bank: State Street Bank International GmbH			EUR	106,476.73		%	100.000	106,476.73	0.06
Credit in other EU/EEA currencies								33.44	0.00
Custodian Bank: State Street Bank International GmbH			DKK	248.52		%	100.000	33.44	0.00
Other assets								1,405,462.12	0.78
Dividend claims			CHF	15,701.50				14,755.10	0.01
			GBP	240,507.60				281,656.07	0.16
			NOK	468,070.40				52,707.55	0.03
Withholding tax reimbursement claims			CHF	791,039.18				743,359.61	0.41
			EUR	222,893.79				222,893.79	0.12
Initial margin			EUR	90,090.00				90,090.00	0.05

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ²⁶⁾
Liabilities arising from loans								-54.80	-0.00
Loans in other EU/EEA currencies								-54.80	-0.00
		NOK		-486.64		%	100.000	-54.80	-0.00
Other liabilities								-117,959.43	-0.07
Management fee			EUR	-58,766.19				-58,766.19	-0.03
Received variation margin			EUR	-57,390.00				-57,390.00	-0.03
Other liabilities			EUR	-1,803.24				-1,803.24	-0.00
Sub-fund assets							EUR	180,082,204.35	100.00
Share value							EUR	62.64	
Shares in circulation							Units	2,875,000	

26) Rounding of percentages during the calculation may result in slight rounding differences.
27) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security				Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
					limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:							
Aryzta AG Namens-Aktien SF 0.02	CH0043238366	Units		35,000	0.00	1,068,279.84	
Total value of securities loans repayable				EUR	0.00	1,068,279.84	
						1,068,279.84	

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities				
Exchange-traded securities				
Equities				
SABMiller PLC Registered Shares DL 0.10	GB0004835483	Units	22,298	346,820
Unlisted securities				
Equities				
Anheuser-Busch InBev S.A./N.V. Actions au Port. o.N.	BE0003793107	Units	54,837	269,973

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

6,867

Underlying security(ies): STXE 600 Food & Beverage Index (Price) (EUR)

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from foreign issuers (before withholding tax)	EUR	4,746,363.98
2. Interest from domestic liquidity investments	EUR	1.17
3. Deduction of foreign withholding tax	EUR	-795,062.01
4. Other income	EUR	404,768.46
Total income	EUR	4,356,071.60
II. Expenses		
1. Interest from borrowings	EUR	-7,072.30
2. Management fee	EUR	-794,427.32
3. Other expenses	EUR	-29,581.22
Total expenses	EUR	-831,080.84
III. Ordinary net income	EUR	3,524,990.76
IV. Disposals		
1. Realised gains	EUR	4,102,908.44
2. Realised losses	EUR	-822,611.84
Gain/loss on disposals	EUR	3,280,296.60
V. Annual realised results	EUR	6,805,287.36
1. Net change in unrealised gains	EUR	3,020,487.92
2. Net change in unrealised losses	EUR	-1,450,034.37
VI. Annual unrealised results	EUR	1,570,453.55
VII. Result for the financial year	EUR	8,375,740.91

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		159,147,614.95
1. Distribution for the previous year	EUR		-513,617.50
2. Interim distributions	EUR		-3,418,865.35
3. Inflow/outflow of funds (net)	EUR		16,879,865.00
a) Inflow of funds from sale of equities	EUR	23,022,055.00	
b) Outflow of funds from redemption of equities	EUR	-6,142,190.00	
4. Income adjustment/cost compensation	EUR		-388,533.66
5. Result for the financial year	EUR		8,375,740.91
of which unrealised gains	EUR	3,020,487.92	
of which unrealised losses	EUR	-1,450,034.37	
II. Value of sub-fund assets at end of financial year	EUR		180,082,204.35

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	34,024,979.58	11.83
1. Carryforward from the previous year ²⁸⁾	EUR	26,397,080.38	9.18
2. Realised net income for the financial year	EUR	6,805,287.36	2.37
3. Transfer from sub-fund assets ²⁹⁾	EUR	822,611.84	0.28
II. Not used for distribution	EUR	-30,141,666.60	-10.48
1. Reinvested	EUR	-3,129,335.95	-1.08
2. Carryforward to new account	EUR	-27,012,330.65	-9.40
III. Total distribution	EUR	3,883,312.98	1.35
1. Interim distribution	EUR	3,418,865.35	1.19
2. Final year-end distribution	EUR	464,447.63	0.16

28) Difference from previous year because of income adjustment calculated on carryforwards.

29) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	180,082,204.35	62.64
2015/2016	EUR	159,147,614.95	61.21
2014/2015	EUR	130,920,986.93	63.86
2013/2014	EUR	99,339,707.57	49.67

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	1,420,065.00
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	1,068,279.84
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Counterparty to securities loans:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	1,167,576.94
of which:		
Bonds		1,167,576.94

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	62.64
Shares in circulation	Units	2,875,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE, for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0123% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0488% p.a. is due to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 404,768.46 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	404,768.46
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Other expenses amounting to EUR 29,581.22 are broken down as follows:

a) Bank custody fees:	EUR	25,798.84
b) Other expenditure:	EUR	3,782.38

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 64,237.29.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.98 percentage points
Annual tracking difference level	-0.17 percentage points

The STOXX® Europe 600 Food & Beverage Index (Net Total Return Index) posted a performance of 5.00% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX 600 Food & Beverage UCITS ETF (DE) recorded a performance of 4.83% during the same period.

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the "Partner Plan" and "Enterprise Leadership Acceleration at BlackRock Plan" are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual's role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.'s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

		Securities lending
		Assets used
Absolute		EUR 1,068,279.84
In % of fund assets		0.59
		Ten largest counterparties (descending)
Name		CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions		EUR 1,068,279.84
Country of residence		United Kingdom (UK)
		Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)
		Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).
		Transactions broken down by remaining maturity (absolute amounts)
unlimited		EUR 1,068,279.84
		Type(s) and quality(ies) of collateral received
		Type(s) of collateral received
Bonds		EUR 1,167,576.94
		Quality(ies) of collateral received
		The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
		<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
Quality		
		Currency(ies) of collateral received
		EUR
		Collateral broken down by remaining maturity (absolute amounts)
unlimited		EUR 1,167,576.94

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

		Loaned securities as % of all loanable fund assets
		0.63
		Ten largest collateral issuers based on all security financing transactions and total return swaps
Name		France, Republic of
Volume of collateral received (absolute)		EUR 1,167,576.94

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁰⁾
Securities								778,787,012.12	98.99
Exchange-traded securities								778,787,012.12	98.99
Equities								661,535,326.17	84.09
Actelion Ltd. Nam.-Aktien SF 0.50	CH0010532478		Units	86,858	36,640	10,093	CHF 270.300	22,062,607.42	2.80
AstraZeneca PLC Registered Shares DL 0.25	GB0009895292		Units	1,019,781	403,305	101,171	GBP 46.440	55,461,222.52	7.05
BB Biotech AG Namens-Aktien SF 0.20	CH0038389992		Units	44,656	44,619	6,333	CHF 58.750	2,465,407.18	0.31
BTG PLC Registered Shares LS 0.10 ³¹⁾	GB0001001592		Units	274,812	108,719	51,282	GBP 5.765	1,855,347.72	0.24
Christian Hansen Holding AS Navne-Aktier DK 10	DK0060227585		Units	79,715	31,228	7,173	DKK 418.800	4,491,477.62	0.57
Coloplast AS Navne-Aktier B DK 1	DK0060448595		Units	93,738	38,336	13,019	DKK 494.700	6,238,786.31	0.79
Elektro AB Namn-Aktier B SK 2	SE0000163628		Units	297,149	117,578	29,721	SEK 85.750	2,662,530.80	0.34
Essilor Intl -Cie Génle Opt. SA Actions Port. EO 0.18	FR0000121667		Units	175,833	69,585	16,496	EUR 108.150	19,016,338.95	2.42
Eurofins Scientific S.E. Actions Port. EO 0.1	FR0000038259		Units	7,813	3,550	650	EUR 403.300	3,150,982.90	0.40
Fresenius Medical Care KGaA Inhaber-Aktien o.N.	DE0005785802		Units	171,499	67,661	19,964	EUR 78.550	13,471,246.45	1.71
Fresenius SE & Co. KGaA Inhaber-Aktien o.N.	DE0005785604		Units	324,311	128,536	31,539	EUR 75.020	24,329,811.22	3.09
Galapagos N.V. Actions Nom. o.N.	BE0003818359		Units	31,777	32,081	304	EUR 66.640	2,117,619.28	0.27
GENMAB AS Navne Aktier DK 1	DK0010272202		Units	48,667	21,415	3,347	DKK 1,390.000	9,101,058.23	1.16
Gerresheimer AG Inhaber-Aktien o.N.	DE000A0LD6E6		Units	25,324	10,034	2,540	EUR 74.010	1,874,229.24	0.24
Getinge AB Namn-Aktier B (fria) SK 2	SE0000202624		Units	157,388	62,271	15,730	SEK 153.200	2,519,513.09	0.32
GlaxoSmithKline PLC Registered Shares LS 0.25	GB0009252882		Units	3,930,377	1,554,474	387,673	GBP 16.480	75,854,566.07	9.64
GN Store Nord AS Navne-Aktier DK 1	DK0010272632		Units	116,802	50,091	20,395	DKK 159.900	2,512,703.59	0.32
Grifols S.A. Acciones Port. Class A EO 0.25	ES0171996087		Units	237,747	93,941	24,050	EUR 20.645	4,908,286.82	0.62
H. Lundbeck A/S Navne-Aktier DK 5	DK0010287234		Units	48,511	49,071	560	DKK 286.400	1,869,199.94	0.24
Hikma Pharmaceuticals PLC Registered Shares LS 0.10 ³¹⁾	GB00B0LCW083		Units	102,300	41,354	19,249	GBP 21.500	2,575,754.13	0.33
Indivior PLC Registered Shares DL 0.10	GB00BRS65X63		Units	580,925	620,492	447,607	GBP 3.497	2,379,063.38	0.30
Ipsen S.A. Actions au Porteur EO 1	FR0010259150		Units	29,066	31,646	2,580	EUR 83.850	2,437,184.10	0.31
Lonza Group AG Namens-Aktien SF 1	CH0013841017		Units	42,649	16,854	4,255	CHF 185.000	7,414,494.50	0.94
Mediclinic International PLC Registered Shares LS 0.10	GB00B8HX8Z88		Units	281,731	334,063	52,332	GBP 7.415	2,446,448.65	0.31
Merck KGaA Inhaber-Aktien o.N.	DE0006599905		Units	104,196	41,210	10,406	EUR 103.150	10,747,817.40	1.37
Novartis AG Namens-Aktien SF 0.50	CH0012005267		Units	2,117,871	885,904	211,982	CHF 78.400	156,033,026.65	19.83
Novo-Nordisk AS Navne-Aktier B DK 0.20	DK0060534915		Units	1,491,195	594,970	181,988	DKK 249.200	49,994,818.23	6.35
Novozymes A/S Navne-Aktier B DK 2	DK0060336014		Units	171,437	70,220	16,482	DKK 269.900	6,225,152.00	0.79
Orion Corp. Registered Shares Cl. B o.N.	FI0009014377		Units	82,868	32,814	7,990	EUR 46.540	3,856,676.72	0.49
Orpea Actions Port. EO 1.25	FR0000184798		Units	32,472	12,937	3,237	EUR 81.940	2,660,755.68	0.34
Qiagen N.V. Aandelen op naam EO 0.01	NL0012169213		Units	187,869	187,869	-	EUR 26.900	5,053,676.10	0.64
Recordati - Ind.Chim.Farm. SpA Azioni nom. EO 0.125	IT0003828271		Units	82,150	32,494	8,209	EUR 29.970	2,462,035.50	0.31
Sanofi S.A. Actions Port. EO 2	FR0000120578		Units	946,356	374,969	103,476	EUR 81.330	76,967,133.48	9.78
Shire PLC Registered Shares LS 0.05	JE00B2QKY057		Units	734,374	445,299	51,946	GBP 48.540	41,745,279.75	5.31
Smith & Nephew PLC Registered Shares DL 0.20	GB0009223206		Units	737,141	291,186	73,971	GBP 12.110	10,454,060.81	1.33
Sonova Holding AG Namens-Aktien SF 0.05	CH0012549785		Units	44,148	17,746	5,352	CHF 131.900	5,472,134.91	0.70
STADA Arzneimittel AG vink.Namens-Aktien o.N.	DE0007251803		Units	50,279	19,907	5,029	EUR 57.150	2,873,444.85	0.37
Straumann Holding AG Namens-Aktien SF 0.10	CH0012280076		Units	9,076	4,694	702	CHF 425.500	3,629,067.27	0.46
Swedish Orphan Biovitrum AB Namn-Aktier SK 1	SE0000872095		Units	131,669	52,117	13,184	SEK 122.500	1,685,411.15	0.21
UCB S.A. Actions Nom. o.N.	BE0003739530		Units	99,945	40,221	13,038	EUR 67.210	6,717,303.45	0.85
William Demant Hldg AS Navne Aktier A DK 0.2	DK0060738599		Units	90,087	101,180	11,093	DKK 143.700	1,741,652.11	0.22
Other investment securities								117,251,685.95	14.90
Roche Holding AG Inhaber-Genußscheine o.N.	CH0012032048		Units	509,899	227,099	43,728	CHF 244.700	117,251,685.95	14.90

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁰⁾
Derivatives								460,457.64	0.06
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								460,457.64	0.06
Claims/liabilities								460,457.64	0.06
Equity index futures contracts								460,457.64	0.06
STXE 600 HLTH MAR 17		EURX	Number	218			EUR	460,457.64	0.06
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								1,607,282.64	0.20
Bank accounts								1,607,282.64	0.20
EUR balances								1,539,935.88	0.20
Custodian Bank: State Street Bank International GmbH			EUR	1,539,935.88		%	100.000	1,539,935.88	0.20
Credit in other EU/EEA currencies								67,346.76	0.01
Custodian Bank: State Street Bank International GmbH			DKK	500,576.05		%	100.000	67,346.12	0.01
			GBP	0.55		%	100.000	0.64	0.00
Other assets								6,561,551.76	0.83
Dividend claims			GBP	2,435,697.77				2,852,421.56	0.36
Withholding tax reimbursement claims			CHF	3,241,729.76				3,046,335.80	0.39
			EUR	184,314.40				184,314.40	0.02
Initial margin			EUR	478,480.00				478,480.00	0.06
Liabilities arising from loans								-4,248.32	-0.00
Loans in other EU/EEA currencies								-113.17	-0.00
			SEK	-1,083.08		%	100.000	-113.17	-0.00
Loans in non-EU/EEA currencies								-4,135.15	-0.00
			CHF	-4,400.38		%	100.000	-4,135.15	-0.00
Other liabilities								-702,431.41	-0.09
Management fee			EUR	-264,088.10				-264,088.10	-0.03
Received variation margin			EUR	-431,027.64				-431,027.64	-0.05
Other liabilities			EUR	-7,315.67				-7,315.67	-0.00
Sub-fund assets							EUR	786,709,624.43	100.00
Share value							EUR	74.92	
Shares in circulation							Units	10,500,000	

30) Rounding of percentages during the calculation may result in slight rounding differences.
31) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security				Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
					limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:							
BTG PLC Registered Shares LS 0.10		GB0001001592	Units	123,593	0.00	834,417.68	
Hikma Pharmaceuticals PLC Registered Shares LS 0.10		GB00B0LCW083	Units	50,611	0.00	1,274,305.89	
Total value of securities loans repayable				EUR	0.00	2,108,723.57	
						2,108,723.57	

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
MorphoSys AG Inhaber-Aktien o.N.	DE0006632003	Units	120	15,156	
William Demant Hldg AS Navne Aktier A DK 1	DK0010268440	Units	687	14,284	
Unlisted securities					
Equities					
Meda AB Namn-Aktier A SK 1	SE0000221723	Units	21,665	167,495	
Qiagen N.V. Aandelen op naam EO 0.01	NL0000240000	Units	76,457	212,572	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:	29,048
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Underlying security(ies): STXE 600 Health Care Index (Price) (EUR)

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
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Unlimited	EUR	18,088
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Underlyings:

Actelion Ltd. Nam.-Aktien SF 0.50 (CH0010532478), BB Biotech AG Namens-Aktien SF 0.20 (CH0038389992), BTG PLC Registered Shares LS 0.10 (GB0001001592), Elekta AB Namn-Aktier B SK 2 (SE0000163628), Hikma Pharmaceuticals PLC Registered Shares LS 0.10 (GB00B0LCW083), Indivior PLC Registered Shares DL 0.10 (GB00BRS65X63), Ipsen S.A. Actions au Porteur EO 1 (FR0010259150), Mediclinic International PLC Registered Shares LS 0.10 (GB00B8HX8Z88), Orpea Actions Port. EO 1.25 (FR0000184798), Sonova Holding AG Namens-Aktien SF 0.05 (CH0012549785)

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	511,567.72
2. Dividends from foreign issuers (before withholding tax)	EUR	15,257,326.17
3. Interest from domestic liquidity investments	EUR	1.67
4. Income from securities lending and securities repurchase agreements	EUR	16,186.03
5. Deduction of foreign withholding tax	EUR	-1,576,490.60
6. Other income	EUR	594,940.52
Total income	EUR	14,803,531.51
II. Expenses		
1. Interest from borrowings	EUR	-1,257.33
2. Management fee	EUR	-3,275,404.90
3. Other expenses	EUR	-120,589.76
Total expenses	EUR	-3,397,251.99
III. Ordinary net income	EUR	11,406,279.52
IV. Disposals		
1. Realised gains	EUR	15,826,291.91
2. Realised losses	EUR	-3,031,087.22
Gain/loss on disposals	EUR	12,795,204.69
V. Annual realised results	EUR	24,201,484.21
1. Net change in unrealised gains	EUR	33,895,212.13
2. Net change in unrealised losses	EUR	1,946,468.54
VI. Annual unrealised results	EUR	35,841,680.67
VII. Result for the financial year	EUR	60,043,164.88

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		506,393,294.94
1. Distribution for the previous year	EUR		-6,737,304.00
2. Interim distributions	EUR		-9,278,731.45
3. Inflow/outflow of funds (net)	EUR		241,384,272.50
a) Inflow of funds from sale of equities	EUR	292,978,582.50	
b) Outflow of funds from redemption of equities	EUR	-51,594,310.00	
4. Income adjustment/cost compensation	EUR		-5,095,072.44
5. Result for the financial year	EUR		60,043,164.88
of which unrealised gains	EUR	33,895,212.13	
of which unrealised losses	EUR	1,946,468.54	
II. Value of sub-fund assets at end of financial year	EUR		786,709,624.43

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	140,362,988.31	13.36
1. Carryforward from the previous year ³²⁾	EUR	113,130,416.88	10.77
2. Realised net income for the financial year	EUR	24,201,484.21	2.30
3. Transfer from sub-fund assets ³³⁾	EUR	3,031,087.22	0.29
II. Not used for distribution	EUR	-127,919,808.86	-12.18
1. Reinvested	EUR	-9,913,365.20	-0.94
2. Carryforward to new account	EUR	-118,006,443.66	-11.24
III. Total distribution	EUR	12,443,179.45	1.18
1. Interim distribution	EUR	9,278,731.45	0.88
2. Final year-end distribution	EUR	3,164,448.00	0.30

32) Difference from previous year because of income adjustment calculated on carryforwards.

33) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	786,709,624.43	74.92
2015/2016	EUR	506,393,294.94	71.83
2014/2015	EUR	580,540,158.75	80.63
2013/2014	EUR	220,181,263.58	63.82

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	8,198,108.00
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	2,108,723.57
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Counterparty to securities loans:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	2,296,887.46
of which:		
Equities		1,491,231.37
Bonds		805,656.09

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	74.92
Shares in circulation	Units	10,500,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0008% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	6,069.73
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0094% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0394% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the depositary or to third parties for the sub-fund iShares STOXX Europe 600 Health Care UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 594,940.52 is broken down as follows:

a) Compensation payments:	EUR	354.52
b) Income from withholding tax refunds/claims:	EUR	594,586.00

Other expenses amounting to EUR 120,589.76 are broken down as follows:

a) Bank custody fees:	EUR	100,816.28
b) Other expenditure:	EUR	19,773.48

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 48,494.53.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.58 percentage points
Annual tracking difference level	-0.26 percentage points

The STOXX® Europe 600 Health Care Index (Net Total Return Index) posted a performance of 7.58% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Health Care UCITS ETF (DE) recorded a performance of 7.32% during the same period.

Annual Report for iShares STOXX Europe 600 Health Care UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

		Securities lending
		Assets used
Absolute		EUR 2,108,723.57
In % of fund assets		0.27
		Ten largest counterparties (descending)
Name		CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions		EUR 2,108,723.57
Country of residence		United Kingdom (UK)
		Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)
		Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).
		Transactions broken down by remaining maturity (absolute amounts)
unlimited		EUR 2,108,723.57
		Type(s) and quality(ies) of collateral received
		Type(s) of collateral received
Bonds		EUR 805,656.09
Equities		EUR 1,491,231.37
		Quality(ies) of collateral received
		The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
		<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
		Currency(ies) of collateral received
		CHF, EUR
		Collateral broken down by remaining maturity (absolute amounts)
unlimited		EUR 2,296,887.46
		Income and cost shares
		Funds
Absolute income share		EUR 16,186.03
Income share as % of gross income		62.50
Absolute cost share		EUR 6,069.73

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Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	0.29
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	Germany, Federal Republic of
Volume of collateral received (absolute)	EUR 488,915.66
Name	Fresenius Medical Care AG & Co. KGaA
Volume of collateral received (absolute)	EUR 433,746.32
Name	France, Republic of
Volume of collateral received (absolute)	EUR 316,740.43
Name	Actelion Ltd.
Volume of collateral received (absolute)	EUR 253,034.07
Name	Kering S.A.
Volume of collateral received (absolute)	EUR 242,550.00
Name	Julius Baer Gruppe AG
Volume of collateral received (absolute)	EUR 229,276.98
Name	LVMH Moët Hennessy Louis Vuitton SE
Volume of collateral received (absolute)	EUR 189,850.00
Name	Fresenius SE & Co. KGaA
Volume of collateral received (absolute)	EUR 75,430.00
Name	E.On Se
Volume of collateral received (absolute)	EUR 67,344.00

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁴⁾
Securities								89,691,120.60	99.53
Exchange-traded securities								89,691,120.60	99.53
Equities								88,959,864.45	98.72
A. P. Møller-Mærsk A/S Navne-Aktier B DK 1000	DK0010244508		Units	676	729	547 DKK	11,440.000	1,040,435.68	1.15
AA PLC Registered Shares LS 0.001	GB00BMSKJP95		Units	60,268	97,328	37,060 GBP	2.616	184,635.34	0.20
Aalberts Industries N.V. Aandelen aan toonder EO 0.25	NL0000852564		Units	9,439	10,194	7,256 EUR	32.560	307,333.84	0.34
ABB Ltd. Namens-Aktien SF 0.12	CH0012221716		Units	206,222	233,385	175,971 CHF	22.720	4,402,955.42	4.89
Abertis Infraestructuras S.A. Acciones Nom. EO 3	ES0111845014		Units	66,281	71,874	38,552 EUR	13.840	917,329.04	1.02
Adecco Group AG Namens-Aktien SF 1	CH0012138605		Units	16,844	18,474	13,457 CHF	72.200	1,142,834.64	1.27
AENA S.A. Acciones Port. EO 10	ES0105046009		Units	7,234	7,815	5,563 EUR	135.000	976,590.00	1.08
Aggreko PLC Registered Shares LS 0.04832911	GB00BK1PTB77		Units	25,206	27,228	19,383 GBP	10.540	311,124.96	0.35
Airbus Group SE (Airbus) Aandelen op naam EO 1	NL0000235190		Units	55,971	61,559	45,145 EUR	69.320	3,879,909.72	4.31
Alfa Laval AB Namn-Aktier SK 2.5	SE0000695876		Units	29,267	32,749	24,494 SEK	163.400	499,708.22	0.55
Alstom S.A. Actions Port. EO 7	FR0010220475		Units	15,457	16,728	11,755 EUR	25.625	396,085.63	0.44
Amadeus IT Group S.A. Acciones Port. EO 0.01	ES0109067019		Units	43,189	48,278	34,834 EUR	43.905	1,896,213.05	2.10
Andritz AG Inhaber-Aktien o.N.	AT0000730007		Units	7,012	7,577	5,394 EUR	49.310	345,761.72	0.38
Ashtead Group PLC Registered Shares LS 0.10	GB0000536739		Units	49,131	53,427	38,415 GBP	16.560	952,809.87	1.06
Atlantia S.p.A. Azioni Nom. EO 1	IT0003506190		Units	45,958	49,642	35,338 EUR	22.100	1,015,671.80	1.13
Atlas Copco AB Namn-Aktier A SK 0.10425	SE0006886750		Units	63,437	68,520	48,775 SEK	295.600	1,959,446.02	2.17
Aéroports de Paris S.A. Actions au Port. EO 3	FR0010340141		Units	3,250	3,512	2,500 EUR	107.000	347,750.00	0.39
Babcock International Grp PLC Registered Shares LS 0.60	GB0009697037		Units	24,881	26,815	18,955 GBP	9.480	276,227.22	0.31
BAE Systems PLC Registered Shares LS 0.025	GB0002634946		Units	312,462	337,640	239,697 GBP	6.300	2,305,303.28	2.56
BBA Aviation PLC Registered Shares LS 0.2976	GB00B1FP8915		Units	88,245	95,292	67,799 GBP	3.050	315,195.68	0.35
Berendsen PLC Registered Shares LS 0.30	GB00B0F99717		Units	17,077	18,359	12,980 GBP	9.155	183,088.16	0.20
Bilfinger SE Inhaber-Aktien o.N.	DE0005909006		Units	4,553	4,895	3,462 EUR	37.215	169,439.90	0.19
Bolloré S.A. Actions Port. EO 0.16	FR0000039299		Units	86,355	95,281	64,458 EUR	3.659	315,972.95	0.35
bpost S.A. Actions Nom. Compartm. A o.N.	BE0974268972		Units	9,637	10,411	7,412 EUR	23.450	225,987.65	0.25
Bunzl PLC Registered Shares LS 0.3214857	GB00B0744B38		Units	33,023	35,648	25,340 GBP	22.550	872,074.09	0.97
Bureau Veritas SA Actions au Porteur EO 0.12	FR0006174348		Units	26,075	28,182	20,066 EUR	18.010	469,610.75	0.52
Capita PLC Reg. Shares LS 0.02066666	GB00B23K0M20		Units	65,959	71,264	50,727 GBP	5.635	435,269.56	0.48
CNH Industrial N.V. Aandelen op naam EO 0.01	NL0010545661		Units	97,891	105,898	75,405 EUR	8.760	857,525.16	0.95
Cobham PLC Registered Shares LS 0.025	GB00B07KD360		Units	175,560	213,326	114,947 GBP	1.198	246,304.70	0.27
Dassault Aviation S.A. Actions Port. EO 8	FR0000121725		Units	223	241	142 EUR	1,068.950	238,375.85	0.26
DCC PLC Registered Shares EO 0.25	IE0002424939		Units	9,098	10,023	6,872 GBP	68.650	731,436.76	0.81
Deutsche Post AG Namens-Aktien o.N.	DE0005552004		Units	94,375	101,939	72,456 EUR	32.375	3,055,390.63	3.39
DKSH Holding AG Nam.-Aktien SF 0.10	CH0126673539		Units	3,144	3,395	2,417 CHF	81.200	239,905.13	0.27
dormakaba Holding AG Namens-Aktien SF 0.10	CH0011795959		Units	299	373	281 CHF	830.000	233,211.65	0.26
DS Smith PLC Registered Shares LS 0.10	GB0008220112		Units	93,188	100,486	71,332 GBP	4.457	486,399.30	0.54
DSV A/S Indehaver Bonus-Aktier DK 1	DK0060079531		Units	18,700	21,083	14,245 DKK	345.400	868,973.35	0.96
Dürr AG Inhaber-Aktien o.N.	DE0005565204		Units	2,438	2,623	1,857 EUR	78.320	190,944.16	0.21
Edenred S.A. Actions Port. EO 2	FR0010908533		Units	20,429	21,990	15,458 EUR	21.360	436,363.44	0.48
Essentra PLC Registered Shares LS 0.25	GB00B0744359		Units	26,136	28,101	19,868 GBP	5.435	166,352.37	0.18
Eurazeo S.A. Actions au Porteur o.N.	FR0000121121		Units	4,471	5,154	3,481 EUR	58.300	260,659.30	0.29
Experian PLC Registered Shares DL 0.10	GB00B19NLV48		Units	94,279	102,048	73,559 GBP	15.970	1,763,234.99	1.96
Fingerprint Cards AB Namn-Aktier B SK 0.04 ³⁵⁾	SE0008374250		Units	31,337	47,143	15,806 SEK	49.900	163,397.05	0.18
Fischer AG, Georg Namens-Aktien SF 1	CH0001752309		Units	404	436	310 CHF	870.500	330,484.51	0.37
Flughafen Zürich AG Namens-Aktien SF 10	CH0319416936		Units	1,860	2,814	954 CHF	202.800	354,471.94	0.39
Fraport AG Ffm. Airport. Ser. AG Inhaber-Aktien o.N.	DE0005773303		Units	3,679	3,958	2,796 EUR	59.110	217,465.69	0.24
G4S PLC Registered Shares LS 0.25	GB00B01FLG62		Units	152,704	164,940	117,410 GBP	2.621	468,713.80	0.52

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁴⁾
GEA Group AG Inhaber-Aktien o.N.	DE0006602006		Units	17,260	18,809	13,569 EUR	36.740	634,132.40	0.70
Groupe Eurotunnel SE Actions Port. EO 0.40	FR0010533075		Units	45,734	49,400	35,165 EUR	8.800	402,459.20	0.45
Halma PLC Registered Shares LS 0.10	GB0004052071		Units	37,364	40,360	28,730 GBP	9.725	425,533.04	0.47
Hays PLC Registered Shares LS 0.01	GB0004161021		Units	133,704	144,425	102,558 GBP	1.628	254,911.31	0.28
Howden Joinery Group PLC Registered Shares LS 0.10	GB0005576813		Units	62,924	69,010	50,270 GBP	4.279	315,318.12	0.35
Huhtamäki Oyj Registered Shares o.N.	FI0009000459		Units	9,426	10,186	7,251 EUR	34.050	320,955.30	0.36
IMI PLC Registered Shares LS 0.2857	GB00BGLP8L22		Units	28,170	30,425	21,653 GBP	12.410	409,401.04	0.45
Intertek Group PLC Registered Shares LS 0.01	GB0031638363		Units	15,883	17,157	12,212 GBP	35.270	656,036.96	0.73
ISS AS Indehaver Aktier DK 1	DK0060542181		Units	14,434	16,071	10,814 DKK	273.400	530,918.34	0.59
IWG PLC Registered Shares LS 0.01	JE00BYVQYS01		Units	67,947	67,947	- GBP	2.830	225,188.93	0.25
KION GROUP AG Inhaber-Aktien o.N.	DE000KGX8881		Units	6,401	6,899	4,634 EUR	55.060	352,439.06	0.39
KONE Corp. (New) Registered Shares Cl. B o.N.	FI0009013403		Units	39,854	43,092	30,767 EUR	42.260	1,684,230.04	1.87
Koninklijke Philips N.V. Aandelen aan toonder EO 0.20	NL0000009538		Units	93,349	100,541	71,756 EUR	28.535	2,663,713.72	2.96
Koninklijke Vopak N.V. Aandelen aan toonder EO 0.50	NL0009432491		Units	6,523	7,045	5,015 EUR	39.915	260,365.55	0.29
Kühne & Nagel Internat. AG Namens-Aktien SF 1	CH0025238863		Units	5,521	5,967	4,249 CHF	143.000	741,916.02	0.82
Legrand S.A. Actions au Port. EO 4	FR0010307819		Units	26,285	28,387	20,192 EUR	53.220	1,398,887.70	1.55
Leonardo S.p.A. Azioni nom. EO 4.40	IT0003856405		Units	33,389	13,516	1,889 EUR	12.970	433,055.33	0.48
MAN SE Inhaber-Stammaktien o.N.	DE0005937007		Units	3,370	3,689	2,681 EUR	96.890	326,519.30	0.36
Meggitt PLC Registered Shares LS 0.05	GB0005758098		Units	76,324	82,441	58,704 GBP	4.705	420,543.63	0.47
Metso Corp. Registered Shares o.N.	FI0009007835		Units	10,547	11,391	8,146 EUR	27.890	294,155.83	0.33
MTU Aero Engines AG Namens-Aktien o.N.	DE000A0D9PT0		Units	5,117	5,532	3,940 EUR	119.800	613,016.60	0.68
Nets A/S Ihændehaver-Aktier DK1	DK0060745370		Units	11,912	11,912	- DKK	118.500	189,909.00	0.21
OC Oerlikon Corporation AG Namens-Aktien SF 1	CH0000816824		Units	19,148	20,586	14,575 CHF	10.850	195,233.40	0.22
Paysafe Group PLC Registered Shares LS 0.01	GB0034264548		Units	48,223	52,506	4,283 GBP	4.230	238,882.81	0.27
PostNL N.V. Aandelen aan toonder EO 0.08	NL0009739416		Units	41,606	44,781	31,598 EUR	4.118	171,333.51	0.19
Prysmian S.p.A. Azioni nom. EO 0.10	IT0004176001		Units	20,007	21,608	15,381 EUR	24.010	480,368.07	0.53
Qinetiq Group PLC Registered Shares LS 0.01	GB00B0WMWD03		Units	56,917	62,381	45,317 GBP	2.771	184,700.83	0.20
Randstad Holding N.V. Aandelen aan toonder EO 0.10	NL0000379121		Units	12,108	13,080	9,312 EUR	54.910	664,850.28	0.74
Rentokil Initial PLC Registered Shares LS 0.01	GB00B082RF11		Units	181,417	195,259	137,402 GBP	2.391	507,981.47	0.56
Rexel S.A. Actions au Porteur EO 5	FR0010451203		Units	29,750	32,142	22,854 EUR	15.265	454,133.75	0.50
Rolls Royce Holdings PLC Registered Shares LS 0.20	GB00B63H8491		Units	180,967	195,463	139,129 GBP	7.870	1,667,878.58	1.85
Rotork PLC Registered Shares LS 0.005	GB00BVFNZH21		Units	85,605	92,462	65,790 GBP	2.470	247,620.39	0.27
Royal Mail PLC Registered Shares LS 0.01	GB00BDVZY777		Units	98,418	113,919	71,139 GBP	4.146	477,852.81	0.53
RPC Group PLC Registered Shares LS 0.05	GB0007197378		Units	40,805	43,345	23,100 GBP	9.130	436,289.21	0.48
Saab AB Namn-Aktier B SK 25	SE0000112385		Units	6,583	9,953	3,370 SEK	358.000	246,259.57	0.27
SAFRAN Actions Port. EO 0.20	FR0000073272		Units	34,726	37,876	26,321 EUR	67.160	2,332,198.16	2.59
Sandvik AB Namn-Aktier o.N.	SE0000667891		Units	108,923	117,741	83,906 SEK	122.800	1,397,668.57	1.55
Sartorius AG Vorzugsaktien o. St. o.N.	DE0007165631		Units	3,363	5,165	1,802 EUR	70.840	238,234.92	0.26
Schneider Electric SE Actions Port. EO 4	FR0000121972		Units	58,236	62,761	44,355 EUR	63.890	3,720,698.04	4.13
Securitas AB Namn-Aktier B (fria) SK 1	SE0000163594		Units	31,564	34,093	24,268 SEK	137.800	454,493.31	0.50
SGS S.A. Namens-Aktien SF 1	CH0002497458		Units	541	592	422 CHF	2,135.000	1,085,415.73	1.20
Siemens AG Namens-Aktien o.N.	DE0007236101		Units	83,656	90,852	59,802 EUR	122.800	10,272,956.80	11.40
SKF AB Namn-Aktier B SK 0.625	SE0000108227		Units	36,964	40,229	28,972 SEK	171.900	663,958.72	0.74
Smiths Group PLC Registered Shares LS 0.375	GB00B1WY2338		Units	38,916	42,020	29,880 GBP	14.950	681,333.43	0.76
Smurfit Kappa Group PLC Registered Shares EO 0.001	IE00B1RR8406		Units	21,290	23,066	16,334 EUR	25.105	534,485.45	0.59
Spectris PLC Registered Shares LS 0.05	GB0003308607		Units	12,304	13,290	9,459 GBP	24.300	350,140.95	0.39
Spirax-Sarco Engineering PLC Reg. Shares LS 0.26923076	GB00BWFQGN14		Units	7,237	7,816	5,546 GBP	44.490	377,060.72	0.42
THALES S.A. Actions Port.(C.R.)EO 3	FR0000121329		Units	10,238	11,028	7,732 EUR	93.000	952,134.00	1.06
thyssenkrupp AG Inhaber-Aktien o.N.	DE0007500001		Units	42,871	46,305	32,961 EUR	23.595	1,011,541.25	1.12
Travis Perkins PLC Registered Shares LS 0.10	GB0007739609		Units	24,605	26,575	18,839 GBP	15.220	438,559.31	0.49
Trelleborg AB Namn-Aktier B (fria) SK 25	SE0000114837		Units	23,872	25,785	18,356 SEK	185.500	462,720.73	0.51

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁴⁾
Téléperformance SE Actions Port. EO 2.5	FR0000051807		Units	5,358	6,050	4,569 EUR	104.500	559,911.00	0.62
Ultra Electronics Hldgs PLC Registered Shares LS 0.05	GB0009123323		Units	6,963	7,485	5,273 GBP	19.460	158,682.69	0.18
Volvo (publ), AB Namn-Aktier B (fria) o.N.	SE0000115446		Units	152,146	171,289	129,153 SEK	117.900	1,874,392.69	2.08
Weir Group PLC, The Registered Shares LS 0.125	GB0009465807		Units	21,380	23,030	16,202 GBP	18.830	471,463.78	0.52
Wirecard AG Inhaber-Aktien o.N. ³⁵⁾	DE0007472060		Units	11,311	12,279	8,803 EUR	43.585	492,989.94	0.55
Wolseley PLC Reg. Shares LS 0.108030303	JE00BFNWV485		Units	24,864	28,005	21,194 GBP	49.150	1,431,148.93	1.59
Worldpay Group Plc Registered Shares LS 1	GB00BYK2V80		Units	175,734	260,986	85,252 GBP	2.714	558,542.15	0.62
WS Atkins PLC Registered Shares LS 0.005	GB0000608009		Units	10,333	11,110	7,857 GBP	14.550	176,067.72	0.20
Wärtsilä Corp. Reg. Shares o.N.	FI0009003727		Units	14,908	16,175	11,603 EUR	48.530	723,485.24	0.80
Zodiac Aerospace Actions au Porteur o.N.	FR0000125684		Units	20,134	21,767	15,473 EUR	27.725	558,215.15	0.62
Other investment securities								731,256.15	0.81
Schindler Holding AG Inhaber-Part.sch. SF 0.10	CH0024638196		Units	4,007	4,432	3,267 CHF	194.200	731,256.15	0.81
Derivatives								11,651.67	0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								11,651.67	0.01
Claims/liabilities									
Equity index futures contracts								11,651.67	0.01
STOXX 600 INDUS MAR 17		EURX	Number	19		EUR		11,651.67	0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								324,742.58	0.36
Bank accounts								324,742.58	0.36
EUR balances								323,981.28	0.36
Custodian Bank: State Street Bank International GmbH			EUR	323,981.28		%	100.000	323,981.28	0.36
Credit in other EU/EEA currencies								357.89	0.00
Custodian Bank: State Street Bank International GmbH			DKK	489.61		%	100.000	65.87	0.00
			GBP	149.20		%	100.000	174.73	0.00
			NOK	2.04		%	100.000	0.23	0.00
			SEK	1,120.31		%	100.000	117.06	0.00
Non-EU/EEA currencies								403.41	0.00
Custodian Bank: State Street Bank International GmbH			CHF	429.28		%	100.000	403.41	0.00
Other assets								122,666.86	0.14
Withholding tax reimbursement claims			CHF	41,971.94				39,442.10	0.04
			EUR	46,224.76				46,224.76	0.05
Initial margin			EUR	37,000.00				37,000.00	0.04
Other liabilities								-39,057.62	-0.04
Management fee			EUR	-29,818.17				-29,818.17	-0.03
Received variation margin			EUR	-8,421.67				-8,421.67	-0.01
Other liabilities			EUR	-817.78				-817.78	-0.00
Sub-fund assets							EUR	90,111,124.09	100.00
Share value							EUR	48.71	
Shares in circulation							Units	1,850,000	

34) Rounding of percentages during the calculation may result in slight rounding differences.
35) These securities are partially or fully transferred as securities loans.

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Notes on Securities Loans

Designation of class of security			Nominal in units or currency in 1,000s	Securities lending Market value in EUR		total
				limited	unlimited	
The following securities were transferred as securities loans as at the reporting date:						
Fingerprint Cards AB Namn-Aktier B SK 0.04	SE0008374250	Units	29,770	0.00	155,226.41	
Wirecard AG Inhaber-Aktien o.N.	DE0007472060	Units	9,754	0.00	425,128.09	
Total value of securities loans repayable		EUR		0.00	580,354.50	580,354.50

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Abertis Infraestructuras S.A. Acciones Nom. Em.05/16 EO 3	ES0111845071	Units	2,012	2,012	
Abertis Infraestructuras S.A. Anrechte	ES06118459L2	Units	40,243	40,243	
Carillion PLC Registered Shares LS 0.50	GB0007365546	Units	38,857	68,022	
Cobham PLC Anrechte	GB00BZBVN521	Units	64,055	64,055	
Cobham PLC Reg. Shares Em.6/16 LS 0.025	GB00BZBVN745	Units	64,055	64,055	
Grafton Group PLC Reg.Uts(1 Shs,1 ShsC,17ShsA)oN	IE00B00MZ448	Units	19,631	34,086	
KUKA AG Inhaber-Aktien o.N.	DE0006204407	Units	2,030	2,030	
Melrose Industries PLC Registered Shares LS 0.01	GB00BZ1G4322	Units	171,608	181,302	
PageGroup PLC Registered Shares LS 0.01	GB0030232317	Units	29,439	51,521	
Regus PLC Registered Shares LS 0.01	JE00B3CGFD43	Units	61,765	105,818	
Rexam PLC Reg. Shares LS 0.8035714	GB00BMHTPY25	Units	58,072	105,867	
RPC Group PLC Anrechte (Nil-Paid-Shs.)	GB00BD7Y6W92	Units	7,718	7,718	
RPC Group PLC Reg.Shares Em.2/17 LS 0.05	GB00BD7Y6T63	Units	7,718	7,718	
Sulzer AG Namens-Aktien SF 0.01	CH0038388911	Units	-	851	
TNT Express N.V. Aandelen op naam EO 0.08	NL0009739424	Units	18,869	50,621	
Zardoya Otis S.A. Acciones Port. Em.7/16 EO 0.10	ES0184933085	Units	585	585	
Zardoya Otis S.A. Acciones Port. EO 0.10	ES0184933812	Units	16,514	28,375	
Zardoya Otis S.A. Anrechte	ES06849339L2	Units	14,637	14,637	

Unlisted securities

Equities					
Fingerprint Cards AB Namn-Aktier B SK 0.20	SE0000422107	Units	2,501	6,706	
Flughafen Zürich AG Namens-Aktien SF 10	CH0010567961	Units	140	396	
Rolls Royce Holdings PLC N.C.Red.Prf.Shs.C Ent. LS 0.001	GB00BDH6KD44	Units	11,505,053	11,505,053	
Rolls Royce Holdings PLC Reg.Entitl.Shs.C 01/17 LS 0.001	GB00BZC0LD27	Units	7,014,218	7,014,218	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts		
Purchased contracts:		2,755
Underlying security(ies): STXE 600 Industrial G&S Index (Price) (EUR)		

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Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
Unlimited	EUR 457
Underlyings:	
Dürr AG Inhaber-Aktien o.N.(DE0005565204), Wirecard AG Inhaber-Aktien o.N.(DE0007472060)	

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	336,979.14
2. Dividends from foreign issuers (before withholding tax)	EUR	3,131,274.16
3. Deduction of foreign withholding tax	EUR	-109,141.91
4. Other income	EUR	36,308.01
Total income	EUR	3,395,419.40
II. Expenses		
1. Interest from borrowings	EUR	-627.28
2. Management fee	EUR	-359,101.81
3. Other expenses	EUR	-14,866.19
Total expenses	EUR	-374,595.28
III. Ordinary net income	EUR	3,020,824.12
IV. Disposals		
1. Realised gains	EUR	3,800,917.10
2. Realised losses	EUR	-3,067,715.31
Gain/loss on disposals	EUR	733,201.79
V. Annual realised results	EUR	3,754,025.91
1. Net change in unrealised gains	EUR	7,462,085.63
2. Net change in unrealised losses	EUR	833,153.76
VI. Annual unrealised results	EUR	8,295,239.39
VII. Result for the financial year	EUR	12,049,265.30

Change in sub-fund assets

		2016/2017
I. Value of sub-fund assets at beginning of the financial year		
1. Distribution for the previous year	EUR	-467,979.40
2. Interim distributions	EUR	-1,227,003.00
3. Inflow/outflow of funds (net)	EUR	29,707,120.00
a) Inflow of funds from sale of equities	EUR	85,721,000.00
b) Outflow of funds from redemption of equities	EUR	-56,013,880.00
4. Income adjustment/cost compensation	EUR	-1,010,731.71
5. Result for the financial year	EUR	12,049,265.30
of which unrealised gains	EUR	7,462,085.63
of which unrealised losses	EUR	833,153.76
II. Value of sub-fund assets at end of financial year	EUR	90,111,124.09

Annual Report for iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	18,157,161.82	9.81
1. Carryforward from the previous year ³⁶⁾	EUR	11,335,420.60	6.13
2. Realised net income for the financial year	EUR	3,754,025.91	2.03
3. Transfer from sub-fund assets ³⁷⁾	EUR	3,067,715.31	1.65
II. Not used for distribution	EUR	-16,518,620.77	-8.93
1. Reinvested	EUR	-3,001,952.16	-1.62
2. Carryforward to new account	EUR	-13,516,668.61	-7.31
III. Total distribution	EUR	1,638,541.05	0.88
1. Interim distribution	EUR	1,227,003.00	0.66
2. Final year-end distribution	EUR	411,538.05	0.22

36) Difference from previous year because of income adjustment calculated on carryforwards. 37) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	90,111,124.09	48.71
2015/2016	EUR	51,060,452.90	40.85
2014/2015	EUR	45,067,940.12	47.44
2013/2014	EUR	42,024,222.05	42.02

Annual Report for iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	460,617.00
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	580,354.50
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Counterparty to securities loans:
GOLDMAN SACHS INTERNATIONAL FINANCE

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	661,761.72
of which:		
Bonds		661,761.72

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	48.71
Shares in circulation	Units	1,850,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0448% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0526% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 36,308.01 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	36,308.01
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Other expenses amounting to EUR 14,866.19 are broken down as follows:

a) Bank custody fees:	EUR	11,016.85
b) Other expenditure:	EUR	3,849.34

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 9,150.99.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.71 percentage points
Annual tracking difference level	-0.17 percentage points
The STOXX® Europe 600 Industrial Goods & Services Index (Net Total Return Index) posted a performance of 22.49% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Industrial Goods & Services Index UCITS ETF (DE) recorded a performance of 22.32% during the same period.	

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Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Securities lending	
Assets used	
Absolute	EUR 580,354.50
In % of fund assets	0.64
Ten largest counterparties (descending)	
Name	GOLDMAN SACHS INTERNATIONAL FINANCE
Gross volume of open transactions	EUR 580,354.50
Country of residence	United Kingdom (UK)
Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)	
Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).	
Transactions broken down by remaining maturity (absolute amounts)	
unlimited	EUR 580,354.50
Type(s) and quality(ies) of collateral received	
Type(s) of collateral received	
Equities	EUR 661,761.72
Quality(ies) of collateral received	
Quality	The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
	<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
Currency(ies) of collateral received	
CHF, EUR	
Collateral broken down by remaining maturity (absolute amounts)	
unlimited	EUR 661,761.72

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for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	0.69
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	Elis S.A.
Volume of collateral received (absolute)	EUR 60,203.52
Name	Rallye S.A.
Volume of collateral received (absolute)	EUR 60,155.40
Name	INDUS Holding AG
Volume of collateral received (absolute)	EUR 60,130.93
Name	Zardoya Otis S.A.
Volume of collateral received (absolute)	EUR 60,079.32
Name	SFR Group S.A.
Volume of collateral received (absolute)	EUR 60,037.20
Name	DBV technologies S.A.
Volume of collateral received (absolute)	EUR 60,023.29
Name	Caixabank S.A.
Volume of collateral received (absolute)	EUR 60,023.04
Name	Global Dominion Access S.A.
Volume of collateral received (absolute)	EUR 59,998.18
Name	Lonza Group AG
Volume of collateral received (absolute)	EUR 59,878.17
Name	Miquel y Costas y Miquel S.A.
Volume of collateral received (absolute)	EUR 44,514.95

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁸⁾
Securities								154,572,110.23	99.89
Exchange-traded securities								154,572,110.23	99.89
Equities								154,572,110.23	99.89
Admiral Group PLC Registered Shares LS 0.001	GB00B02J6398		Units	72,346	48,493	15,663 GBP	18.280	1,548,748.96	1.00
AEGON N.V. Aandelen op naam(demat.)EO 0.12	NL0000303709		Units	578,308	399,867	156,531 EUR	5.018	2,901,949.54	1.88
AGEAS SA/NV Actions Nominatives o.N.	BE0974264930		Units	66,280	45,158	17,211 EUR	35.840	2,375,475.20	1.54
Allianz SE vink.Namens-Aktien o.N.	DE0008404005		Units	147,499	99,031	34,083 EUR	164.200	24,219,335.80	15.65
Assicurazioni Generali S.p.A. Azioni nom. EO 1	IT0000062072		Units	437,805	294,547	100,623 EUR	13.520	5,919,123.60	3.83
Aviva PLC Registered Shares LS 0.25	GB0002162385		Units	1,309,800	879,991	301,008 GBP	4.980	7,638,791.22	4.94
AXA S.A. Actions Port. EO 2.29	FR0000120628		Units	671,565	450,294	157,817 EUR	22.270	14,955,752.55	9.67
Beazley PLC Registered Shares LS 0.05	GB00BYQ0JC66		Units	168,917	199,595	30,678 GBP	4.340	858,525.90	0.55
Bâloise Holding AG Namens-Aktien SF 0.10	CH0012410517		Units	16,133	11,036	3,482 CHF	130.700	1,981,489.10	1.28
CNP Assurances S.A. Actions Port. EO 1	FR0000120222		Units	48,218	32,387	11,156 EUR	17.485	843,091.73	0.54
Delta Lloyd N.V. Aandelen op naam EO 0.20	NL0009294552		Units	133,636	143,832	10,196 EUR	5.360	716,288.96	0.46
Direct Line Insurance Grp PLC Reg.Shares LS 0.109090909	GB00BY9D0Y18		Units	443,681	295,857	100,550 GBP	3.435	1,784,793.13	1.15
Gjensidige Forsikring ASA Navne-Aksjer NK 2	NO0010582521		Units	60,938	40,909	14,075 NOK	131.100	899,606.39	0.58
Hannover Rück SE Namens-Aktien o.N.	DE0008402215		Units	19,369	12,990	4,464 EUR	106.600	2,064,735.40	1.33
Helvetia Holding AG Namens-Aktien SF 0.1	CH0012271687		Units	1,983	1,343	472 CHF	563.500	1,050,068.43	0.68
Hiscox Ltd. Registered Shares LS 0.065	BMG4593F1389		Units	94,597	63,514	21,725 GBP	10.860	1,203,088.29	0.78
Legal & General Group PLC Registered Shares LS 0.025	GB0005603997		Units	1,921,184	1,289,396	442,304 GBP	2.483	5,586,450.97	3.61
Mapfre S.A. Acciones Nom. EO 0.10	ES0124244E34		Units	320,841	215,413	74,137 EUR	2.921	937,176.56	0.61
Münchener Rückvers.-Ges. AG vink.Namens-Aktien o.N.	DE0008430026		Units	51,981	37,643	12,874 EUR	178.400	9,273,410.40	5.99
NN Group N.V. Aandelen aan toonder EO 0.12	NL0010773842		Units	108,079	87,231	22,133 EUR	29.325	3,169,416.68	2.05
Old Mutual PLC Reg.Shares LS 0.114285714	GB00B77J0862		Units	1,416,430	1,039,005	512,832 GBP	2.181	3,617,771.17	2.34
Phoenix Group Holdings Registered Shares EO 0.0001	KYG7091M1096		Units	126,790	112,152	27,671 GBP	7.680	1,140,345.71	0.74
Poste Italiane S.p.A. Azioni nom. EO 0.51	IT0003796171		Units	148,810	182,587	33,777 EUR	6.060	901,788.60	0.58
Prudential PLC Registered Shares LS 0.05	GB0007099541		Units	832,429	559,902	191,881 GBP	16.075	15,670,703.54	10.13
RSA Insurance Group PLC Registered Shares LS 1	GB00BKMKR23		Units	328,976	220,815	75,543 GBP	5.990	2,307,710.62	1.49
Sampo OYJ Registered Shares Cl.A o.N.	FI0009003305		Units	158,837	106,636	36,697 EUR	43.010	6,831,579.37	4.41
SCOR SE Act.au Porteur EO 7.8769723	FR0010411983		Units	57,193	38,389	13,177 EUR	34.090	1,949,709.37	1.26
St. James's Place PLC Registered Shares LS 0.15	GB0007669376		Units	170,233	114,553	38,934 GBP	10.550	2,103,228.82	1.36
Standard Life PLC Registered Shares LS 0.1222222	GB00BVFD7Q58		Units	637,635	428,353	146,438 GBP	3.687	2,753,186.28	1.78
Storebrand ASA Navne-Aksjer NK 5	NO0003053605		Units	145,209	156,295	11,086 NOK	56.600	925,489.75	0.60
Swiss Life Holding AG Namens-Aktien SF 5.10	CH0014852781		Units	10,354	6,967	2,409 CHF	316.000	3,074,653.71	1.99
Swiss Re AG Namens-Aktien SF 0.10	CH0126881561		Units	107,012	72,382	27,184 CHF	89.800	9,030,458.14	5.84
Topdanmark AS Navne-Aktier DK 1	DK0060477503		Units	15,868	12,174	8,654 DKK	177.800	379,574.01	0.25
Tryg AS Navne-Aktier DK 5	DK0060636678		Units	36,474	24,909	9,357 DKK	130.500	640,378.03	0.41
UnipolSai Assicurazioni S.p.A. Azioni nom. o.N.	IT0004827447		Units	328,695	241,036	107,820 EUR	2.000	657,390.00	0.42
Zurich Insurance Group AG Nam.-Aktien SF 0.10	CH0011075394		Units	48,586	32,634	11,217 CHF	277.300	12,660,824.30	8.18
Derivatives								1,650.00	0.00
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								1,650.00	0.00
Claims/liabilities									
Equity index futures contracts								1,650.00	0.00
STOXX 600 INSU MAR 17		EURX	Number	15		EUR		1,650.00	0.00

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ³⁸⁾
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								51,543.61	0.03
Bank accounts								51,543.61	0.03
EUR balances								49,705.85	0.03
Custodian Bank: State Street Bank International GmbH			EUR	49,705.85		%	100.000	49,705.85	0.03
Credit in other EU/EEA currencies								43.27	0.00
Custodian Bank: State Street Bank International GmbH			DKK	321.63		%	100.000	43.27	0.00
Non-EU/EEA currencies								1,794.49	0.00
Custodian Bank: State Street Bank International GmbH			CHF	1,909.59		%	100.000	1,794.49	0.00
Other assets								167,181.98	0.11
Withholding tax reimbursement claims			CHF	82,306.01				77,345.05	0.05
			EUR	66,836.93				66,836.93	0.04
Initial margin			EUR	23,000.00				23,000.00	0.01
Liabilities arising from loans								-80.01	-0.00
Loans in other EU/EEA currencies								-80.01	-0.00
			GBP	-28.48		%	100.000	-33.35	-0.00
			NOK	-414.37		%	100.000	-46.66	-0.00
Other liabilities								-55,424.32	-0.04
Management fee			EUR	-52,496.65				-52,496.65	-0.03
Received variation margin			EUR	-1,500.00				-1,500.00	-0.00
Other liabilities			EUR	-1,427.67				-1,427.67	-0.00
Sub-fund assets							EUR	154,736,981.49	100.00
Share value							EUR	26.91	
Shares in circulation							Units	5,750,000	

38) Rounding of percentages during the calculation may result in slight rounding differences.

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Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Beazley PLC Registered Shares LS 0.05	JE00B64G9089	Units	-	94,192	
Lancashire Holdings Ltd. Registered Shares DL 0.50	BMG5361W1047	Units	1,088	37,277	
Phoenix Group Holdings Anrechte	KYG7091M1740	Units	31,757	31,757	
Phoenix Group Holdings Reg.Shares Em.10/16 EO 0.0001	KYG7091M1823	Units	31,757	31,757	
Unipol Gruppo Finanziario SpA Azioni nom. o.N.	IT0004810054	Units	21,610	110,504	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

4,829

Underlying security(ies): STXE 600 Insurance Index (Price) (EUR)

Profit and Loss Account (incl. Income Adjustment)

for the period from 01/03/16 to 28/02/17

I. Income

1. Dividends from domestic issuers	EUR	854,175.42
2. Dividends from foreign issuers (before withholding tax)	EUR	10,376,936.18
3. Deduction of foreign withholding tax	EUR	-245,140.79
4. Other income	EUR	233,749.58
Total income	EUR	11,219,720.39

II. Expenses

1. Interest from borrowings	EUR	-317.90
2. Management fee	EUR	-613,754.39
3. Other expenses	EUR	-24,761.19
Total expenses	EUR	-638,833.48

III. Ordinary net income

EUR 10,580,886.91

IV. Disposals

1. Realised gains	EUR	2,848,622.10
2. Realised losses	EUR	-1,416,662.45
Gain/loss on disposals	EUR	1,431,959.65

V. Annual realised results

EUR 12,012,846.56

1. Net change in unrealised gains	EUR	5,520,868.24
2. Net change in unrealised losses	EUR	2,210,964.73

VI. Annual unrealised results

EUR 7,731,832.97

VII. Result for the financial year

EUR 19,744,679.53

Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Change in sub-fund assets

				2016/2017
I. Value of sub-fund assets at beginning of the financial year				EUR 77,184,742.35
1. Distribution for the previous year		EUR		-273,841.20
2. Interim distributions		EUR		-4,168,855.25
3. Inflow/outflow of funds (net)		EUR		65,853,385.00
a) Inflow of funds from sale of equities	EUR	97,221,160.00		
b) Outflow of funds from redemption of equities	EUR	-31,367,775.00		
4. Income adjustment/cost compensation		EUR		-3,603,128.94
5. Result for the financial year		EUR		19,744,679.53
of which unrealised gains	EUR	5,520,868.24		
of which unrealised losses	EUR	2,210,964.73		
II. Value of sub-fund assets at end of financial year				EUR 154,736,981.49

Use of income from the sub-fund

Calculation of distribution (total and per share)

			Total	per share
I. Available for distribution			EUR 34,563,426.57	6.02
1. Carryforward from the previous year ³⁹⁾	EUR	21,133,917.56		3.68
2. Realised net income for the financial year	EUR	12,012,846.56		2.09
3. Transfer from sub-fund assets ⁴⁰⁾	EUR	1,416,662.45		0.25
II. Not used for distribution			EUR -30,371,191.82	-5.29
1. Reinvested	EUR	-7,160,644.60		-1.25
2. Carryforward to new account	EUR	-23,210,547.22		-4.04
III. Total distribution			EUR 4,192,234.75	0.73
1. Interim distribution			EUR 4,168,855.25	0.73
2. Final year-end distribution			EUR 23,379.50	0.00

39) Difference from previous year because of income adjustment calculated on carryforwards.

40) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	154,736,981.49	26.91
2015/2016	EUR	77,184,742.35	24.50
2014/2015	EUR	78,146,291.44	28.94
2013/2014	EUR	77,208,147.54	23.40

**Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE)
for the period from 01/03/2016 to 28/02/2017**

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	201,555.00
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Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

**Market value of securities
in EUR**

Total sum in connection with third-party derivatives for collateral:	EUR	0.00
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Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	26.91
Shares in circulation	Units	5,750,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0178% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0396% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Insurance UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 233,749.58 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	190,548.57
b) Other income:	EUR	43,201.01

Other expenses amounting to EUR 24,761.19 are broken down as follows:

a) Bank custody fees:	EUR	19,230.62
b) Other expenditure:	EUR	5,530.57

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 9,069.37.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.65 percentage points
Annual tracking difference level	0.43 percentage points

The STOXX® Europe 600 Insurance Index (Net Total Return Index) posted a performance of 15.66% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Insurance UCITS ETF (DE) recorded a performance of 16.09% during the same period.

Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares STOXX Europe 600 Insurance UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Media UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁴¹⁾
Securities								11,491,975.18	99.63
Exchange-traded securities								11,491,975.18	99.63
Equities								11,491,975.18	99.63
Auto Trader Group PLC Registered Shares LS 0.01	GB00BVYVFW23		Units	57,283	31,756	61,006 GBP	3.952	265,114.21	2.30
Axel Springer SE vink.Namens-Aktien o.N.	DE0005501357		Units	2,399	507	2,782 EUR	49.360	118,414.64	1.03
Daily Mail & General Trust PLC Reg. Shares A (Non Vtg)LS 0.125	GB0009457366		Units	16,145	2,810	19,087 GBP	7.190	135,943.13	1.18
Eutelsat Communications Actions Port. EO 1	FR0010221234		Units	8,344	1,396	10,705 EUR	18.555	154,822.92	1.34
Informa PLC Registered Shares LS 0.001	GB00BMJ6DW54		Units	46,820	22,701	50,855 GBP	6.720	368,460.55	3.19
ITV PLC Registered Shares LS 0.10	GB0033986497		Units	209,335	37,738	247,429 GBP	2.025	496,429.05	4.30
JCDecaux S.A. Actions au Porteur o.N.	FR0000077919		Units	3,755	681	4,437 EUR	30.150	113,213.25	0.98
Lagardère S.C.A. Actions Nom. EO 6.10	FR0000130213		Units	5,994	1,199	7,002 EUR	23.740	142,297.56	1.23
Mediaset España Comunicacion Acciones Nom. EO 0.50	ES0152503035		Units	9,677	1,623	14,719 EUR	11.080	107,221.16	0.93
Mediaset S.p.A. Azioni nom. EO 0.52	IT0001063210		Units	44,519	13,811	60,059 EUR	3.886	173,000.83	1.50
Moneysupermarket.com Group PLC Registered Shares LS 0.02	GB00B1ZBKY84		Units	31,604	12,586	36,156 GBP	3.297	122,025.70	1.06
Pearson PLC Registered Shares LS 0.25	GB0006776081		Units	47,450	8,661	56,062 GBP	6.740	374,529.84	3.25
ProSiebenSat.1 Media SE Namens-Aktien o.N.	DE000PSM7770		Units	13,447	3,375	15,206 EUR	37.855	509,036.18	4.41
Publicis Groupe S.A. Actions Port. EO 0.40	FR0000130577		Units	12,041	2,412	14,112 EUR	63.630	766,168.83	6.64
Relx N.V. Aandelen op naam EO 0.07	NL0006144495		Units	57,283	10,325	67,707 EUR	16.730	958,344.59	8.31
Relx PLC Registered Shares LS 0.144397	GB00B2B0DG97		Units	62,671	9,883	75,943 GBP	15.050	1,104,570.49	9.58
Rightmove PLC Registered Shares LS 0.01	GB00B2987V85		Units	5,550	890	6,690 GBP	39.310	255,497.31	2.21
RTL Group S.A. Actions au Porteur o.N.	LU0061462528		Units	2,224	402	2,629 EUR	72.620	161,506.88	1.40
Schibsted ASA Navne-Aksjer A NK 0.50	NO0003028904		Units	4,607	830	5,444 NOK	221.200	114,753.25	0.99
SES S.A. Bearer FDRs (rep.Shs A) o.N.	LU0088087324		Units	22,131	7,979	25,545 EUR	19.265	426,353.72	3.70
SFR Group S.A. Actions Nom. EO 1	FR0011594233		Units	4,340	919	7,475 EUR	27.500	119,350.00	1.03
Sky PLC Registered Shares LS 0.50	GB0001411924		Units	60,383	10,885	71,372 GBP	9.975	705,371.50	6.12
Technicolor S.A. Actions Port. EO 1	FR0010918292		Units	20,679	6,961	28,410 EUR	3.939	81,454.58	0.71
Telenet Group Holding N.V. Actions Nom. o.N.	BE0003826436		Units	2,939	765	3,472 EUR	53.340	156,766.26	1.36
UBM PLC Reg. Shares LS 0.1125	JE00BD9WR069		Units	22,732	38,957	16,225 GBP	7.455	198,461.20	1.72
Vivendi S.A. Actions Port. EO 5.5	FR0000127771		Units	58,918	10,183	86,586 EUR	16.655	981,279.29	8.51
Wolters Kluwer N.V. Aandelen op naam EO 0.12	NL0000395903		Units	17,424	3,140	20,595 EUR	38.665	673,698.96	5.84
WPP PLC Registered Shares LS 0.10	JE00B8KF9B49		Units	76,878	14,327	90,761 GBP	18.970	1,707,889.30	14.81
Derivatives								825.00	0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								825.00	0.01
Claims/liabilities									
Equity index futures contracts								825.00	0.01
STOXX 600 MEDI MAR 17		EURX	Number	3		EUR		825.00	0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								565,348.79	4.90
Bank accounts								565,348.79	4.90
EUR balances								559,800.57	4.85
Custodian Bank: State Street Bank International GmbH			EUR	559,800.57		%	100.000	559,800.57	4.85
Credit in other EU/EEA currencies								5,548.22	0.05
Custodian Bank: State Street Bank International GmbH			GBP	4,358.08		%	100.000	5,103.70	0.04
			NOK	3,947.55		%	100.000	444.52	0.00
Other assets								308,883.35	2.68
Withholding tax reimbursement claims			EUR	27,067.48				27,067.48	0.23
Receivables from FX spot transactions			GBP	233,699.88				273,683.62	2.37
			NOK	48,774.00				5,492.25	0.05
Initial margin			EUR	2,640.00				2,640.00	0.02

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁴¹⁾
Liabilities arising from loans								-0.03	-0.00
Loans in other EU/EEA currencies								-0.03	-0.00
			SEK	-0.25		%	100.000	-0.03	-0.00
Other liabilities								-832,006.40	-7.21
Management fee			EUR	-3,787.31				-3,787.31	-0.03
Liabilities arising from securities transactions			EUR	-268,052.54				-268,052.54	-2.32
			GBP	-233,699.88				-273,683.62	-2.37
			NOK	-48,774.00				-5,492.25	-0.05
Liabilities arising from FX spot transactions			EUR	-280,078.08				-280,078.08	-2.43
Received variation margin			EUR	-810.00				-810.00	-0.01
Other liabilities			EUR	-102.60				-102.60	-0.00
Sub-fund assets							EUR	11,535,025.89	100.00
Share value							EUR	27.46	
Shares in circulation							Units	420,000	

41) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Informa PLC Anrechte (nil-paid)	GB00BD2MGK60	Units	15,399	15,399	
Informa PLC Reg. Shs. Em.10/2016 LS 0.001	GB00BD2MGP16	Units	15,399	15,399	
Kabel Deutschland Holding AG Inhaber-Aktien o.N.	DE000KD88880	Units	15	2,398	
UBM PLC Reg. Shares LS 0.10	JE00B2R84W06	Units	2,758	53,925	
Derivatives					
(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)					
Futures contracts					
Equity index futures contracts					
Purchased contracts:					1,378
Underlying security(ies): STXE 600 Media Index (Price) (EUR)					

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	27,677.65
2. Dividends from foreign issuers (before withholding tax)	EUR	1,064,596.14
3. Deduction of foreign withholding tax	EUR	-18,027.95
4. Other income	EUR	48,987.30
Total income	EUR	1,123,233.14
II. Expenses		
1. Interest from borrowings	EUR	-6.29
2. Management fee	EUR	-57,028.76
3. Other expenses	EUR	-1,758.94
Total expenses	EUR	-58,793.99
III. Ordinary net income	EUR	1,064,439.15
IV. Disposals		
1. Realised gains	EUR	751,574.63
2. Realised losses	EUR	-851,112.36
Gain/loss on disposals	EUR	-99,537.73
V. Annual realised results	EUR	964,901.42
1. Net change in unrealised gains	EUR	-1,728,285.87
2. Net change in unrealised losses	EUR	-353,040.37
VI. Annual unrealised results	EUR	-2,081,326.24
VII. Result for the financial year	EUR	-1,116,424.82

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		24,378,612.45
1. Distribution for the previous year	EUR		-293,551.80
2. Interim distributions	EUR		-614,277.32
3. Inflow/outflow of funds (net)	EUR		-11,622,864.00
a) Inflow of funds from sale of equities	EUR	1,126,780.00	
b) Outflow of funds from redemption of equities	EUR	-12,749,644.00	
4. Income adjustment/cost compensation	EUR		803,531.38
5. Result for the financial year	EUR		-1,116,424.82
of which unrealised gains	EUR	-1,728,285.87	
of which unrealised losses	EUR	-353,040.37	
II. Value of sub-fund assets at end of financial year	EUR		11,535,025.89

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Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	3,644,409.70	8.68
1. Carryforward from the previous year ⁴²⁾	EUR	1,828,395.92	4.35
2. Realised net income for the financial year	EUR	964,901.42	2.30
3. Transfer from sub-fund assets ⁴³⁾	EUR	851,112.36	2.03
II. Not used for distribution	EUR	-3,026,031.50	-7.21
1. Reinvested	EUR	-1,295,777.62	-3.09
2. Carryforward to new account	EUR	-1,730,253.88	-4.12
III. Total distribution	EUR	618,378.20	1.47
1. Interim distribution	EUR	614,277.32	1.46
2. Final year-end distribution	EUR	4,100.88	0.01

⁴²⁾ Difference from previous year because of income adjustment calculated on carryforwards.

⁴³⁾ Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	11,535,025.89	27.46
2015/2016	EUR	24,378,612.45	29.02
2014/2015	EUR	35,214,211.88	31.44
2013/2014	EUR	22,509,239.55	25.58

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 42,297.00

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR

Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	27.46
Shares in circulation	Units	420,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0876% p.a. is due to the Custodian Bank based on the average net asset value, and 0.1391% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Media UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 48,987.30 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	34,357.09
b) Other income:	EUR	14,630.21

Other expenses amounting to EUR 1,758.94 are broken down as follows:

a) Bank custody fees:	EUR	1,503.54
b) Other expenditure:	EUR	255.40

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 3,440.82.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.85 percentage points
Annual tracking difference level	0.15 percentage points

The STOXX® Europe 600 Media Index (Net Total Return Index) posted a performance of -0.64% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Media UCITS ETF (DE) recorded a performance of -0.49% during the same period.

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Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the "Partner Plan" and "Enterprise Leadership Acceleration at BlackRock Plan" are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual's role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.'s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁴⁾
Securities								559,209,166.23	99.01
Exchange-traded securities								559,209,166.23	99.01
Equities								559,209,166.23	99.01
Amec Foster Wheeler PLC Registered Shares LS 0.50	GB0000282623		Units	641,691	220,246	264,707	GBP 4.395	3,302,745.73	0.58
BP PLC Registered Shares DL 0.25	GB0007980591		Units	14,417,104	2,713,122	8,914,306	GBP 4.536	76,576,147.56	13.56
ENI S.p.A. Azioni nom. o.N.	IT0003132476		Units	4,113,802	1,400,051	1,719,966	EUR 14.520	59,732,405.04	10.58
Galp Energia SGPS S.A. Ações Nominativas EO 1	PTGAL0AM0009		Units	674,588	171,310	64,938	EUR 13.890	9,370,027.32	1.66
Gamesa Corp. Tecnologica S.A. Acciones Port. EO 0.17	ES0143416115		Units	366,081	125,644	151,013	EUR 20.900	7,651,092.90	1.35
John Wood Group PLC Registered Shares LS 0.04285714 ⁽⁵⁾	GB00B5N0P849		Units	621,929	215,758	251,785	GBP 7.555	5,502,570.16	0.97
Lundin Petroleum AB Namn-Aktier SK 0.01	SE0000825820		Units	319,303	121,643	212,034	SEK 185.000	6,172,498.11	1.09
Neste Oyj Registered Shs o.N.	FI0009013296		Units	208,840	71,680	86,150	EUR 32.880	6,866,659.20	1.22
OMV AG Inhaber-Aktien o.N.	AT0000743059		Units	232,909	79,937	96,074	EUR 36.060	8,398,698.54	1.49
Petrofac Ltd. Registered Shares DL 0.02 ⁽⁴⁵⁾	GB00B0H2K534		Units	429,164	154,579	177,643	GBP 8.915	4,480,587.30	0.79
Repsol S.A. Acciones Port. EO 1	ES0173516115		Units	1,952,351	836,552	677,946	EUR 14.000	27,332,914.00	4.84
Royal Dutch Shell Reg. Shares Class A EO 0.07	GB00B03MLX29		Units	3,295,699	784,036	2,200,348	EUR 24.380	80,349,141.62	14.23
Saipem S.p.A. Azioni nom. o.N.	IT0000068525		Units	9,390,996	10,930,432	11,609,411	EUR 0.431	4,048,458.38	0.72
SBM Offshore N.V. Aandelen op naam EO 0.25	NL0000360618		Units	296,137	101,246	119,007	EUR 14.515	4,298,428.56	0.76
Statoil ASA Navne-Aksjer NK 2.50	NO0010096985		Units	1,753,980	624,731	707,307	NOK 148.400	29,310,294.58	5.19
Subsea 7 S.A. Registered Shares DL 2	LU0075646355		Units	420,531	144,332	173,471	NOK 118.500	5,611,487.65	0.99
TechnipFMC PLC Registered Shares DL 1	GB00BDSFG982		Units	767,772	780,414	12,642	EUR 30.445	23,374,818.54	4.14
Total S.A. Actions au Porteur EO 2.50	FR0000120271		Units	3,545,735	775,214	1,485,681	EUR 47.050	166,826,831.75	29.54
Tullow Oil PLC Registered Shares LS 0.10 ⁽⁴⁵⁾	GB0001500809		Units	1,489,186	511,400	613,108	GBP 2.684	4,680,818.13	0.83
Vestas Wind Systems AS Navne-Aktier DK 1	DK0010268606		Units	361,613	112,604	142,081	DKK 520.500	25,322,541.16	4.48
Derivatives								-24,425.93	-0.00
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								-24,425.93	-0.00
Claims/liabilities									
Equity index futures contracts								-24,425.93	-0.00
STOXX 600 OIL MAR 17		EURX	Number	356			EUR	-24,425.93	-0.00
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								2,151,403.39	0.38
Bank accounts								2,151,403.39	0.38
EUR balances								2,151,403.39	0.38
Custodian Bank: State Street Bank International GmbH			EUR	2,151,403.39			% 100.000	2,151,403.39	0.38
Other assets								3,693,110.96	0.65
Dividend claims			USD	2,374,334.06				2,234,457.30	0.40
Withholding tax reimbursement claims			EUR	300,514.35				300,514.35	0.05
Receivables from compensation payments			USD	770,059.10				724,693.38	0.13
Initial margin			EUR	410,800.00				410,800.00	0.07
Paid variation margin			EUR	22,645.93				22,645.93	0.00

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁴⁴⁾
Other liabilities								-203,225.89	-0.04
Management fee			EUR	-196,674.19				-196,674.19	-0.03
Other liabilities			EUR	-6,551.70				-6,551.70	-0.00
Sub-fund assets							EUR	564,826,028.76	100.00
Share value							EUR	31.03	
Shares in circulation							Units	18,200,000	

44) Rounding of percentages during the calculation may result in slight rounding differences.

45) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security				Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
					limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:							
John Wood Group PLC Registered Shares LS 0.04285714		GB00B5N0P849	Units	251,488	0.00	2,225,061.64	
Petrofac Ltd. Registered Shares DL 0.02		GB00B0H2K534	Units	211,771	0.00	2,210,946.06	
Tullow Oil PLC Registered Shares LS 0.10		GB0001500809	Units	1,414,726	0.00	4,446,775.03	
Total value of securities loans repayable			EUR	0.00	8,882,782.73	8,882,782.73	

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Repsol S.A. Anrechte	ES0673516995	Units	1,991,268	1,991,268	
Repsol S.A. Anrechte	ES0673516987	Units	1,740,174	1,740,174	
SeaDrill Ltd. Registered Shares DL 2.00	BMG7945E1057	Units	5,660	612,553	
Technip S.A. Actions au Porteur o.N.	FR0000131708	Units	262,002	454,783	
TGS Nopec Geophysical Co. ASA Navne-Aksjer NK 0.25	NO0003078800	Units	31,289	209,553	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

Underlying security(ies): STXE 600 Oil & Gas Index (Price) (EUR)

46,502

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
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Unlimited	EUR	185,477
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Underlyings:

Amec Foster Wheeler PLC Registered Shares LS 0.50 (GB0000282623), BP PLC Registered Shares DL 0.25 (GB0007980591), John Wood Group PLC Registered Shares LS 0.04285714 (GB00B5N0P849), Lundin Petroleum AB Namn-Aktier SK 0.01 (SE0000825820), Petrofac Ltd. Registered Shares DL 0.02 (GB00B0H2K534), Repsol S.A. Acciones Port. EO 1 (ES0173516115), Royal Dutch Shell Reg. Shares Class A EO 0.07 (GB00B03MLX29), SBM Offshore N.V. Aandelen op naam EO 0.25 (NL0000360618), SeaDrill Ltd. Registered Shares DL 2.0 (BMG7945E1057), Subsea 7 S.A. Registered Shares DL 2 (LU0075646355), Tullow Oil PLC Registered Shares LS 0.10 (GB0001500809)

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from foreign issuers (before withholding tax)	EUR	31,743,875.47
2. Income from securities lending and securities repurchase agreements	EUR	135,514.61
3. Deduction of foreign withholding tax	EUR	-1,792,568.06
4. Other income	EUR	3,175,042.96
Total income	EUR	33,261,864.98
II. Expenses		
1. Interest from borrowings	EUR	-815.04
2. Management fee	EUR	-2,382,770.12
3. Other expenses	EUR	-81,348.63
Total expenses	EUR	-2,464,933.79
III. Ordinary net income	EUR	30,796,931.19
IV. Disposals		
1. Realised gains	EUR	6,412,516.74
2. Realised losses	EUR	-13,263,163.46
Gain/loss on disposals	EUR	-6,850,646.72
V. Annual realised results	EUR	23,946,284.47
1. Net change in unrealised gains	EUR	49,225,290.15
2. Net change in unrealised losses	EUR	38,236,067.59
VI. Annual unrealised results	EUR	87,461,357.74
VII. Result for the financial year	EUR	111,407,642.21

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		567,919,281.00
1. Distribution for the previous year	EUR		-6,965,926.80
2. Interim distributions	EUR		-18,757,104.80
3. Inflow/outflow of funds (net)	EUR		-87,996,810.00
a) Inflow of funds from sale of equities	EUR	87,730,415.00	
b) Outflow of funds from redemption of equities	EUR	-175,727,225.00	
4. Income adjustment/cost compensation	EUR		-781,052.85
5. Result for the financial year	EUR		111,407,642.21
of which unrealised gains	EUR	49,225,290.15	
of which unrealised losses	EUR	38,236,067.59	
II. Value of sub-fund assets at end of financial year	EUR		564,826,028.76

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	108,988,134.86	5.99
1. Carryforward from the previous year ⁴⁶⁾	EUR	71,778,686.93	3.94
2. Realised net income for the financial year	EUR	23,946,284.47	1.32
3. Transfer from sub-fund assets ⁴⁷⁾	EUR	13,263,163.46	0.73
II. Not used for distribution	EUR	-84,214,546.86	-4.63
1. Reinvested	EUR	0.00	0.00
2. Carryforward to new account	EUR	-84,214,546.86	-4.63
III. Total distribution	EUR	24,773,588.00	1.36
1. Interim distribution	EUR	18,757,104.80	1.03
2. Final year-end distribution	EUR	6,016,483.20	0.33

46) Difference from previous year because of income adjustment calculated on carryforwards.

47) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	564,826,028.76	31.03
2015/2016	EUR	567,919,281.00	26.29
2014/2015	EUR	511,463,174.27	32.37
2013/2014	EUR	146,202,486.73	34.00

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	5,476,348.00
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	8,882,782.73
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Counterparty to securities loans:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	9,644,606.85
of which:		
Equities		5,628,700.00
Bonds		4,015,906.85

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	31.03
Shares in circulation	Units	18,200,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
US dollar	(USD)	1.06260 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0095% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	51,601.36
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0111% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0494% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 3,175,042.96 is broken down as follows:

a) Compensation payments:	EUR	2,095,957.51
b) Income from withholding tax refunds/claims:	EUR	879,828.51
c) Other income:	EUR	199,256.94

Other expenses amounting to EUR 81,348.63 are broken down as follows:

a) Bank custody fees:	EUR	70,135.78
b) Other expenditure:	EUR	11,212.85

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 127,626.52.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.53 percentage points
Annual tracking difference level	0.43 percentage points

The STOXX® Europe 600 Oil & Gas Index (Net Total Return Index) posted a performance of 23.49% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) recorded a performance of 23.92% during the same period.

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the "Partner Plan" and "Enterprise Leadership Acceleration at BlackRock Plan" are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual's role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.'s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

		Securities lending
		Assets used
Absolute		EUR 8,882,782.73
In % of fund assets		1.57
		Ten largest counterparties (descending)
Name		CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions		EUR 8,882,782.73
Country of residence		United Kingdom (UK)
		Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)
		Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).
		Transactions broken down by remaining maturity (absolute amounts)
unlimited		EUR 8,882,782.73
		Type(s) and quality(ies) of collateral received
		Type(s) of collateral received
Bonds		EUR 4,015,906.85
Equities		EUR 5,628,700.00
		Quality(ies) of collateral received
		The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
		<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
		Currency(ies) of collateral received
		EUR, GBP
		Collateral broken down by remaining maturity (absolute amounts)
unlimited		EUR 9,644,606.85
		Income and cost shares
		Funds
Absolute income share		EUR 135,514.61
Income share as % of gross income		61.92
Absolute cost share		EUR 51,601.36

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Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	1.68
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	Great Britain and Northern Ireland, United Kingdom of
Volume of collateral received (absolute)	EUR 3,419,606.49
Name	Kering S.A.
Volume of collateral received (absolute)	EUR 2,310,000.00
Name	LVMH Moët Hennessy Louis Vuitton SE
Volume of collateral received (absolute)	EUR 1,898,500.00
Name	Accor S.A.
Volume of collateral received (absolute)	EUR 744,000.00
Name	Compagnie de Saint-Gobain S.A.
Volume of collateral received (absolute)	EUR 676,200.00
Name	Germany, Federal Republic of
Volume of collateral received (absolute)	EUR 395,578.36
Name	France, Republic of
Volume of collateral received (absolute)	EUR 200,722.00

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁸⁾
Securities								55,213,773.81	99.57
Exchange-traded securities								55,213,773.81	99.57
Equities								55,213,773.81	99.57
adidas AG Namens-Aktien o.N.	DE000A1EWWV0		Units	15,539	4,333	7,429 EUR	158.400	2,461,377.60	4.44
Amer Sports Corp. Registered Shares Cl. A o.N.	FI0009000285		Units	9,495	2,659	3,720 EUR	22.410	212,782.95	0.38
Barratt Developments PLC Registered Shares LS 0.10	GB0000811801		Units	80,644	22,796	31,399 GBP	5.115	483,067.71	0.87
Beiersdorf AG Inhaber-Aktien o.N.	DE0005200000		Units	7,877	2,209	3,158 EUR	86.120	678,367.24	1.22
Bellway PLC Registered Shares LS 0.125	GB0000904986		Units	9,829	2,766	3,851 GBP	26.060	299,967.40	0.54
Berkeley Group Holdings PLC Reg. Ordinary Shares LS 0.05	GB00B02L3W35		Units	11,229	3,361	4,305 GBP	29.440	387,141.03	0.70
British American Tobacco PLC Registered Shares LS 0.25	GB0002875804		Units	149,220	41,855	58,688 GBP	50.800	8,877,303.32	16.01
Burberry Group PLC Registered Shares LS 0.0005	GB0031743007		Units	35,704	10,022	13,940 GBP	17.260	721,685.49	1.30
Christian Dior SE Actions Port. EO 2	FR0000130403		Units	3,951	1,108	1,550 EUR	199.900	789,804.90	1.42
Cie Financière Richemont AG Namens-Aktien SF 1	CH0210483332		Units	41,778	11,717	16,434 CHF	74.000	2,905,228.74	5.24
Electrolux, AB Namn-Aktier B o.N.	SE0000103814		Units	19,097	5,565	7,512 SEK	239.400	477,722.32	0.86
Henkel AG & Co. KGaA Inhaber-Vorzugsaktien o. St.o. N	DE0006048432		Units	14,259	3,997	5,608 EUR	117.900	1,681,136.10	3.03
Hermes International S. C. A. Actions au Porteur o.N.	FR0000052292		Units	1,808	506	711 EUR	411.900	744,715.20	1.34
HUGO BOSS AG Namens-Aktien o.N.	DE000A1PHFF7		Units	5,068	1,499	2,202 EUR	64.980	329,318.64	0.59
Husqvarna AB Namn-Aktier B SK 100	SE0001662230		Units	33,055	9,268	13,000 SEK	77.350	267,167.56	0.48
Imperial Brands PLC Registered Shares LS 0.10	GB0004544929		Units	76,732	21,660	30,181 GBP	37.930	3,408,393.06	6.15
Luxtotta Group S.p.A. Azioni nom. EO 0.06	IT0001479374		Units	14,777	4,135	6,005 EUR	49.760	735,303.52	1.33
LVMH Moët Henn. L. Vuitton SE Actions Port.(C.R.)EO 0.3	FR0000121014		Units	21,726	6,014	8,521 EUR	189.450	4,115,990.70	7.42
Moncler S.p.A. Azioni nom. o.N.	IT0004965148		Units	12,789	15,565	2,776 EUR	18.020	230,457.78	0.42
Ontex Group N.V. Actions Nom. EO 0.01	BE0974276082		Units	5,096	7,366	2,270 EUR	28.960	147,580.16	0.27
Oréal S.A., L' Actions Port. EO 0.2	FR0000120321		Units	19,543	5,551	7,759 EUR	175.550	3,430,773.65	6.19
OSRAM Licht AG Namens-Aktien o.N.	DE000LED4000		Units	6,528	1,926	3,137 EUR	56.100	366,220.80	0.66
Pandora A/S Navne-Aktier DK 1	DK0060252690		Units	9,369	2,603	4,127 DKK	800.000	1,008,383.53	1.82
Persimmon PLC Registered Shares LS 0.10	GB0006825383		Units	24,699	7,002	9,608 GBP	20.610	596,139.19	1.08
Reckitt Benckiser Group Registered Shares LS 0.10	GB00B24CGK77		Units	53,729	16,295	21,217 GBP	73.110	4,600,190.88	8.30
SEB S.A. Actions Port. EO 1	FR0000121709		Units	1,962	560	763 EUR	124.350	243,974.70	0.44
Société Bic S.A. Actions Port. EO 3.82	FR0000120966		Units	2,193	599	867 EUR	116.750	256,032.75	0.46
Steinhoff Internatl Hldgs N.V. Aandelen op naam EO 0.50	NL0011375019		Units	196,355	66,850	157,076 EUR	5.054	992,378.17	1.79
Svenska Cellulosa AB Namn-Aktier B (fria) SK 10	SE0000112724		Units	51,264	19,165	19,930 SEK	277.400	1,485,953.38	2.68
Swatch Group AG, The Inhaber-Aktien SF 2.25	CH0012255151		Units	2,471	692	968 CHF	333.900	775,336.32	1.40
Swedish Match AB Namn-Aktier o.N.	SE0000310336		Units	15,107	4,387	6,782 SEK	281.200	443,894.52	0.80
Taylor Wimpey PLC Registered Shares LS 0.01	GB0008782301		Units	261,575	73,751	101,970 GBP	1.800	551,390.21	0.99
Ubisoft Entertainment S.A. Actions Port. EO 0.0775	FR0000054470		Units	5,826	1,781	3,722 EUR	34.625	201,725.25	0.36
Unilever N.V. Cert.v. Aandelen EO 0.16	NL0000009355		Units	125,903	35,944	49,062 EUR	44.615	5,617,162.35	10.13
Unilever PLC Registered Shares LS 0.031111	GB00B10RZP78		Units	104,859	32,197	43,462 GBP	38.190	4,689,706.69	8.46
Derivatives								15,875.00	0.03
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								15,875.00	0.03
Claims/liabilities									
Equity index futures contracts								15,875.00	0.03
STOXX 600 P HG MAR 17		EURX	Number	6		EUR		15,875.00	0.03

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁴⁸⁾
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								33,681.58	0.06
Bank accounts								33,681.58	0.06
EUR balances								29,360.47	0.05
Custodian Bank: State Street Bank International GmbH			EUR	29,360.47		%	100.000	29,360.47	0.05
Credit in other EU/EEA currencies								4,306.51	0.01
Custodian Bank: State Street Bank International GmbH			DKK	218.63		%	100.000	29.41	0.00
			GBP	3,644.65		%	100.000	4,268.21	0.01
			SEK	85.06		%	100.000	8.89	0.00
Non-EU/EEA currencies								14.60	0.00
Custodian Bank: State Street Bank International GmbH			CHF	15.54		%	100.000	14.60	0.00
Other assets								223,264.10	0.40
Dividend claims			EUR	34,256.32				34,256.32	0.06
			GBP	70,536.98				82,605.16	0.15
Withholding tax reimbursement claims			CHF	55,161.18				51,836.36	0.09
			EUR	38,696.26				38,696.26	0.07
Initial margin			EUR	15,870.00				15,870.00	0.03
Other liabilities								-35,349.12	-0.06
Management fee			EUR	-18,389.63				-18,389.63	-0.03
Received variation margin			EUR	-16,445.00				-16,445.00	-0.03
Other liabilities			EUR	-514.49				-514.49	-0.00
Sub-fund assets							EUR	55,451,245.37	100.00
Share value							EUR	82.15	
Shares in circulation							Units	675,000	

48) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities				
Exchange-traded securities				
Equities				
Bovis Homes Group PLC Registered Shares LS 0.50	GB0001859296	Units	2,609	14,575
Derivatives				
(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)				
Futures contracts				
Equity index futures contracts				
Purchased contracts:				2,208
Underlying security(ies): STXE 600 Pers. & Househ.Goods Index (Price) (EUR)				

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	75,239.92
2. Dividends from foreign issuers (before withholding tax)	EUR	1,493,763.05
3. Deduction of foreign withholding tax	EUR	-65,752.60
4. Other income	EUR	15,385.44
Total income	EUR	1,518,635.81
II. Expenses		
1. Interest from borrowings	EUR	-30.22
2. Management fee	EUR	-232,331.47
3. Other expenses	EUR	-8,032.04
Total expenses	EUR	-240,393.73
III. Ordinary net income	EUR	1,278,242.08
IV. Disposals		
1. Realised gains	EUR	2,930,989.19
2. Realised losses	EUR	-246,023.43
Gain/loss on disposals	EUR	2,684,965.76
V. Annual realised results	EUR	3,963,207.84
1. Net change in unrealised gains	EUR	2,002,913.84
2. Net change in unrealised losses	EUR	334,278.59
VI. Annual unrealised results	EUR	2,337,192.43
VII. Result for the financial year	EUR	6,300,400.27

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		55,512,210.35
1. Distribution for the previous year	EUR		-270,533.90
2. Interim distributions	EUR		-1,202,761.85
3. Inflow/outflow of funds (net)	EUR		-4,933,300.00
a) Inflow of funds from sale of equities	EUR	13,742,485.00	
b) Outflow of funds from redemption of equities	EUR	-18,675,785.00	
4. Income adjustment/cost compensation	EUR		45,230.50
5. Result for the financial year	EUR		6,300,400.27
of which unrealised gains	EUR	2,002,913.84	
of which unrealised losses	EUR	334,278.59	
II. Value of sub-fund assets at end of financial year	EUR		55,451,245.37

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Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	11,703,379.71	17.33
1. Carryforward from the previous year ⁴⁹⁾	EUR	7,494,148.44	11.10
2. Realised net income for the financial year	EUR	3,963,207.84	5.87
3. Transfer from sub-fund assets ⁵⁰⁾	EUR	246,023.43	0.36
II. Not used for distribution	EUR	-10,335,294.16	-15.31
1. Reinvested	EUR	-2,017,607.35	-2.99
2. Carryforward to new account	EUR	-8,317,686.81	-12.32
III. Total distribution	EUR	1,368,085.55	2.02
1. Interim distribution	EUR	1,202,761.85	1.78
2. Final year-end distribution	EUR	165,323.70	0.24

49) Difference from previous year because of income adjustment calculated on carryforwards.

50) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	55,451,245.37	82.15
2015/2016	EUR	55,512,210.35	74.02
2014/2015	EUR	41,385,614.04	75.25
2013/2014	EUR	47,448,346.36	59.31

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 248,484.00

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR
Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	82.15
Shares in circulation	Units	675,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0296% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0674% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 15,385.44 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	15,385.44
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Other expenses amounting to EUR 8,032.04 are broken down as follows:

a) Bank custody fees:	EUR	6,976.96
b) Other expenditure:	EUR	1,055.08

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 4,621.87.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.76 percentage points
Annual tracking difference level	-0.29 percentage points
The STOXX® Europe 600 Personal & Household Goods Index (Net Total Return Index) posted a performance of 14.48% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Personal & Household Goods Index UCITS ETF (DE) recorded a performance of 14.19% during the same period.	

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Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁵¹⁾
Securities								89,570,604.38	99.61
Exchange-traded securities								89,570,604.38	99.61
Equities								89,570,604.38	99.61
British Land Co. PLC, The Registered Shares LS 0.25	GB0001367019		Units	656,489	252,324	311,921	GBP 6.175	4,747,387.99	5.28
BUWOG AG Inhaber-Aktien o.N.	AT00BUWOG001		Units	56,728	56,897	169	EUR 23.570	1,337,078.96	1.49
Capital & Counties Propert. PLC Registered Shares LS 0.25 ⁵²⁾	GB00B62G9D36		Units	399,724	144,237	252,062	GBP 2.939	1,375,783.59	1.53
Castellum AB Namn-Aktier o.N.	SE0000379190		Units	172,545	120,119	74,040	SEK 122.300	2,205,032.90	2.45
Cofinimmo S.A./N.V. Actions Porteur o.N.	BE0003593044		Units	12,177	4,483	7,261	EUR 104.800	1,276,149.60	1.42
Derwent London PLC Registered Shares LS 0.05	GB0002652740		Units	70,251	25,163	36,573	GBP 28.200	2,320,021.08	2.58
Deutsche EuroShop AG Namens-Aktien o.N.	DE0007480204		Units	28,039	10,108	14,856	EUR 39.115	1,096,745.49	1.22
Deutsche Wohnen AG Inhaber-Aktien o.N.	DE000A0HN5C6		Units	198,337	71,305	103,822	EUR 32.425	6,431,077.23	7.15
Fabege AB Namn-Aktier SK 28.50	SE0000950636		Units	88,379	133,465	45,086	SEK 152.300	1,406,485.39	1.56
Fastighets AB Balder Namn-Aktier B SK 1	SE0000455057		Units	58,991	76,209	17,218	SEK 197.400	1,216,799.84	1.35
Foncière des Régions S.A. Actions Port. EO 3	FR0000064578		Units	18,956	6,755	9,301	EUR 77.710	1,473,070.76	1.64
Gecina S.A. Actions Nom. EO 7.50	FR0010040865		Units	25,484	10,433	12,912	EUR 120.100	3,060,628.40	3.40
Great Portland Estates PLC Registered Shares LS 0.125	GB00B01FLL16		Units	196,316	70,690	103,574	GBP 6.480	1,489,776.14	1.66
Hammerson PLC Registered Shares LS 0.25	GB0004065016		Units	500,267	178,409	254,872	GBP 5.885	3,447,772.77	3.83
Icade S.A. Actions au Porteur o.N.	FR0000035081		Units	22,497	8,083	11,645	EUR 67.300	1,514,048.10	1.68
Immofinanz AG Inhaber-Aktien o.N.	AT0000809058		Units	537,662	203,998	278,164	EUR 1.718	923,703.32	1.03
Intu Properties PLC Registered Shares LS 0.50	GB0006834344		Units	510,419	183,063	329,679	GBP 2.869	1,714,935.11	1.91
JM AB Namn-Aktier o.N.	SE0000806994		Units	43,554	16,550	28,263	SEK 283.800	1,291,595.95	1.44
Klépierre S.A. Actions Port. EO 1.40	FR0000121964		Units	131,174	47,169	68,700	EUR 35.065	4,599,616.31	5.12
L E Lundbergföretagen AB Namn-Aktier B (fria) SK 10	SE0000108847		Units	23,307	24,665	1,358	SEK 585.500	1,425,934.29	1.59
Land Securities Group PLC Registered Shares LS 0.10	GB0031809436		Units	474,688	169,456	249,444	GBP 10.660	5,925,919.79	6.59
LEG Immobilien AG Namens-Aktien o.N.	DE000LEG1110		Units	39,906	14,308	20,554	EUR 77.790	3,104,287.74	3.45
Merlin Properties SOCIMI S.A. Acciones Nominativas EO 1	ES0105025003		Units	211,510	75,310	100,556	EUR 10.715	2,266,329.65	2.52
PSP Swiss Property AG Nam.-Aktien SF 0.10	CH0018294154		Units	25,433	9,144	13,314	CHF 93.600	2,237,043.38	2.49
Segro PLC Registered Shares LS 0.10 ⁵²⁾	GB00B5ZN1N88		Units	521,492	209,932	238,025	GBP 4.938	3,015,706.33	3.35
Shaftesbury PLC Registered Shares LS 0.25 ⁵²⁾	GB0007990962		Units	138,824	53,973	101,244	GBP 9.155	1,488,377.90	1.66
Swiss Prime Site AG Nam.-Aktien SF 15.3	CH0008038389		Units	44,885	15,656	21,980	CHF 87.200	3,678,058.91	4.09
Unibail-Rodamco SE Actions Port. EO 5	FR0000124711		Units	62,741	20,123	29,909	EUR 215.350	13,511,274.35	15.03
Vonovia SE Namens-Aktien o.N.	DE000A1ML7J1		Units	271,854	97,609	141,514	EUR 32.890	8,941,278.06	9.94
Wereldhave N.V. Aandelen aan toonder EO 1	NL0000289213		Units	25,435	9,144	13,315	EUR 41.230	1,048,685.05	1.17
Derivatives								10,730.00	0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								10,730.00	0.01
Claims/liabilities									
Equity index futures contracts								10,730.00	0.01
STOXX 600 Real Mar 17		EURX	Number	37			EUR	10,730.00	0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								112,525.82	0.13
Bank accounts								112,525.82	0.13
EUR balances								98,588.97	0.11
Custodian Bank: State Street Bank International GmbH			EUR	98,588.97			% 100.000	98,588.97	0.11
Credit in other EU/EEA currencies								13,021.09	0.01
Custodian Bank: State Street Bank International GmbH			GBP	11,018.85			% 100.000	12,904.07	0.01
			SEK	1,119.92			% 100.000	117.02	0.00
Non-EU/EEA currencies								915.76	0.00
Custodian Bank: State Street Bank International GmbH			CHF	974.50			% 100.000	915.76	0.00

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁵¹⁾
Other assets								266,186.44	0.30
Withholding tax reimbursement claims			CHF	8,777.40				8,248.35	0.01
			EUR	148,162.91				148,162.91	0.16
			GBP	61,835.70				72,415.18	0.08
Initial margin			EUR	37,360.00				37,360.00	0.04
Other liabilities								-40,577.63	-0.05
Management fee			EUR	-28,942.72				-28,942.72	-0.03
Received variation margin			EUR	-10,545.00				-10,545.00	-0.01
Other liabilities			EUR	-1,089.91				-1,089.91	-0.00
Sub-fund assets							EUR	89,919,469.01	100.00
Share value							EUR	17.13	
Shares in circulation							Units	5,250,000	

51) Rounding of percentages during the calculation may result in slight rounding differences.
52) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security			Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
				limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:						
Capital & Counties Propert. PLC Registered Shares LS 0.25	GB00B62G9D36	Units	44,214	0.00	152,177.25	
Segro PLC Registered Shares LS 0.10	GB00B5ZN1N88	Units	372,562	0.00	2,154,467.53	
Shaftesbury PLC Registered Shares LS 0.25	GB0007990962	Units	2,974	0.00	31,885.24	
Total value of securities loans repayable			EUR	0.00	2,338,530.02	2,338,530.02

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities				
Exchange-traded securities				
Equities				
Castellum AB Anrechte	SE0008374151	Units	108,260	108,260
Unlisted securities				
Equities				
Castellum AB Namn-Aktier Em.5/16 1 o.N.	SE0008374169	Units	54,130	54,130
Cofinimmo S.A./N.V. Anrechte Priv. 2 (Wandelanl.)	BE6289390070	Units	11,352	11,352

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

4,257

Underlying security(ies): STXE600 Real Estate Index (Price) (EUR)

Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
Unlimited	EUR 27,725
Underlyings:	

Capital & Counties Propert. PLC Registered Shares LS 0.25 (GB00B62G9D36), Cofinimmo S.A./N.V. Actions Porteur o.N.(BE0003593044), Derwent London PLC Registered Shares LS 0.05 (GB0002652740), Gecina S.A. Actions Nom. EO 7.50 (FR0010040865), Great Portland Estates PLC Registered Shares LS 0.125 (GB00B01FLL16), Intu Properties PLC Registered Shares LS 0.50 (GB0006834344), JM AB Namn-Aktier o.N.(SE0000806994), Segro PLC Registered Shares LS 0.10 (GB00B5ZN1N88), Shaftesbury PLC Registered Shares LS 0.25 (GB0007990962), Unibail-Rodamco SE Actions Port. EO 5 (FR0000124711), Wereldhave N.V. Aandelen aan toonder EO 1 (NL0000289213)

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	-110,050.93
2. Dividends from foreign issuers (before withholding tax) ⁵³⁾	EUR	4,227,461.35
3. Income from securities lending and securities repurchase agreements	EUR	13,985.44
4. Deduction of foreign withholding tax	EUR	-299,011.21
5. Other income	EUR	182,483.28
Total income	EUR	4,014,867.93
II. Expenses		
1. Interest from borrowings	EUR	-143.07
2. Management fee	EUR	-409,811.28
3. Other expenses	EUR	-14,171.01
Total expenses	EUR	-424,125.36
III. Ordinary net income	EUR	3,590,742.57
IV. Disposals		
1. Realised gains	EUR	4,685,981.71
2. Realised losses	EUR	-2,154,138.39
Gain/loss on disposals	EUR	2,531,843.32
V. Annual realised results	EUR	6,122,585.89
1. Net change in unrealised gains	EUR	-808,469.01
2. Net change in unrealised losses	EUR	-363,301.70
VI. Annual unrealised results	EUR	-1,171,770.71
VII. Result for the financial year	EUR	4,950,815.18

53) Includes dividends within the meaning of Section 19 Paragraph 1 of the German REIT Act amounting to EUR 2,085,542.70

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Change in sub-fund assets

				2016/2017
I. Value of sub-fund assets at beginning of the financial year				EUR 96,756,111.30
1. Distribution for the previous year		EUR		-536,843.10
2. Interim distributions		EUR		-2,051,047.45
3. Inflow/outflow of funds (net)		EUR		-9,176,500.00
a) Inflow of funds from sale of equities	EUR	28,809,710.00		
b) Outflow of funds from redemption of equities	EUR	-37,986,210.00		
4. Income adjustment/cost compensation			EUR	-23,066.92
5. Result for the financial year			EUR	4,950,815.18
of which unrealised gains	EUR	-808,469.01		
of which unrealised losses	EUR	-363,301.70		
II. Value of sub-fund assets at end of financial year				EUR 89,919,469.01

Use of income from the sub-fund

Calculation of distribution (total and per share)

			Total	per share
I. Available for distribution			EUR 21,640,385.00	4.12
1. Carryforward from the previous year ⁵⁴⁾	EUR	13,363,660.72		2.55
2. Realised net income for the financial year	EUR	6,122,585.89		1.16
3. Transfer from sub-fund assets ⁵⁵⁾	EUR	2,154,138.39		0.41
II. Not used for distribution			EUR -19,322,312.05	-3.68
1. Reinvested	EUR	-5,834,391.70		-1.11
2. Carryforward to new account	EUR	-13,487,920.35		-2.57
III. Total distribution			EUR 2,318,072.95	0.44
1. Interim distribution	EUR	2,051,047.45		0.39
2. Final year-end distribution	EUR	267,025.50		0.05

54) Difference from previous year because of income adjustment calculated on carryforwards.

55) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	89,919,469.01	17.13
2015/2016	EUR	96,756,111.30	16.97
2014/2015	EUR	116,663,735.49	19.77
2013/2014	EUR	87,391,521.86	14.81

Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	314,241.00
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Counterparty to derivatives transactions:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	2,338,530.02
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Counterparty to securities loans:
CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	2,580,142.07
of which:		
Equities		1,489,773.26
Bonds		1,090,368.81

Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	17.13
Shares in circulation	Units	5,250,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0059% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	5,556.35
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0250% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0562% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Real Estate UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 182,483.28 is broken down as follows:

a) Compensation payments:	EUR	75,170.53
b) Income from withholding tax refunds/claims:	EUR	86,562.28
c) Other income:	EUR	20,750.47

Other expenses amounting to EUR 14,171.01 are broken down as follows:

a) Bank custody fees:	EUR	11,659.41
b) Other expenditure:	EUR	2,511.60

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 23,221.79.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.56 percentage points
Annual tracking difference level	-0.11 percentage points

The STOXX® Europe 600 Real Estate Index (Net Total Return Index) posted a performance of 4.10% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Real Estate UCITS ETF (DE) recorded a performance of 3.99% during the same period.

Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Securities lending	
Assets used	
Absolute	EUR 2,338,530.02
In % of fund assets	2.60
Ten largest counterparties (descending)	
Name	CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions	EUR 2,338,530.02
Country of residence	United Kingdom (UK)
Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)	
Wertpapierleihekонтрахenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).	
Transactions broken down by remaining maturity (absolute amounts)	
unlimited	EUR 2,338,530.02
Type(s) and quality(ies) of collateral received	
Type(s) of collateral received	
Bonds	EUR 1,090,368.81
Equities	EUR 1,489,773.26
Quality(ies) of collateral received	
Quality	The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
	<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
Currency(ies) of collateral received	
CHF, EUR, GBP	
Collateral broken down by remaining maturity (absolute amounts)	
unlimited	EUR 2,580,142.07
Income and cost shares	
Funds	
Absolute income share	EUR 13,985.44
Income share as % of gross income	60.27
Absolute cost share	EUR 5,556.35

Annual Report for iShares STOXX Europe 600 Real Estate UCITS ETF (DE)
for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	2.76
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	France, Republic of
Volume of collateral received (absolute)	EUR 736,768.04
Name	Compagnie de Saint-Gobain S.A.
Volume of collateral received (absolute)	EUR 450,800.00
Name	Germany, Federal Republic of
Volume of collateral received (absolute)	EUR 340,145.11
Name	Actelion Ltd.
Volume of collateral received (absolute)	EUR 273,276.79
Name	Kering S.A.
Volume of collateral received (absolute)	EUR 231,000.00
Name	LVMH Moët Hennessy Louis Vuitton SE
Volume of collateral received (absolute)	EUR 227,820.00
Name	Accor S.A.
Volume of collateral received (absolute)	EUR 148,800.00
Name	Sodexo S.A.
Volume of collateral received (absolute)	EUR 103,050.00
Name	Julius Baer Gruppe AG
Volume of collateral received (absolute)	EUR 55,026.47

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁵⁶⁾
Securities								12,595,511.47	99.58
Exchange-traded securities								12,595,511.47	99.58
Equities								12,595,511.47	99.58
Ahold Delhaize N.V., Konkinkl. Aandelen aan toonder EO 0.01	NL0011794037		Units	73,529	138,324	64,795 EUR	20.060	1,474,991.74	11.66
B & M Europ. Value Retail S.A. Actions Nominatives LS 0.10	LU1072616219		Units	38,850	14,490	44,007 GBP	2.982	135,671.61	1.07
Booker Group PLC Registered Shares LS 0.01	GB00B01TND91		Units	95,887	10,858	98,517 GBP	1.991	223,574.01	1.77
Carrefour S.A. Actions Port. EO 2.5	FR0000120172		Units	31,985	3,574	33,027 EUR	22.540	720,941.90	5.70
Casino, Guichard-Perrachon S.A. Actions Port. EO 1.53	FR0000125585		Units	3,180	330	3,417 EUR	49.915	158,729.70	1.25
Distribuidora Intl de Alim. SA Acciones Port. EO 0.10	ES0126775032		Units	35,773	3,799	36,937 EUR	5.241	187,486.29	1.48
Dixons Carphone PLC Registered Shares LS 0.001	GB00B4Y7R145		Units	58,436	6,212	60,337 GBP	3.030	207,354.48	1.64
Dufry AG Nam.-Aktien SF 5	CH0023405456		Units	1,797	140	2,416 CHF	144.900	244,690.68	1.93
Galenica AG Nam.-Akt. SF 0.10	CH0015536466		Units	232	43	229 CHF	1,178.000	256,823.19	2.03
H & M Hennes & Mauritz AB Namn-Aktier B SK 0.125	SE0000106270		Units	53,352	5,686	56,749 SEK	238.600	1,330,170.71	10.52
ICA Gruppen AB Aktier SK 2.50	SE0000652216		Units	4,472	475	4,623 SEK	293.200	137,009.92	1.08
Inchcape PLC Registered Shares LS 0.10	GB00B61TVQ02		Units	24,200	4,356	24,821 GBP	7.505	212,694.56	1.68
Industria de Diseño Textil SA Acciones Port. EO 0.03	ES0148396007		Units	60,309	6,419	62,457 EUR	30.320	1,828,568.88	14.46
Jerónimo Martins, SGPS, S.A. Acções Port. EO 1	PTJMT0AE0001		Units	14,056	1,486	14,524 EUR	15.180	213,370.08	1.69
Just-Eat PLC Registered Shares LS 0.01	GB00BKX5CN86		Units	31,907	8,877	31,317 GBP	5.005	187,016.70	1.48
Kering S.A. Actions Port. EO 4	FR0000121485		Units	4,026	427	4,165 EUR	229.750	924,973.50	7.31
Kesko Oyj Registered Shares Cl. B o.N.	FI0009000202		Units	3,927	393	4,044 EUR	43.310	170,078.37	1.34
Kingfisher PLC Reg. Shares LS 0.157142857	GB0033195214		Units	129,035	13,210	138,495 GBP	3.292	497,459.43	3.93
Marks & Spencer Group PLC Registered Shares LS 0.25	GB0031274896		Units	93,377	8,391	96,293 GBP	3.348	366,113.45	2.89
METRO AG Inhaber-Stammaktien o.N.	DE0007257503		Units	9,338	992	9,641 EUR	29.265	273,276.57	2.16
Morrison Supermarkets PLC, Wm. Registered Shares LS 0.10	GB0006043169		Units	134,219	14,272	138,567 GBP	2.426	381,324.84	3.01
NEXT PLC Registered Shares LS 0.10	GB0032089863		Units	8,450	669	9,143 GBP	38.270	378,708.87	2.99
Ocado Group PLC Registered Shares LS 0.02	GB00B3MBS747		Units	36,162	8,728	34,299 GBP	2.490	105,448.91	0.83
Saga PLC Registered Shares LS 0.01	GB00BLT1Y088		Units	64,256	121,679	57,423 GBP	1.891	142,296.93	1.12
Sainsbury PLC, J. Registered Shs LS 0.28571428	GB00B019KW72		Units	97,994	33,006	94,507 GBP	2.676	307,097.23	2.43
Tesco PLC Registered Shares LS 0.05	GB0008847096		Units	441,123	56,286	453,225 GBP	1.884	973,264.56	7.69
WH Smith PLC Registered Shares LS 0.220895	GB00B2PDGW16		Units	6,488	658	6,886 GBP	16.920	128,558.71	1.02
Zalando SE Inhaber-Aktien o.N.	DE000ZAL1111		Units	7,029	1,123	7,124 EUR	37.750	265,344.75	2.10
Établissements Fr. Colruyt SA Actions au Porteur o.N.	BE0974256852		Units	3,670	773	3,814 EUR	44.270	162,470.90	1.28
Derivatives								-1,200.00	-0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								-1,200.00	-0.01
Claims/liabilities									
Equity index futures contracts								-1,200.00	-0.01
STOXX 600 RETL MAR 17		EURX	Number	4		EUR		-1,200.00	-0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								23,283.49	0.18
Bank accounts								23,283.49	0.18
EUR balances								8,540.26	0.07
Custodian Bank: State Street Bank International GmbH			EUR	8,540.26		%	100.000	8,540.26	0.07
Credit in other EU/EEA currencies								14,734.13	0.12
Custodian Bank: State Street Bank International GmbH			GBP	12,542.77		%	100.000	14,688.71	0.12
			SEK	434.68		%	100.000	45.42	0.00
Non-EU/EEA currencies								9.10	0.00
Custodian Bank: State Street Bank International GmbH			CHF	9.68		%	100.000	9.10	0.00

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁵⁶⁾
Other assets								36,422.83	0.29
Withholding tax reimbursement claims			CHF	2,880.40				2,706.79	0.02
			EUR	27,706.04				27,706.04	0.22
Initial margin			EUR	4,430.00				4,430.00	0.04
Paid variation margin			EUR	1,580.00				1,580.00	0.01
Other liabilities								-5,167.04	-0.04
Management fee			EUR	-5,048.12				-5,048.12	-0.04
Other liabilities			EUR	-118.92				-118.92	-0.00
Sub-fund assets							EUR	12,648,850.75	100.00
Share value							EUR	30.12	
Shares in circulation							Units	420,000	

56) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
AA PLC Registered Shares LS 0.001	GB00BMSKPJ95	Units	-	67,090	
Ahold N.V., Kon. Aandelen aan toonder EO 0.01	NL0010672325	Units	10,741	91,954	
Delhaize Group S.A. Actions au Porteur o.N.	BE0003562700	Units	284	11,772	
Sports Direct Intl PLC Registered Shares LS 0.10	GB00B1QH8P22	Units	199	27,414	
Unlisted securities					
Equities					
Booker Group PLC Reg.Shares B (Entit.)LS 0.01	GB00BZB13M92	Units	175,132	175,132	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:	1,196
Underlying security(ies): STXE 600 Retail Index (Price) (EUR)	

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	9,343.38
2. Dividends from foreign issuers (before withholding tax)	EUR	635,134.52
3. Deduction of foreign withholding tax	EUR	-31,386.29
4. Other income	EUR	39,338.84
Total income	EUR	652,430.45
II. Expenses		
1. Interest from borrowings	EUR	-125.29
2. Management fee	EUR	-64,452.58
3. Other expenses	EUR	-1,970.01
Total expenses	EUR	-66,547.88
III. Ordinary net income	EUR	585,882.57
IV. Disposals		
1. Realised gains	EUR	539,454.67
2. Realised losses	EUR	-1,666,731.37
Gain/loss on disposals	EUR	-1,127,276.70
V. Annual realised results	EUR	-541,394.13
1. Net change in unrealised gains	EUR	22,827.17
2. Net change in unrealised losses	EUR	477,809.17
VI. Annual unrealised results	EUR	500,636.34
VII. Result for the financial year	EUR	-40,757.79

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		25,123,099.66
1. Distribution for the previous year	EUR		-141,522.40
2. Interim distributions	EUR		-472,485.06
3. Inflow/outflow of funds (net)	EUR		-11,494,420.00
a) Inflow of funds from sale of equities	EUR	620,272.00	
b) Outflow of funds from redemption of equities	EUR	-12,114,692.00	
4. Income adjustment/cost compensation	EUR		-325,063.66
5. Result for the financial year	EUR		-40,757.79
of which unrealised gains	EUR	22,827.17	
of which unrealised losses	EUR	477,809.17	
II. Value of sub-fund assets at end of financial year	EUR		12,648,850.75

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	3,103,781.32	7.39
1. Carryforward from the previous year ⁵⁷⁾	EUR	1,978,444.08	4.71
2. Realised net income for the financial year	EUR	-541,394.13	-1.29
3. Transfer from sub-fund assets ⁵⁸⁾	EUR	1,666,731.37	3.97
II. Not used for distribution	EUR	-2,604,906.40	-6.20
1. Reinvested	EUR	-707,578.79	-1.68
2. Carryforward to new account	EUR	-1,897,327.61	-4.52
III. Total distribution	EUR	498,874.92	1.19
1. Interim distribution	EUR	472,485.06	1.13
2. Final year-end distribution	EUR	26,389.86	0.06

57) Difference from previous year because of income adjustment calculated on carryforwards.

58) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	12,648,850.75	30.12
2015/2016	EUR	25,123,099.66	31.40
2014/2015	EUR	19,617,205.92	36.33
2013/2014	EUR	25,319,286.34	32.46

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 61,176.00

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR

Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	30.12
Shares in circulation	Units	420,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0741% p.a. is due to the Custodian Bank based on the average net asset value, and 0.1291% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Retail UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 39,338.84 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	31,784.37
b) Other income:	EUR	7,554.47

Other expenses amounting to EUR 1,970.01 are broken down as follows:

a) Bank custody fees:	EUR	1,697.64
b) Other expenditure:	EUR	272.37

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 4,157.13.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	1.06 percentage points
Annual tracking difference level	0.13 percentage points

The STOXX® Europe 600 Retail Index (Net Total Return Index) posted a performance of -1.34% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Retail UCITS ETF (DE) recorded a performance of -1.21% during the same period.

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Retail UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of Blackrock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

Annual Report for iShares STOXX Europe 600 Technology UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁵⁹⁾
Securities								55,027,265.54	99.88
Exchange-traded securities								55,027,265.54	99.88
Equities								55,027,265.54	99.88
ams AG Inhaber-Aktien o.N.	AT0000A18XM4		Units	13,947	28,590	26,708 CHF	46.400	608,134.65	1.10
ASM International N.V. Bearer Shares EO 0.04	NL0000334118		Units	9,461	19,100	18,709 EUR	47.980	453,938.78	0.82
ASML Holding N.V. Aandelen op naam EO 0.09	NL0010273215		Units	66,767	134,670	132,961 EUR	114.450	7,641,483.15	13.87
Atos SE Actions au Porteur EO 1	FR0000051732		Units	16,532	33,432	32,743 EUR	111.500	1,843,318.00	3.35
Cap Gemini S.A. Actions Port. EO 8	FR0000125338		Units	30,941	62,572	61,818 EUR	80.690	2,496,629.29	4.53
Dassault Systèmes S.A. Actions Port. EO 0.50	FR0000130650		Units	24,385	49,145	48,401 EUR	76.230	1,858,868.55	3.37
Dialog Semiconductor PLC Registered Shares LS 0.10	GB0059822006		Units	14,074	28,298	27,736 EUR	49.745	700,111.13	1.27
Ericsson Namn-Aktier B (fria) o.N.	SE0000108656		Units	553,416	1,118,876	1,099,038 SEK	58.750	3,397,393.25	6.17
Gemalto N.V. Aandelen EO 1	NL0000400653		Units	13,943	28,562	28,912 EUR	56.810	792,101.83	1.44
Hexagon AB Namn-Aktier B (fria) SK 1.333	SE0000103699		Units	48,106	97,007	95,477 SEK	364.600	1,832,745.45	3.33
Iliad S.A. Actions au Porteur o.N.	FR0004035913		Units	4,396	8,846	8,700 EUR	195.450	859,198.20	1.56
Infineon Technologies AG Namens-Aktien o.N.	DE0006231004		Units	204,243	411,617	405,366 EUR	16.800	3,431,282.40	6.23
Ingenico Group S.A. Actions Port. EO 1	FR0000125346		Units	10,488	21,174	20,791 EUR	84.680	888,123.84	1.61
Logitech International S.A. Namens-Aktien SF 0.25	CH0025751329		Units	28,034	56,417	55,595 CHF	29.050	765,300.81	1.39
Micro Focus International PLC Registered Shares LS 0.10	GB00BQY7BX88		Units	41,412	92,995	80,954 GBP	21.840	1,059,178.49	1.92
Nokia Corp. Registered Shares EO 0.06	FI0009000681		Units	1,052,166	2,171,195	2,074,316 EUR	4.838	5,090,379.11	9.24
Sage Group PLC, The Registered Shares LS 0.01051948	GB00B8C3BL03		Units	201,840	406,867	401,073 GBP	6.460	1,526,968.46	2.77
SAP SE Inhaber-Aktien o.N.	DE0007164600		Units	178,245	360,420	351,581 EUR	87.950	15,676,647.75	28.46
SimCorp A/S Navne-Aktier DK 1	DK0060495240		Units	7,505	16,593	9,088 DKK	390.500	394,288.63	0.72
Software AG Inhaber-Aktien o.N.	DE0003304002		Units	9,773	27,559	17,786 EUR	35.015	342,201.60	0.62
STMicroelectronics N.V. Aandelen aan toonder EO 1.04	NL0000226223		Units	119,037	240,074	236,770 EUR	14.390	1,712,942.43	3.11
Temenos Group AG Nam.-Aktien SF 5	CH0012453913		Units	10,662	21,883	21,059 CHF	77.650	778,002.70	1.41
United Internet AG Namens-Aktien o.N.	DE0005089031		Units	22,583	45,240	44,222 EUR	38.880	878,027.04	1.59
Derivatives								3,010.00	0.01
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								3,010.00	0.01
Claims/liabilities									
Equity index futures contracts								3,010.00	0.01
STOXX 600 TECH MAR 17		EURX	Number	2		EUR		3,010.00	0.01
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								40,957.85	0.07
Bank accounts								40,957.85	0.07
EUR balances								40,932.60	0.07
Custodian Bank: State Street Bank International GmbH			EUR	40,932.60		%	100.000	40,932.60	0.07
Credit in other EU/EEA currencies								25.25	0.00
Custodian Bank: State Street Bank International GmbH			DKK	183.50		%	100.000	24.69	0.00
			SEK	5.39		%	100.000	0.56	0.00
Other assets								49,827.15	0.09
Dividend claims			GBP	18,221.47				21,338.98	0.04
Withholding tax reimbursement claims			CHF	8,080.78				7,593.71	0.01
			EUR	17,894.46				17,894.46	0.03
Initial margin			EUR	3,000.00				3,000.00	0.01

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁵⁹⁾
Liabilities arising from loans								-2,722.82	-0.00
Loans in other EU/EEA currencies								-6.35	-0.00
		GBP		-5.42		%	100.000	-6.35	-0.00
Loans in non-EU/EEA currencies								-2,716.47	-0.00
		CHF		-2,890.71		%	100.000	-2,716.47	-0.00
Other liabilities								-27,493.39	-0.05
Management fee			EUR	-23,962.37				-23,962.37	-0.04
Received variation margin			EUR	-3,030.00				-3,030.00	-0.01
Other liabilities			EUR	-501.02				-501.02	-0.00
Sub-fund assets							EUR	55,090,844.33	100.00
Share value							EUR	37.99	
Shares in circulation							Units	1,450,000	

59) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
ARM Holdings PLC Registered Shares LS 0.0005	GB0000595859	Units	124,360	371,907	
Derivatives					
(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)					
Futures contracts					
Equity index futures contracts					
Purchased contracts:					1,268
Underlying security(ies): STXE 600 Technology Index (Price) (EUR)					

Annual Report for iShares STOXX Europe 600 Technology UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	151,217.47
2. Dividends from foreign issuers (before withholding tax)	EUR	948,732.61
3. Deduction of foreign withholding tax	EUR	-83,402.27
4. Other income	EUR	366,875.86
Total income	EUR	1,383,423.67
II. Expenses		
1. Interest from borrowings	EUR	-3,974.97
2. Management fee	EUR	-229,890.97
3. Other expenses	EUR	-8,448.74
Total expenses	EUR	-242,314.68
III. Ordinary net income	EUR	1,141,108.99
IV. Disposals		
1. Realised gains	EUR	9,198,746.52
2. Realised losses	EUR	-4,355,747.18
Gain/loss on disposals	EUR	4,842,999.34
V. Annual realised results	EUR	5,984,108.33
1. Net change in unrealised gains	EUR	2,864,247.14
2. Net change in unrealised losses	EUR	1,245,806.16
VI. Annual unrealised results	EUR	4,110,053.30
VII. Result for the financial year	EUR	10,094,161.63

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		47,540,193.16
1. Distribution for the previous year	EUR		-80,995.60
2. Interim distributions	EUR		-1,292,159.60
3. Inflow/outflow of funds (net)	EUR		-2,054,890.00
a) Inflow of funds from sale of equities	EUR	95,782,405.00	
b) Outflow of funds from redemption of equities	EUR	-97,837,295.00	
4. Income adjustment/cost compensation	EUR		884,534.74
5. Result for the financial year	EUR		10,094,161.63
of which unrealised gains	EUR	2,864,247.14	
of which unrealised losses	EUR	1,245,806.16	
II. Value of sub-fund assets at end of financial year	EUR		55,090,844.33

Annual Report for iShares STOXX Europe 600 Technology UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	17,233,183.50	11.88
1. Carryforward from the previous year ⁶⁰⁾	EUR	6,893,327.99	4.75
2. Realised net income for the financial year	EUR	5,984,108.33	4.13
3. Transfer from sub-fund assets ⁶¹⁾	EUR	4,355,747.18	3.00
II. Not used for distribution	EUR	-15,898,988.40	-10.96
1. Reinvested	EUR	-7,635,361.75	-5.26
2. Carryforward to new account	EUR	-8,263,626.65	-5.70
III. Total distribution	EUR	1,334,195.10	0.92
1. Interim distribution	EUR	1,292,159.60	0.89
2. Final year-end distribution	EUR	42,035.50	0.03

60) Difference from previous year because of income adjustment calculated on carryforwards.

61) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	55,090,844.33	37.99
2015/2016	EUR	47,540,193.16	31.69
2014/2015	EUR	51,505,989.33	34.34
2013/2014	EUR	26,738,034.50	28.15

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives: EUR 39,531.00

Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

Market value of securities
in EUR
Total sum in connection with third-party derivatives for collateral: EUR 0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Technology UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	37.99
Shares in circulation	Units	1,450,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Technology UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0331% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0755% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Technology UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 366,875.86 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	341,551.79
b) Other income:	EUR	25,324.07

Other expenses amounting to EUR 8,448.74 are broken down as follows:

a) Bank custody fees:	EUR	6,304.83
b) Other expenditure:	EUR	2,143.91

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 8,323.75.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV 0.46 percentage points

Annual tracking difference level 0.29 percentage points

The STOXX® Europe 600 Technology Index (Net Total Return Index) posted a performance of 22.31% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Technology UCITS ETF (DE) recorded a performance of 22.60% during the same period.

Annual Report for iShares STOXX Europe 600 Technology UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽²⁾
Securities								299,443,606.61	99.13
Exchange-traded securities								299,443,606.61	99.13
Equities								299,443,606.61	99.13
Altice N.V. Aandelen aan tonder A EO 0.01	NL0011333752		Units	468,752	277,753	63,801 EUR	19.905	9,330,508.56	3.09
BT Group PLC Registered Shares LS 0.05	GB0030913577		Units	8,693,928	3,433,061	1,220,929 GBP	3.271	33,303,271.24	11.02
Cellnex Telecom S.A. Acciones Port. EO 0.25	ES0105066007		Units	151,588	59,871	21,272 EUR	14.215	2,154,823.42	0.71
Deutsche Telekom AG Namens-Aktien o.N.	DE0005557508		Units	2,771,404	1,136,347	706,527 EUR	16.310	45,201,599.24	14.96
Elisa Oyj Registered Shares Class A o.N.	FI0009007884		Units	149,232	58,938	20,939 EUR	31.470	4,696,331.04	1.55
freenet AG Namens-Aktien o.N.	DE000A0Z2ZZ5		Units	126,941	50,130	17,816 EUR	28.165	3,575,293.27	1.18
Inmarsat PLC Registered Shares EO 0.0005	GB00B09LSH68		Units	448,141	178,659	62,720 GBP	7.115	3,734,047.99	1.24
Kon. KPN N.V. Aandelen aan toonder EO 0.04	NL0000009082		Units	3,327,282	1,314,034	466,888 EUR	2.665	8,867,206.53	2.94
Orange S.A. Actions Port. EO 4	FR0000133308		Units	1,984,839	786,025	307,541 EUR	14.265	28,313,728.34	9.37
Proximus S.A. Actions au Porteur o.N.	BE0003810273		Units	157,487	75,062	21,206 EUR	27.755	4,371,051.69	1.45
Sunrise Communications Gr. AG Nam.-Aktien SF 1	CH0267291224		Units	31,410	12,504	5,943 CHF	71.850	2,120,780.27	0.70
Swisscom AG Namens-Aktien SF 1	CH0008742519		Units	25,194	9,965	3,546 CHF	442.200	10,469,280.35	3.47
TDC A/S Navne-Aktier DK 1	DK0060228559		Units	793,691	306,416	112,730 DKK	37.760	4,032,050.46	1.33
Tele2 AB Namn-Aktier B SK 0.625	SE0005190238		Units	348,378	161,123	42,153 SEK	80.750	2,939,540.79	0.97
Telecom Italia S.p.A. Azioni nom. o.N.	IT0003497168		Units	11,769,047	5,655,579	1,863,854 EUR	0.766	9,009,205.48	2.98
Telefónica Deutschland Hldg AG Namens-Aktien o.N.	DE000A1J5RX9		Units	628,676	247,452	112,000 EUR	4.144	2,605,233.34	0.86
Telefónica S.A. Acciones Port. EO 1	ES0178430E18		Units	4,311,003	1,726,893	596,910 EUR	9.649	41,596,867.95	13.77
Telenor ASA Navne-Aksjer NK 6	NO0010063308		Units	685,121	270,575	96,139 NOK	136.700	10,546,234.88	3.49
Telia Company AB Namn-Aktier SK 3.20	SE0000667925		Units	2,691,395	1,062,907	377,660 SEK	36.280	10,203,072.15	3.38
Vodafone Group PLC Registered Shares DL 0.2095238	GB00BH4HKS39		Units	26,379,912	10,454,523	3,694,106 GBP	2.019	62,373,479.62	20.65
Derivatives								52,735.00	0.02
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								52,735.00	0.02
Claims/liabilities									
Equity index futures contracts								52,735.00	0.02
STOXX 600 TLMC MAR 17		EURX	Number	187		EUR		52,735.00	0.02
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								2,132,824.65	0.71
Bank accounts								2,132,824.65	0.71
EUR balances								2,132,824.65	0.71
Custodian Bank: State Street Bank International GmbH			EUR	2,132,824.65		%	100.000	2,132,824.65	0.71
Other assets								618,227.86	0.20
Withholding tax reimbursement claims			CHF	148,676.00				139,714.61	0.05
			EUR	304,373.25				304,373.25	0.10
Initial margin			EUR	174,140.00				174,140.00	0.06
Liabilities arising from loans								-5.59	-0.00
Loans in other EU/EEA currencies								-4.74	-0.00
			DKK	-10.65		%	100.000	-1.43	-0.00
			SEK	-31.66		%	100.000	-3.31	-0.00
Loans in non-EU/EEA currencies								-0.85	-0.00
			CHF	-0.90		%	100.000	-0.85	-0.00

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁶²⁾
Other liabilities								-164,203.60	-0.05
Management fee			EUR	-101,202.47				-101,202.47	-0.03
Received variation margin			EUR	-60,215.00				-60,215.00	-0.02
Other liabilities			EUR	-2,786.13				-2,786.13	-0.00
Sub-fund assets								EUR 302,083,184.93	100.00
Share value								EUR 27.97	
Shares in circulation								Units 10,800,000	

62) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities				
Exchange-traded securities				
Equities				
Cable & Wireless Communic. PLC Registered Shares USD 0.05 GB00B5KKT968	Units	-	2,231,492	
Hellenic Telecomm. Organ. S.A. Namens-Aktien EO 2.83 GRS260333000	Units	14,166	195,258	
Talk Telecom Group PLC Registered Shares LS 0.001 GB00B4YCDF59	Units	137,586	540,431	
Tele2 AB Anrechte B SE0009242266	Units	209,385	209,385	
Telefónica S.A. Anrechte ES06784309B3	Units	2,965,210	2,965,210	
Unlisted securities				
Equities				
Tele2 AB Namn-Akt. B Em.11/2016 SK 0.625 SE0009242274	Units	26,173	26,173	
Derivatives				
(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)				
Futures contracts				
Equity index futures contracts				
Purchased contracts:				20,357
Underlying security(ies): STXE 600 Telecommunications Index (Price) (EUR)				

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	-5,831,507.36
2. Dividends from foreign issuers (before withholding tax)	EUR	43,844,423.44
3. Deduction of foreign withholding tax	EUR	-471,319.47
4. Other income	EUR	361,722.40
Total income	EUR	37,903,319.01
II. Expenses		
1. Interest from borrowings	EUR	-273.09
2. Management fee	EUR	-1,296,003.33
3. Other expenses	EUR	-51,780.89
Total expenses	EUR	-1,348,057.31
III. Ordinary net income	EUR	36,555,261.70
IV. Disposals		
1. Realised gains	EUR	-30,086,644.56
2. Realised losses	EUR	-11,567,414.26
Gain/loss on disposals	EUR	-41,654,058.82
V. Annual realised results	EUR	-5,098,797.12
1. Net change in unrealised gains	EUR	-3,418,205.30
2. Net change in unrealised losses	EUR	-12,145,302.19
VI. Annual unrealised results	EUR	-15,563,507.49
VII. Result for the financial year	EUR	-20,662,304.61

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		258,320,417.23
1. Distribution for the previous year	EUR		-1,614,524.30
2. Interim distributions	EUR		-8,354,070.20
3. Inflow/outflow of funds (net)	EUR		68,191,905.00
a) Inflow of funds from sale of equities	EUR	110,033,320.00	
b) Outflow of funds from redemption of equities	EUR	-41,841,415.00	
4. Income adjustment/cost compensation	EUR		6,201,761.81
5. Result for the financial year	EUR		-20,662,304.61
of which unrealised gains	EUR	-3,418,205.30	
of which unrealised losses	EUR	-12,145,302.19	
II. Value of sub-fund assets at end of financial year	EUR		302,083,184.93

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Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	56,887,782.77	5.27
1. Carryforward from the previous year ⁶³⁾	EUR	50,419,165.63	4.67
2. Realised net income for the financial year	EUR	-5,098,797.12	-0.47
3. Transfer from sub-fund assets ⁶⁴⁾	EUR	11,567,414.26	1.07
II. Not used for distribution	EUR	-47,456,120.97	-4.40
1. Reinvested	EUR	-2,143,643.23	-0.20
2. Carryforward to new account	EUR	-45,312,477.74	-4.20
III. Total distribution	EUR	9,431,661.80	0.87
1. Interim distribution	EUR	8,354,070.20	0.77
2. Final year-end distribution	EUR	1,077,591.60	0.10

63) Difference from previous year because of income adjustment calculated on carryforwards. 64) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	302,083,184.93	27.97
2015/2016	EUR	258,320,417.23	31.12
2014/2015	EUR	141,934,358.99	35.48
2013/2014	EUR	84,779,944.61	30.28

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	2,733,379.00
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Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	27.97
Shares in circulation	Units	10,800,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0126% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0437% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Telecommunications UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 361,722.40 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	345,961.37
b) Other income:	EUR	15,761.03

Other expenses amounting to EUR 51,780.89 are broken down as follows:

a) Bank custody fees:	EUR	42,193.32
b) Other expenditure:	EUR	9,587.57

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 48,571.54.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.46 percentage points
Annual tracking difference level	-0.07 percentage points
The STOXX® Europe 600 Telecommunications Index (Net Total Return Index) posted a performance of -6.28% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Telecommunications UCITS ETF (DE) recorded a performance of -6.35% during the same period.	

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Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁵⁾
Securities								28,547,624.67	98.70
Exchange-traded securities								28,547,624.67	98.70
Equities								28,106,053.42	97.17
ACCOR S.A. Actions Port. EO 3	FR0000120404		Units	38,339	4,677	46,586 EUR	37.250	1,428,127.75	4.94
Carnival PLC Registered Shares DL 1.66	GB0031215220		Units	41,446	5,691	36,726 GBP	43.990	2,135,142.65	7.38
Compass Group PLC Registered Shares LS 0.10625	GB00BLNN3L44		Units	359,120	44,845	321,003 GBP	14.980	6,300,016.94	21.78
Deutsche Lufthansa AG vink. Namens-Aktien o.N.	DE0008232125		Units	50,880	6,863	45,064 EUR	13.830	703,670.40	2.43
Domino's Pizza Group PLC Registered Shares LS 0.00520833	GB00BYN59130		Units	108,071	148,608	40,537 GBP	3.840	485,993.77	1.68
EasyJet PLC Registered Shares LS 0.27285714	GB00B7KR2P84		Units	43,109	5,435	38,496 GBP	9.510	480,107.82	1.66
Elior Group SCA Actions au Port. EO 0.01	FR0011950732		Units	26,046	35,740	9,694 EUR	21.185	551,784.51	1.91
Firstgroup PLC Registered Shares LS 0.05	GB0003452173		Units	261,574	32,972	233,517 GBP	1.202	368,204.72	1.27
Greene King PLC Registered Shares LS 0.125	GB00B0H2P136		Units	67,249	8,642	59,866 GBP	6.755	531,987.59	1.84
GVC Holdings PLC Registered Shares EO 0.01	IM00B5VQMV65		Units	63,442	87,040	23,598 GBP	6.950	516,359.27	1.79
InterContinental Hotels Group Reg. Shares LS 0.1896656	GB00BYXK6398		Units	44,796	61,495	16,699 GBP	37.960	1,991,387.38	6.88
Internat. Cons. Airl. Group SA Acciones Nom. EO 0.50	ES0177542018		Units	231,492	40,670	200,326 GBP	5.370	1,455,796.21	5.03
Merlin Entertainment PLC Registered Shares LS 0.01	GB00BDZT6P94		Units	154,718	19,840	137,708 GBP	4.920	891,448.50	3.08
Paddy Power Betfair PLC Registered Shares EO 0.09	IE00BWT6H894		Units	18,634	2,947	16,570 EUR	103.400	1,926,755.60	6.66
Playtech PLC Registered Shares LS 0.01	IM00B7S9G985		Units	46,499	5,985	45,382 GBP	8.925	486,006.59	1.68
Ryanair Holdings PLC Registered Shares EO 0.006	IE00BYTBXV33		Units	136,123	9,759	126,691 EUR	14.300	1,946,558.90	6.73
Sodexo S.A. Actions Port. EO 4	FR0000121220		Units	20,153	2,096	19,482 EUR	103.550	2,086,843.15	7.21
TUI AG Namens-Aktien o.N.	DE000TUAG000		Units	108,308	13,683	99,531 GBP	11.380	1,443,421.30	4.99
Whitbread PLC Reg. Shares LS 0.76797385	GB00B1KJJ408		Units	39,766	5,177	35,393 GBP	38.250	1,781,286.02	6.16
William Hill PLC Registered Shares LS 0.10	GB0031698896		Units	192,575	25,046	171,443 GBP	2.639	595,154.35	2.06
Other securities								441,571.25	1.53
Kindred Group PLC Shares (SDR's)/1 LS 0.000625	SE0007871645		Units	49,951	8,522	42,336 SEK	84.600	441,571.25	1.53
Derivatives								13,775.00	0.05
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								13,775.00	0.05
Claims/liabilities									
Equity index futures contracts								13,775.00	0.05
STOXX 600 TRVL MAR 17		EURX	Number	32		EUR		13,775.00	0.05
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								277,224.23	0.96
Bank accounts								277,224.23	0.96
EUR balances								277,224.23	0.96
Custodian Bank: State Street Bank International GmbH			EUR	277,224.23		%	100.000	277,224.23	0.96
Other assets								105,498.72	0.36
Dividend claims			GBP	23,192.64				27,160.67	0.09
			USD	14,506.10				13,651.52	0.05
Withholding tax reimbursement claims			EUR	21,866.53				21,866.53	0.08
Initial margin			EUR	42,820.00				42,820.00	0.15
Liabilities arising from loans								-0.29	-0.00
Loans in other EU/EEA currencies								-0.29	-0.00
			SEK	-2.75		%	100.000	-0.29	-0.00

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals in the reporting period	Price	Market value in EUR	% of sub- fund assets ⁶⁵⁾
Other liabilities								-20,017.52	-0.07
Management fee			EUR	-9,816.97				-9,816.97	-0.03
Received variation margin			EUR	-9,935.00				-9,935.00	-0.03
Other liabilities			EUR	-265.55				-265.55	-0.00
Sub-fund assets							EUR	28,924,104.81	100.00
Share value							EUR	23.14	
Shares in circulation							Units	1,250,000	

65) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Air France-KLM S.A. Actions Port. EO 1	FR0000031122	Units	6,157	101,034	
Domino's Pizza Group PLC Registered Shares LS 0.015625	GB00B1S49Q91	Units	2,225	66,190	
Greek Org. of Football Progn. Inhaber-Aktien EO 0.30	GRS419003009	Units	2,774	84,744	
InterContinental Hotels Group Reg. Shares LS 0.158054711	GB00BN33FD40	Units	-	94,982	
Restaurant Group PLC, The Registered Shares LS 0.28125	GB00B0YG1K06	Units	2,458	79,414	
Stagecoach Group PLC Registered Shares LS 0.0054824	GB00B6YTLS95	Units	5,530	169,009	
Thomas Cook Group PLC Registered Shares EO 0.01	GB00B1VYCH82	Units	18,889	577,295	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

Underlying security(ies): STXE 600 Travel & Leisure Index (Price) (EUR)

2,051

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Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	99,258.64
2. Dividends from foreign issuers (before withholding tax)	EUR	1,108,435.38
3. Deduction of foreign withholding tax	EUR	-7,492.09
4. Other income	EUR	21,052.38
Total income	EUR	1,221,254.31
II. Expenses		
1. Interest from borrowings	EUR	-12.25
2. Management fee	EUR	-127,191.46
3. Other expenses	EUR	-4,446.99
Total expenses	EUR	-131,650.70
III. Ordinary net income	EUR	1,089,603.61
IV. Disposals		
1. Realised gains	EUR	1,497,176.50
2. Realised losses	EUR	-2,315,147.95
Gain/loss on disposals	EUR	-817,971.45
V. Annual realised results	EUR	271,632.16
1. Net change in unrealised gains	EUR	-2,771,555.36
2. Net change in unrealised losses	EUR	-73,002.77
VI. Annual unrealised results	EUR	-2,844,558.13
VII. Result for the financial year	EUR	-2,572,925.97

Change in sub-fund assets

			2016/2017
I. Value of sub-fund assets at beginning of the financial year	EUR		55,060,194.33
1. Distribution for the previous year	EUR		-450,170.20
2. Interim distributions	EUR		-824,637.05
3. Inflow/outflow of funds (net)	EUR		-22,377,575.00
a) Inflow of funds from sale of equities	EUR	2,169,705.00	
b) Outflow of funds from redemption of equities	EUR	-24,547,280.00	
4. Income adjustment/cost compensation	EUR		89,218.70
5. Result for the financial year	EUR		-2,572,925.97
of which unrealised gains	EUR	-2,771,555.36	
of which unrealised losses	EUR	-73,002.77	
II. Value of sub-fund assets at end of financial year	EUR		28,924,104.81

Annual Report for iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	7,175,129.65	5.74
1. Carryforward from the previous year ⁶⁶⁾	EUR	4,588,349.54	3.67
2. Realised net income for the financial year	EUR	271,632.16	0.22
3. Transfer from sub-fund assets ⁶⁷⁾	EUR	2,315,147.95	1.85
II. Not used for distribution	EUR	-6,064,191.35	-4.85
1. Reinvested	EUR	-1,725,575.63	-1.38
2. Carryforward to new account	EUR	-4,338,615.72	-3.47
III. Total distribution	EUR	1,110,938.30	0.89
1. Interim distribution	EUR	824,637.05	0.66
2. Final year-end distribution	EUR	286,301.25	0.23

66) Difference from previous year because of income adjustment calculated on carryforwards.

67) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	28,924,104.81	23.14
2015/2016	EUR	55,060,194.33	24.47
2014/2015	EUR	40,403,948.11	24.49
2013/2014	EUR	25,281,391.48	20.23

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	385,952.00
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Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

		Market value of securities in EUR
Total sum in connection with third-party derivatives for collateral:	EUR	0.00

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

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Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	23.14
Shares in circulation	Units	1,250,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
US dollar	(USD)	1.06260 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0426% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0905% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 21,052.38 is broken down as follows:

a) Income from withholding tax refunds/claims:	EUR	16,060.43
b) Other income:	EUR	4,991.95

Other expenses amounting to EUR 4,446.99 are broken down as follows:

a) Bank custody fees:	EUR	3,710.44
b) Other expenditure:	EUR	736.55

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 10,772.15.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV 0.97 percentage points

Annual tracking difference level -0.21 percentage points

The STOXX® Europe 600 Travel & Leisure Index (Net Total Return Index) posted a performance of -1.73% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE) recorded a performance of -1.94% during the same period.

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Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com) .b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

In the period under review, no transactions as defined by Article 3 No. 11 and No. 18 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 were carried out, i.e. securities financing transactions or total return swaps.

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Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁶⁸⁾
Securities								320,560,534.99	98.23
Exchange-traded securities								320,560,534.99	98.23
Equities								320,560,534.99	98.23
A2A S.p.A. Azioni nom. EO 0.52	IT0001233417		Units	1,720,647	1,850,710	130,063 EUR	1.311	2,255,768.22	0.69
Centrica PLC Reg. Shares LS 0.061728395	GB00B033F229		Units	6,062,808	3,136,902	502,305 GBP	2.269	16,110,114.31	4.94
CEZ AS Inhaber-Aktien KC 100	CZ0005112300		Units	178,576	85,974	16,429 CZK	450.500	2,977,315.22	0.91
DONG Energy A/S Indehaver Aktier DK 10	DK0060094928		Units	124,772	128,585	3,813 DKK	258.300	4,335,947.94	1.33
Drax Group PLC Registered Shares LS 0.1155172	GB00B1VNSX38		Units	454,936	209,525	27,090 GBP	3.515	1,872,690.23	0.57
E.ON SE Namens-Aktien o.N.	DE000ENAG999		Units	2,197,974	1,058,123	202,116 EUR	7.326	16,102,357.52	4.93
EDP - Energias de Portugal SA Ações Nom. EO 1	PTEDP0AM0009		Units	2,804,069	1,441,629	129,716 EUR	2.919	8,185,077.41	2.51
Electricité de France (E.D.F.)Actions au Porteur EO 0.50FR0010242511			Units	348,104	179,677	25,045 EUR	9.250	3,219,962.00	0.99
Enagas S.A. Acciones Port. EO 1.50	ES0130960018		Units	130,681	29,570	- EUR	23.195	3,031,145.80	0.93
Endesa S.A. Acciones Port. EO 1.20	ES0130670112		Units	339,686	148,653	20,988 EUR	20.095	6,825,990.17	2.09
ENEL S.p.A. Azioni nom. EO 1	IT0003128367		Units	8,504,058	4,540,008	734,182 EUR	4.052	34,458,443.02	10.56
Engie S.A. Actions Port. EO 1	FR0010208488		Units	1,815,016	866,651	141,158 EUR	11.540	20,945,284.64	6.42
Fortum Oyj Registered Shares EO 3.40	FI0009007132		Units	480,488	231,334	44,210 EUR	14.490	6,962,271.12	2.13
Gas Natural SDG S.A. Acciones Port. EO 1	ES0116870314		Units	380,972	167,423	25,094 EUR	18.375	7,000,360.50	2.15
Iberdrola S.A. Acciones Port. EO 0.75	ES0144580Y14		Units	6,163,021	2,660,456	333,723 EUR	6.274	38,666,793.75	11.85
innogy SE Inhaber-Aktien o.N.	DE000A2AADD2		Units	141,669	141,669	- EUR	33.900	4,802,579.10	1.47
Italgas S.P.A. Azioni nom. o.N.	IT0005211237		Units	549,460	549,460	- EUR	3.754	2,062,672.84	0.63
National Grid PLC Reg. Shares New LS 0.11395	GB00B08SNH34		Units	4,300,445	2,060,662	389,624 GBP	9.775	49,228,938.91	15.09
Pennon Group PLC Registered Shares New LS 0.407	GB00B18V8630		Units	454,534	218,291	39,682 GBP	8.665	4,612,381.83	1.41
Red Electrica Corporacion S.A. Acciones Port. EO 0.50	ES0173093024		Units	315,361	315,361	- EUR	17.045	5,375,328.25	1.65
Rubis S.A. Actions Port. EO 2.50	FR0000121253		Units	44,771	22,229	3,403 EUR	88.500	3,962,233.50	1.21
RWE AG Inhaber-Stammaktien o.N.	DE0007037129		Units	542,747	256,298	37,313 EUR	13.455	7,302,660.89	2.24
Severn Trent PLC Registered Shares LS 0.9789	GB00B1FH8J72		Units	263,352	126,872	24,025 GBP	23.380	7,210,600.58	2.21
Snam S.p.A. Azioni nom. o.N.	IT0003153415		Units	2,687,816	1,488,381	225,149 EUR	3.760	10,106,188.16	3.10
SSE PLC Shs LS 0.50	GB0007908733		Units	1,117,143	533,566	89,589 GBP	15.410	20,160,519.48	6.18
Suez S.A. Actions Port. EO 4	FR0010613471		Units	368,076	173,162	20,965 EUR	14.155	5,210,115.78	1.60
Terna Rete Elettrica Nazio. SpA Azioni nom. EO 0.22	IT0003242622		Units	1,548,808	745,591	142,406 EUR	4.372	6,771,388.58	2.07
Uniper SE Namens-Aktien o.N.	DE000UNSE018		Units	214,463	223,941	9,478 EUR	13.400	2,873,804.20	0.88
United Utilities Group PLC Registered Shares LS 0.05	GB00B39J2M42		Units	749,022	360,582	68,871 GBP	9.785	8,583,130.49	2.63
Veolia Environnement S.A. Actions au Porteur EO 5	FR0000124141		Units	605,079	316,574	32,643 EUR	15.450	9,348,470.55	2.86
Derivatives								156,791.92	0.05
(The amounts marked with a minus sign are sold positions)									
Equity index derivatives								156,791.92	0.05
Claims/liabilities									
Equity index futures contracts								156,791.92	0.05
STOXX 600 UTIL MAR17		EURX	Number	419		EUR		156,791.92	0.05
Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds								4,586,798.94	1.41
Bank accounts								4,586,798.94	1.41
EUR balances								4,586,798.94	1.41
Custodian Bank: State Street Bank International GmbH			EUR	4,586,798.94		%	100.000	4,586,798.94	1.41
Other assets								1,281,020.62	0.39
Dividend claims			GBP	17,594.15				20,604.33	0.01
Withholding tax reimbursement claims			EUR	473,537.24				473,537.24	0.15
Receivables from compensation payments			GBP	334,286.02				391,479.05	0.12
Initial margin			EUR	395,400.00				395,400.00	0.12

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals in the reporting period	Price	Market value in EUR	% of sub- fund assets ⁶⁸⁾
Liabilities arising from loans								-2.23	-0.00
Loans in other EU/EEA currencies								-2.23	-0.00
			CZK	-33.09		%	100.000	-1.22	-0.00
			DKK	-7.50		%	100.000	-1.01	-0.00
Other liabilities								-250,293.78	-0.08
Management fee			EUR	-109,008.62				-109,008.62	-0.03
Received variation margin			EUR	-137,936.92				-137,936.92	-0.04
Other liabilities			EUR	-3,348.24				-3,348.24	-0.00
Sub-fund assets							EUR	326,334,850.46	100.00
Share value							EUR	27.77	
Shares in circulation							Units	11,750,000	

68) Rounding of percentages during the calculation may result in slight rounding differences.

Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals	Volume in 1,000
Securities					
Exchange-traded securities					
Equities					
Enel Green Power S.P.A. Azioni nom. EO 0.20	IT0004618465	Units	61,566	1,095,374	
Iberdrola S.A. Anrechte	ES06445809D9	Units	6,026,674	6,026,674	
Iberdrola S.A. Anrechte	ES06445809C1	Units	3,947,355	3,947,355	
Red Electrica Corporacion S.A. Acciones Port. EO 2	ES0173093115	Units	5,813	59,749	
Unlisted securities					
Equities					
Enel Green Power S.P.A. Anrechte	IT0005163420	Units	-	1,033,808	

Derivatives

(Option premiums or volume of option contracts converted into opening transactions; in the case of warrants, statement of purchases and sales)

Futures contracts

Equity index futures contracts

Purchased contracts:

20,697

Underlying security(ies): STXE 600 Utilities Index (Price) (EUR)

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
Unlimited	EUR 117,345

Underlyings:

Centrica PLC Reg. Shares LS 0.061728395 (GB00B033F229), Drax Group PLC Registered Shares LS 0.1155172 (GB00B1VNSX38), EDP - Energias de Portugal SA Acções Nom. EO 1 (PTEDP0AM0009), Electricité de France (E.D.F.) Actions au Porteur EO 0.50 (FR0010242511), Fortum Oyj Registered Shares EO 3.40 (FI0009007132), Gas Natural SDG S.A. Acciones Port. EO 1 (ES0116870314), Iberdrola S.A. Acciones Port. EO 0.75 (ES0144580Y14), National Grid PLC Reg. Shares New LS 0.11395 (GB00B08SNH34), Pennon Group PLC Registered Shares New LS 0.407 (GB00B18V8630), SSE PLC Shs LS 0.50 (GB0007908733), Terna Rete Elettrica Nazio.SpA Azioni nom. EO 0.22 (IT0003242622)

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	836,188.76
2. Dividends from foreign issuers (before withholding tax)	EUR	14,931,912.84
3. Income from securities lending and securities repurchase agreements	EUR	56,190.40
4. Deduction of foreign withholding tax	EUR	-733,030.88
5. Other income	EUR	3,068,873.54
Total income	EUR	18,160,134.66
II. Expenses		
1. Interest from borrowings	EUR	-657.21
2. Management fee	EUR	-1,249,428.54
3. Other expenses	EUR	-61,103.48
Total expenses	EUR	-1,311,189.23
III. Ordinary net income	EUR	16,848,945.43
IV. Disposals		
1. Realised gains	EUR	654,468.60
2. Realised losses	EUR	-5,733,114.78
Gain/loss on disposals	EUR	-5,078,646.18
V. Annual realised results	EUR	11,770,299.25
1. Net change in unrealised gains	EUR	-1,369,928.91
2. Net change in unrealised losses	EUR	3,318,262.51
VI. Annual unrealised results	EUR	1,948,333.60
VII. Result for the financial year	EUR	13,718,632.85

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Change in sub-fund assets

				2016/2017
I. Value of sub-fund assets at beginning of the financial year				EUR 189,865,441.88
1. Distribution for the previous year		EUR		-2,258,113.00
2. Interim distributions		EUR		-8,857,970.60
3. Inflow/outflow of funds (net)		EUR		135,501,055.00
a) Inflow of funds from sale of equities	EUR	147,594,055.00		
b) Outflow of funds from redemption of equities	EUR	-12,093,000.00		
4. Income adjustment/cost compensation		EUR		-1,634,195.67
5. Result for the financial year		EUR		13,718,632.85
of which unrealised gains	EUR	-1,369,928.91		
of which unrealised losses	EUR	3,318,262.51		
II. Value of sub-fund assets at end of financial year				EUR 326,334,850.46

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution		EUR 67,079,390.55	5.71
1. Carryforward from the previous year ⁶⁹⁾	EUR	49,575,976.52	4.22
2. Realised net income for the financial year	EUR	11,770,299.25	1.00
3. Transfer from sub-fund assets ⁷⁰⁾	EUR	5,733,114.78	0.49
II. Not used for distribution		EUR -53,497,626.20	-4.56
1. Reinvested	EUR	-4,547,398.63	-0.39
2. Carryforward to new account	EUR	-48,950,227.57	-4.17
III. Total distribution		EUR 13,581,764.35	1.15
1. Interim distribution		EUR 8,857,970.60	0.75
2. Final year-end distribution		EUR 4,723,793.75	0.40

69) Difference from previous year because of income adjustment calculated on carryforwards.

70) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	326,334,850.46	27.77
2015/2016	EUR	189,865,441.88	28.13
2014/2015	EUR	190,923,519.95	33.20
2013/2014	EUR	134,495,680.75	29.89

**Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE)
for the period from 01/03/2016 to 28/02/2017**

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Information where derivatives are employed pursuant to Article 37 Para. 1 DerivateV:

Level of exposure through derivatives:	EUR	5,823,681.00
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Counterparty to derivatives transactions:

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

**Market value of securities
in EUR**

Total sum in connection with third-party derivatives for collateral:	EUR	0.00
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Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	27.77
Shares in circulation	Units	11,750,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

Derivatives:	Closing prices on the respective valuation dates
All securities:	Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Derivatives admitted for trading on a stock exchange or another regulated market are valued at the closing price on the relevant valuation date.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Danish kroner	(DKK)	7.43289 = 1 euro (EUR)
Czech koruna	(CZK)	27.02048 = 1 euro (EUR)

Market key

a) Futures exchanges

EURX	European Exchange (EUREX)
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Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0063% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	22,030.03
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0117% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0426% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Europe 600 Utilities UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 3,068,873.54 is broken down as follows:

a) Compensation payments:	EUR	2,815,209.35
b) Income from withholding tax refunds/claims:	EUR	253,664.19

Other expenses amounting to EUR 61,103.48 are broken down as follows:

a) Bank custody fees:	EUR	45,561.95
b) Other expenditure:	EUR	15,541.53

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 36,101.26.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.73 percentage points
Annual tracking difference level	0.32 percentage points

The STOXX® Europe 600 Utilities Index (Net Total Return Index) posted a performance of 3.37% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Europe 600 Utilities UCITS ETF (DE) recorded a performance of 3.69% during the same period.

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Annual Report for iShares STOXX Europe 600 Utilities UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Securities lending	
Income and cost shares	
Funds	
Absolute income share	EUR 56,190.40
Income share as % of gross income	60.79
Absolute cost share	EUR 22,030.03

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Statement of Net Assets as at 28/02/2017

Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁷¹⁾	
Securities								1,203,230,936.42	99.39	
Exchange-traded securities								1,203,230,936.42	99.39	
Equities								1,203,230,936.42	99.39	
Allianz SE vink.Namens-Aktien o.N.	DE0008404005		Units	70,233	15,637	7,283	EUR	164.200	11,532,258.60	0.95
Altria Group Inc. Registered Shares DL 0.333	US02209S1033		Units	113,002	26,104	62,833	USD	74.920	7,967,354.41	0.66
American Electric Power Co. Inc Registered Shares DL 6.50	US0255371017		Units	109,706	25,202	54,126	USD	66.970	6,914,183.75	0.57
Ascendas Real Estate Inv.Trust Registered Units o.N.	SG1M77906915		Units	12,042,284	3,032,100	760,400	SGD	2.500	20,258,212.13	1.67
AstraZeneca PLC Registered Shares DL 0.25	GB0009895292		Units	235,772	67,888	14,910	GBP	46.440	12,822,560.29	1.06
AT & T Inc. Registered Shares DL 1	US00206R1023		Units	263,062	60,745	143,704	USD	41.790	10,345,720.14	0.85
Australia & N. Z. Bkg Grp Ltd. Registered Shares o.N.	AU000000ANZ3		Units	1,179,339	701,663	74,536	AUD	30.900	26,367,498.81	2.18
BAE Systems PLC Registered Shares LS 0.025	GB0002634946		Units	1,596,480	355,613	214,120	GBP	6.300	11,778,618.16	0.97
Banco Santander S.A. Acciones Nom. EO 0.50	ES0113900J37		Units	2,582,132	1,127,677	163,252	EUR	5.154	13,308,308.33	1.10
Bank of Montreal Registered Shares CD 2	CA0636711016		Units	160,852	36,019	29,604	CAD	100.790	11,519,631.34	0.95
Bank of Nova Scotia, The Registered Shares o.N.	CA0641491075		Units	236,653	251,616	14,963	CAD	77.040	12,954,568.70	1.07
BB Biotech AG Namens-Aktien SF 0.20	CH0038389992		Units	334,198	318,090	20,169	CHF	58.750	18,450,693.05	1.52
Bendigo & Adelaide Bank Ltd. Registered Shares o.N.	AU000000BEN6		Units	3,210,484	3,413,469	202,985	AUD	12.220	28,386,608.68	2.34
Canadian Imperial Bk of Comm. Registered Shares o.N.	CA1360691010		Units	151,908	33,794	17,948	CAD	116.610	12,586,677.69	1.04
CapitaLand Mall Trust Registered Units o.N.	SG1M51904654		Units	9,207,584	2,091,000	3,167,200	SGD	1.970	12,205,741.17	1.01
Carillion PLC Registered Shares LS 0.50 ⁽⁷²⁾	GB0007365546		Units	4,386,699	1,813,895	277,313	GBP	2.190	11,250,511.34	0.93
Chevron Corp. Registered Shares DL 0.75	US1667641005		Units	105,894	30,056	6,721	USD	112.500	11,211,251.97	0.93
CLP Holdings Ltd. Registered Shares o.N.	HK0002007356		Units	1,239,499	282,500	404,500	HKD	78.950	11,863,961.68	0.98
CNP Assurances S.A. Actions Port. EO 1	FR0000120222		Units	733,234	165,658	217,333	EUR	17.485	12,820,596.49	1.06
Consolidated Edison Inc. Registered Shares DL 0.01	US2091151041		Units	101,602	23,585	63,322	USD	77.040	7,366,289.26	0.61
Cummins Inc. Registered Shares DL 2.50	US2310211063		Units	75,413	80,192	4,779	USD	148.490	10,538,375.34	0.87
Darden Restaurants Inc. Registered Shares o.N.	US2371941053		Units	90,471	20,798	44,348	USD	74.680	6,358,342.78	0.53
DBS Group Holdings Ltd. Registered Shares SD 1	SG1L01001701		Units	1,112,811	547,300	65,000	SGD	18.730	14,025,276.37	1.16
Deutsche Post AG Namens-Aktien o.N.	DE0005552004		Units	426,830	156,623	26,982	EUR	32.375	13,818,621.25	1.14
DTE Energy Co. Registered Shares o.N.	US2333311072		Units	76,496	17,442	31,339	USD	101.380	7,298,292.26	0.60
Duke Energy Corp. (New) Registered Shares New DL 0.001	US26441C2044		Units	111,519	25,058	26,879	USD	82.550	8,663,555.89	0.72
Eaton Corporation PLC Registered Shares DL 0.01	IE00B8KQN827		Units	131,236	139,529	8,293	USD	71.980	8,889,862.93	0.73
Entergy Corp. Registered Shares DL 0.01	US29364G1031		Units	160,281	163,766	118,883	USD	76.660	11,563,281.43	0.96
Exelon Corp. Registered Shares o.N.	US30161N1019		Units	219,879	49,696	65,512	USD	36.710	7,596,234.71	0.63
FirstEnergy Corp. Registered Shares DL 10	US3379321074		Units	231,943	52,353	67,266	USD	32.430	7,078,780.67	0.58
Fletcher Building Ltd. Registered Shares o.N.	NZFBUE0001S0		Units	2,344,043	959,063	148,180	NZD	9.660	15,412,081.90	1.27
Foncière des Régions S.A. Actions Port. EO 3	FR0000064578		Units	127,736	135,818	8,082	EUR	77.710	9,926,364.56	0.82
Fortum Oyj Registered Shares EO 3.40	FI0009007132		Units	1,191,823	762,672	75,321	EUR	14.490	17,269,515.27	1.43
GlaxoSmithKline PLC Registered Shares LS 0.25	GB0009252882		Units	798,756	176,890	55,076	GBP	16.480	15,415,643.28	1.27
GPT Group Registered Units o.N.	AU000000GPT8		Units	2,410,817	545,639	760,758	AUD	4.930	8,599,693.24	0.71
Great-West Lifeco Inc. Registered Shares o.N.	CA39138C1068		Units	314,953	70,335	52,266	CAD	36.240	8,110,144.81	0.67
Helmerich & Payne Inc. Registered Shares DL 0.10	US4234521015		Units	162,492	36,202	10,298	USD	68.370	10,455,090.62	0.86
HP Inc. Registered Shares DL 0.01	US40434L1052		Units	787,772	837,581	49,809	USD	17.370	12,877,471.47	1.06
Insurance Australia Group Ltd. Registered Shares o.N.	AU000000IAG3		Units	3,795,546	860,555	1,276,774	AUD	6.000	16,477,727.05	1.36
Intel Corp. Registered Shares DL 0.001	US4581401001		Units	218,129	48,589	28,046	USD	36.200	7,431,084.78	0.61
Invesco Ltd. Registered Shares DL 0.10	BMG491BT1088		Units	276,489	293,963	17,474	USD	32.190	8,375,853.49	0.69
Jardine Cycle & Carriage Ltd. Registered Shares SD 1	SG1B51001017		Units	245,281	56,500	95,300	SGD	42.710	7,049,295.56	0.58
Keppel Corp. Ltd. Registered Subd. Shares SD 0.25	SG1U68934629		Units	4,254,910	1,909,600	267,600	SGD	6.810	19,497,984.95	1.61
Kohl's Corp. Registered Shares DL 0.01	US5002551043		Units	168,025	178,622	10,597	USD	42.620	6,739,343.41	0.56
Kon. Boskalis Westminster N.V. Cert.v. Aandelen EO 0.01	NL0000852580		Units	321,856	342,222	20,366	EUR	34.400	11,071,846.40	0.91

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁽⁷¹⁾
Li & Fung Ltd. Registered Shares HD 0.0125	BMG5485F1692		Units	34,165,684	19,400,000	2,234,000 HKD	3.460	14,331,697.69	1.18
Link Real Estate Investment Tr Registered Units o.N.	HK0823032773		Units	2,125,516	514,000	129,000 HKD	53.550	13,799,243.36	1.14
Mattel Inc. Registered Shares DL 1	US5770811025		Units	269,589	64,664	269,502 USD	25.730	6,527,880.44	0.54
Merck & Co. Inc. Registered Shares DL 0.01	US58933Y1055		Units	134,011	29,703	11,060 USD	65.870	8,307,270.44	0.69
Mosaic Co., The Registered Shares DL 0.01	US61945C1036		Units	271,726	288,892	17,166 USD	31.190	7,975,846.88	0.66
Münchener Rückvers.-Ges. AG vink.Namens-Aktien o.N.	DE0008430026		Units	46,663	10,450	8,786 EUR	178.400	8,324,679.20	0.69
National Australia Bank Ltd. Registered Shares o.N.	AU000000NAB4		Units	1,100,520	626,346	69,553 AUD	31.990	25,473,227.52	2.10
National Bank of Canada Registered Shares o.N.	CA6330671034		Units	394,565	162,444	24,937 CAD	56.680	15,890,701.52	1.31
New World Development Co. Ltd. Registered Shares o.N.	HK0017000149		Units	19,508,331	8,733,000	1,278,000 HKD	10.160	24,029,528.19	1.98
CLP Holdings Ltd. Registered Shares HD 1	BMG668971101		Units	10,353,192	4,968,000	640,000 HKD	14.140	17,748,232.02	1.47
PCCW Ltd. Reg. Cons. Shares o.N.	HK0008011667		Units	22,588,482	4,988,000	2,061,000 HKD	4.730	12,953,275.63	1.07
Pearson PLC Registered Shares LS 0.25	GB0006776081		Units	1,289,188	1,370,709	81,521 GBP	6.740	10,175,750.79	0.84
Power Assets Holdings Ltd. Registered Shares o.N.	HK0006000050		Units	1,032,760	250,000	278,000 HKD	69.650	8,720,712.11	0.72
Power Corporation of Canada Reg. Shares (Sub. Vtg) o.N.	CA7392391016		Units	410,762	136,520	25,982 CAD	30.900	9,018,688.97	0.74
Power Financial Corp. Registered Shares o.N.	CA73927C1005		Units	413,336	147,458	26,138 CAD	34.450	10,117,824.19	0.84
PPL Corp. Registered Shares DL 0.01	US69351T1060		Units	230,478	52,943	111,049 USD	36.880	7,999,274.99	0.66
Proximus S.A. Actions au Porteur o.N.	BE0003810273		Units	315,868	70,448	47,961 EUR	27.755	8,766,916.34	0.72
Prudential Financial Inc. Registered Shares DL 0.01	US7443201022		Units	116,448	123,793	7,345 USD	110.540	12,113,837.17	1.00
PSP Swiss Property AG Nam.-Aktien SF 0.10	CH0018294154		Units	120,094	26,776	15,802 CHF	93.600	10,563,263.79	0.87
Public Service Ent. Group Inc. Registered Shares o.N.	US7445731067		Units	165,576	37,666	63,439 USD	45.980	7,164,676.59	0.59
Reynolds American Inc. Registered Shares o.N.	US7617131062		Units	124,482	29,688	116,542 USD	61.570	7,212,834.19	0.60
Riocan Real Estate Inv. Trust Reg. Trust Units o.N.	CA7669101031		Units	566,872	125,858	54,120 CAD	26.680	10,746,461.85	0.89
Rogers Communications Inc. Reg. Shares Class B CD 1.62478	CA7751092007		Units	209,815	48,751	129,608 CAD	55.760	8,312,927.03	0.69
Royal Dutch Shell Reg. Shares Class B EO 0.07	GB00B03MM408		Units	884,784	398,137	55,958 GBP	21.735	22,520,976.44	1.86
S'pore Telecommunications Ltd. Registered Shares SD 0.15	SG1T75931496		Units	4,771,055	1,053,900	317,800 SGD	3.940	12,649,194.93	1.04
Sainsbury PLC, J. Registered Shs LS 0.28571428	GB00B019KW72		Units	3,492,023	811,868	2,193,929 GBP	2.676	10,943,431.30	0.90
SCANA Corp. Registered Shares o.N.	US80589M1027		Units	102,737	24,059	72,568 USD	69.350	6,705,074.12	0.55
SCOR SE Act.au Porteur EO 7.8769723	FR0010411983		Units	262,654	59,433	83,375 EUR	34.090	8,953,874.86	0.74
Seagate Technology PLC Registered Shares DL 0.00001	IE00B58JVZ52		Units	445,878	337,504	28,189 USD	48.190	20,221,026.96	1.67
Shaw Communications Inc. Reg.N-Vtg Part.Shs B o.N.	CA82028K2002		Units	583,536	214,634	36,907 CAD	27.640	11,460,415.49	0.95
Singapore Press Holdings Ltd. Registered Shares SD 0.20	SG1P66918738		Units	3,216,570	221,000	- SGD	3.500	7,575,534.70	0.63
Sino Land Co. Ltd. Registered Shares o.N.	HK0083000502		Units	8,758,102	1,910,000	958,000 HKD	13.520	14,355,492.96	1.19
Skandinaviska Enskilda Banken Namn-Aktier A (fria) SK SE0000148884 10			Units	1,167,192	472,442	73,805 SEK	103.300	12,598,790.71	1.04
Sky Network Television Ltd. Registered Shares o.N.	NZSKTE0001S6		Units	5,922,846	6,297,261	374,415 NZD	3.800	15,319,078.61	1.27
Snam S.p.A. Azioni nom. o.N.	IT0003153415		Units	1,848,136	429,231	1,138,829 EUR	3.760	6,948,991.36	0.57
Société Générale S.A. Actions Port. EO 1.25	FR0000130809		Units	308,421	327,892	19,471 EUR	41.910	12,925,924.11	1.07
Southern Co., The Registered Shares DL 5	US8425871071		Units	175,157	40,175	82,430 USD	50.820	8,377,074.86	0.69
SSE PLC Shs LS 0.50	GB0007908733		Units	858,287	190,589	84,087 GBP	15.410	15,489,075.06	1.28
Stockland Reg. Stapled Secs o.N.	AU000000SGP0		Units	3,531,098	784,205	354,982 AUD	4.720	12,059,340.69	1.00
Suncorp-Metway Ltd. Registered Shares o.N.	AU000000SUN6		Units	1,906,114	422,461	146,843 AUD	13.270	18,301,706.62	1.51
Suntec Real Estate Inv. Trust Registered Units o.N.	SG1Q52922370		Units	12,713,608	3,289,700	802,800 SGD	1.730	14,800,185.55	1.22
Swire Pacific Ltd. Registered Shares Cl.A o.N.	HK0019000162		Units	1,387,905	694,000	79,000 HKD	79.800	13,427,465.70	1.11
Swiss Prime Site AG Nam.-Aktien SF 15.3	CH0008038389		Units	144,865	31,237	38,778 CHF	87.200	11,870,825.53	0.98
Swiss Re AG Namens-Aktien SF 0.10	CH0126881561		Units	161,914	36,331	35,236 CHF	89.800	13,663,491.95	1.13
Swisscom AG Namens-Aktien SF 1	CH0008742519		Units	15,813	3,509	1,954 CHF	442.200	6,571,037.95	0.54
Sydney Airport Reg. Stapled Securities o.N.	AU000000SYD9		Units	1,577,377	369,819	1,147,218 AUD	6.060	6,916,397.15	0.57
Thai Beverage PCL Reg. Shares (Foreign) BA 1	TH0902010014		Units	15,888,489	3,611,700	5,968,500 SGD	0.950	10,156,836.08	0.84
Tokai Tokyo Finl Holdings Inc. Registered Shares o.N.	JP3577600004		Units	2,351,300	2,498,200	146,900 JPY	650.000	12,855,227.59	1.06
Total S.A. Actions au Porteur EO 2.50	FR0000120271		Units	251,453	55,863	25,401 EUR	47.050	11,830,863.65	0.98
Unibail-Rodamco SE Actions Port. EO 5	FR0000124711		Units	30,952	6,362	4,878 EUR	215.350	6,665,513.20	0.55

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Designation of class of security	ISIN	Market	Units, shares or currency in 1,000s	As at 28/02/2017	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of sub- fund assets ⁷¹⁾
United Overseas Bank Ltd. Registered Shares SD 1	SG1M31001969		Units	843,749	336,400	51,500 SGD	21.500	12,206,860.22	1.01
United Utilities Group PLC Registered Shares LS 0.05	GB00B39J2M42		Units	890,685	199,489	174,510 GBP	9.785	10,206,463.34	0.84
Verizon Communications Inc. Registered Shares DL 0.10	US92343V1044		Units	165,133	37,636	64,894 USD	49.630	7,712,734.53	0.64
WestRock Co. Registered Shares DL 0.01	US96145D1054		Units	245,818	261,353	15,535 USD	53.720	12,427,389.85	1.03
Zurich Insurance Group AG Nam.-Aktien SF 0.10	CH0011075394		Units	98,965	51,821	6,237 CHF	277.300	25,788,879.04	2.13

Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds **4,034,644.25 0.33**

Bank accounts **4,034,644.25 0.33**

EUR balances **2,240,768.55 0.19**

Custodian Bank: State Street Bank International GmbH	EUR	2,240,768.55	%	100.000	2,240,768.55	0.19
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Credit in other EU/EEA currencies **2,307.30 0.00**

Custodian Bank: State Street Bank International GmbH	SEK	22,080.92	%	100.000	2,307.30	0.00
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Non-EU/EEA currencies **1,791,568.40 0.15**

Custodian Bank: State Street Bank International GmbH	AUD	373,853.54	%	100.000	270,503.75	0.02
	CAD	165,813.71	%	100.000	117,818.94	0.01
	HKD	5,133,799.56	%	100.000	622,401.07	0.05
	SGD	1,160,412.49	%	100.000	780,844.64	0.06

Other assets **3,787,785.80 0.31**

Dividend claims	AUD	1,119,430.32			809,969.86	0.07
	CAD	49,955.59			35,495.95	0.00
	GBP	547,438.05			641,099.28	0.05
	USD	966,743.62			909,790.82	0.08
Withholding tax reimbursement claims	CHF	441,652.73			415,032.29	0.03
	EUR	358,600.68			358,600.68	0.03
Receivables from compensation payments	GBP	214,621.46			251,341.07	0.02
	USD	389,395.94			366,455.85	0.03

Liabilities arising from loans **-326.84 -0.00**

Loans in other EU/EEA currencies **-0.01 -0.00**

	NOK	-0.08	%	100.000	-0.01	-0.00
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Loans in non-EU/EEA currencies **-326.83 -0.00**

	CHF	-347.78	%	100.000	-326.82	-0.00
	NZD	-0.02	%	100.000	-0.01	-0.00

Other liabilities **-424,105.38 -0.04**

Management fee	EUR	-408,485.48			-408,485.48	-0.03
Other liabilities	EUR	-15,619.90			-15,619.90	-0.00

Sub-fund assets **EUR 1,210,628,934.25 100.00**

Share value **EUR 28.93**

Shares in circulation **Units 41,850,000**

71) Rounding of percentages during the calculation may result in slight rounding differences.
72) These securities are partially or fully transferred as securities loans.

Notes on Securities Loans

Designation of class of security			Nominal in units or currency in 1,000s	Securities lending Market value in EUR		
				limited	unlimited	total
The following securities were transferred as securities loans as at the reporting date:						
Carillion PLC Registered Shares LS 0.50	GB0007365546	Units	2,352,460	0.00	6,033,324.35	
Total value of securities loans repayable			EUR	0.00	6,033,324.35	6,033,324.35

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Transactions during the reporting period, insofar as these no longer appear in the assets listed:

Securities purchases and sales, investment units and bonds (market allocation on the reporting date)

	ISIN	Units, shares or currency in 1,000s	Purchases/ Additions	Sales/ Disposals
Securities				
Exchange-traded securities				
Equities				
Banco Santander S.A. Anrechte	ES06139009O4	Units	2,433,591	2,433,591
Bâloise Holding AG Namens-Aktien SF 0.10	CH0012410517	Units	1,162	58,811
Cincinnati Financial Corp. Registered Shares DL 2	US1720621010	Units	2,772	140,536
ConAgra Brands Inc. Registered Shares DL 5	US2058871029	Units	3,542	179,874
ConocoPhillips Registered Shares DL 0.01	US20825C1045	Units	3,094	156,909
Daito Trust Constr. Co. Ltd. Registered Shares o.N.	JP3486800000	Units	1,400	63,034
Ingevity Corp. Registered Shares DL 0.01	US45688C1071	Units	36,423	36,423
Italgas S.P.A. Azioni nom. o.N.	IT0005211237	Units	348,807	348,807
Kimberly-Clark Corp. Registered Shares DL 1.25	US4943681035	Units	1,288	65,298
Lilly & Co., Eli Registered Shares o.N.	US5324571083	Units	1,736	88,097
Lockheed Martin Corp. Registered Shares DL 1	US5398301094	Units	644	32,442
National Oilwell Varco Inc. Registered Shares DL 0.01	US6370711011	Units	3,108	157,645
New York Community Bancorp Inc Registered Shares DL 0.01	US6494451031	Units	15,095	765,474
NTT DOCOMO INC. Registered Shares o.N.	JP3165650007	Units	8,400	409,319
Orange S.A. Actions Port. EO 4	FR0000133308	Units	9,485	481,067
Provident Financial PLC Registered Shs LS 0.17868339	GB00B1Z4ST84	Units	5,446	276,311
Television Broadcasts Ltd. Reg. Shares (BL 100) o.N.	HK0000139300	Units	-	836,735
TransCanada Corp. Registered Shares o.N.	CA89353D1078	Units	4,088	207,201
UBM PLC Reg. Shares LS 0.10	JE00B2R84W06	Units	32,323	1,639,718
Viacom Inc. Reg. Shares Class B DL 0.001	US92553P2011	Units	223,469	223,469

Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded):

Designation of class of security	Volume in 1,000
Unlimited	EUR 234,868
Underlyings:	

Bendigo & Adelaide Bank Ltd. Registered Shares o.N.(AU000000BEN6), CNP Assurances S.A. Actions Port. EO 1 (FR0000120222), Carillion PLC Registered Shares LS 0.50 (GB0007365546), Foncière des Régions S.A. Actions Port. EO 3 (FR0000064578), Fortum Oyj Registered Shares EO 3.40 (FI0009007132), GPT Group Registered Units o.N.(AU000000GPT8), Kon. Boskalis Westminster N.V. Cert.v.Aandelen EO 0.01 (NL0000852580), Pearson PLC Registered Shares LS 0.25 (GB0006776081), Proximus S.A. Actions au Porteur o.N.(BE0003810273), Royal Dutch Shell Reg. Shares Class B EO 0.07 (GB00B03MM408), SSE PLC Shs LS 0.50 (GB0007908733), Sainsbury PLC, J. Registered Shs LS 0.28571428 (GB00B019KW72), Tokai Tokyo Finl Holdings Inc. Registered Shares o.N.(JP3577600004)

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Profit and Loss Account (incl. Income Adjustment) for the period from 01/03/16 to 28/02/17

I. Income		
1. Dividends from domestic issuers	EUR	828,861.36
2. Dividends from foreign issuers (before withholding tax) ⁷³⁾	EUR	70,271,306.12
3. Interest from domestic liquidity investments	EUR	1,686.63
4. Income from securities lending and securities repurchase agreements	EUR	211,710.42
5. Deduction of foreign withholding tax	EUR	-4,867,380.87
6. Other income	EUR	3,369,647.83
Total income	EUR	69,815,831.49
II. Expenses		
1. Interest from borrowings	EUR	-3,010.57
2. Management fee	EUR	-4,987,743.84
3. Other expenses	EUR	-166,926.65
Total expenses	EUR	-5,157,681.06
III. Ordinary net income	EUR	64,658,150.43
IV. Disposals		
1. Realised gains	EUR	58,045,168.70
2. Realised losses	EUR	-17,757,645.89
Gain/loss on disposals	EUR	40,287,522.81
V. Annual realised results	EUR	104,945,673.24
1. Net change in unrealised gains	EUR	57,254,705.85
2. Net change in unrealised losses	EUR	48,356,494.13
VI. Annual unrealised results	EUR	105,611,199.98
VII. Result for the financial year	EUR	210,556,873.22

73) Includes dividends within the meaning of Section 19 Paragraph 1 of the German REIT Act amounting to EUR 8,096,786.81

Change in sub-fund assets

		2016/2017
I. Value of sub-fund assets at beginning of the financial year		EUR 871,624,888.80
1. Distribution for the previous year	EUR	-7,825,455.20
2. Interim distributions	EUR	-36,264,649.80
3. Inflow/outflow of funds (net)	EUR	188,756,870.00
a) Inflow of funds from sale of equities	EUR 234,175,710.00	
b) Outflow of funds from redemption of equities	EUR -45,418,840.00	
4. Income adjustment/cost compensation	EUR	-16,219,592.77
5. Result for the financial year	EUR	210,556,873.22
of which unrealised gains	EUR 57,254,705.85	
of which unrealised losses	EUR 48,356,494.13	
II. Value of sub-fund assets at end of financial year	EUR	1,210,628,934.25

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Use of income from the sub-fund

Calculation of distribution (total and per share)

		Total	per share
I. Available for distribution	EUR	279,708,347.43	6.68
1. Carryforward from the previous year ⁷⁴⁾	EUR	157,005,028.30	3.75
2. Realised net income for the financial year	EUR	104,945,673.24	2.51
3. Transfer from sub-fund assets ⁷⁵⁾	EUR	17,757,645.89	0.42
II. Not used for distribution	EUR	-230,877,398.13	-5.52
1. Reinvested	EUR	-49,283,057.99	-1.18
2. Carryforward to new account	EUR	-181,594,340.14	-4.34
III. Total distribution	EUR	48,830,949.30	1.16
1. Interim distribution	EUR	36,264,649.80	0.86
2. Final year-end distribution	EUR	12,566,299.50	0.30

74) Difference from previous year because of income adjustment calculated on carryforwards. 75) Transfer in the amount of the realised losses of the financial year.

Comparative overview of the last three financial years

Financial year		Sub-fund assets at end of financial year	Share value
2016/2017	EUR	1,210,628,934.25	28.93
2015/2016	EUR	871,624,888.80	25.01
2014/2015	EUR	978,150,175.15	28.15
2013/2014	EUR	372,696,879.29	22.45

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Information pursuant to the German Derivatives Ordinance [*Derivateverordnung, DerivateV*]:

Pursuant to the Derivatives Ordinance, the utilisation of the market risk ceiling for this sub-fund was calculated in accordance with the simple approach.

Information where securities loans are employed pursuant to Article 37 Para. 2 DerivateV:

Level of exposure through securities loans:	EUR	6,033,324.35
Counterparty to securities loans:		
CREDIT SUISSE SECURITIES (EUROPE) LIMITED		
GOLDMAN SACHS INTERNATIONAL FINANCE		
		Market value of securities in EUR
Total value of collateral provided for securities loans:	EUR	6,954,631.74
of which:		
Equities		4,532,259.99
Bonds		2,422,371.75

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Notes

Other information

Number of fund units in circulation and value of a fund unit on the reporting date pursuant to Section 16 Para. 1 No. 1 of the German Capital Investment Accounting and Valuation Ordinance (KARBV)

Share value	EUR	28.93
Shares in circulation	Units	41,850,000

Information on the valuation process for assets pursuant to Article 16 Para. 1 No. 2 KARBV

Security prices and market prices

The sub-fund assets are valued on the basis of the following market prices:

All securities: Closing prices on the respective valuation dates

The valuation of assets generally took place during the financial year and at the balance sheet date on the basis of the last traded stock exchange price.

Assets not admitted for trading on stock exchanges nor admitted to another regulated market or included in such market, or for which no tradable value is available, are valued at current market values, which shall be assessed with due care using appropriate valuation models and taking into consideration current market conditions.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange Rate(s) or Conversion Factor(s) (bulk quoting) as at 28/02/17

Australian dollar	(AUD)	1.38206 = 1 euro (EUR)
British pound sterling	(GBP)	0.85391 = 1 euro (EUR)
Hong Kong dollar	(HKD)	8.24838 = 1 euro (EUR)
Japanese yen	(JPY)	118.88899 = 1 euro (EUR)
Canadian dollar	(CAD)	1.40736 = 1 euro (EUR)
New Zealand dollar	(NZD)	1.46920 = 1 euro (EUR)
Norwegian kroner	(NOK)	8.88052 = 1 euro (EUR)
Swedish kronor	(SEK)	9.57004 = 1 euro (EUR)
Swiss francs	(CHF)	1.06414 = 1 euro (EUR)
Singapore dollar	(SGD)	1.48610 = 1 euro (EUR)
US dollar	(USD)	1.06260 = 1 euro (EUR)

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on transparency and the total expense ratio (TER) pursuant to Article 16 Para. 1 No. 3 KARBV

Total expense ratio pursuant to Article 101 Para. 2 of the German Investment Code (KAGB): 0.46%.

The total expense ratio expresses all costs and payments (not including transaction costs) borne by the sub-fund during the year in relation to the average net asset value of the sub-fund's assets.

A fee of 0.0074% p.a. of the average net asset value was also incurred due to **additional income from securities lending transactions**.

Performance-related or a supplementary management fee pursuant to Article 16 Para. 1 No. 3 a) KARBV (German Capital Investment Accounting and Valuation Ordinance)

The management fee includes the following:

a) Fixed fee from lending income:	EUR	83,549.20
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In accordance with the Articles of Incorporation and terms and conditions of investment, a fixed fee of 0.45% p.a. based on the average net asset value and payable to the investment management company has been agreed for the sub-fund. This fixed fee covers services rendered by the company, in particular the expenses of the Custodian Bank, costs of legally required printing, mailings and publications associated with the sub-fund, and for the auditing of the annual report. Of this amount, 0.0141% p.a. is due to the Custodian Bank based on the average net asset value, and 0.0573% p.a. to third parties (printing and publication expenses, auditing and miscellaneous costs). The Company does not pay any fees to brokers.

The following expenses are not included in the fixed fee:

- a) Expenses resulting from the purchase and sale of assets (transaction costs);
- b) Customary bank custody fees, including the customary bank charges for the custody of foreign securities abroad and related taxes, if applicable;
- c) Expenses related to day-to-day account management;
- d) Expenses incurred in the assertion and enforcement of the legal claims of the sub-fund;
- e) Expenses for providing information to investors of the sub-fund by means of a durable medium, with the exception of expenses for providing information in the case of fund mergers.

Details of the fee structure are provided in the current sales prospectus.

Expenses paid and repayments received pursuant to Section 16 Para. 1 No. 3c) KARBV

In the reporting period from 01/03/2016 to 28/02/2017, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen received no repayment of fees or reimbursement of expenses paid from the sub-fund to the Custodian Bank or to third parties for the sub-fund iShares STOXX Global Select Dividend 100 UCITS ETF (DE).

Information concerning other income and other expenses pursuant to Section 16 Para. 1 No. 3e) KARBV

Other income amounting to EUR 3,369,647.83 is broken down as follows:

a) Compensation payments:	EUR	2,930,940.85
b) Income from withholding tax refunds/claims:	EUR	416,523.71
c) Other income:	EUR	22,183.27

Other expenses amounting to EUR 166,926.65 are broken down as follows:

a) Bank custody fees:	EUR	145,236.63
b) Other expenditure:	EUR	21,690.02

Information concerning transaction costs pursuant to Section 16 Para. 1 No. 3f) KARBV

The **transaction costs** pursuant to Section 16 Para. 1 No. 3 f) of the German Capital Investment Accounting and Valuation Ordinance ("KARBV") paid during the reporting period totalled EUR 249,851.85.

Transaction costs take into account all costs that were separately recognised or invoiced in the reporting period for the account of the sub-fund and that are in direct connection with the purchase or sale of assets.

The share of transactions executed during the reporting period for account of the sub-fund through brokers that are closely affiliated companies and persons was 0.00%. Their total amount was EUR 0.00.

Index fund information pursuant to Article 16 Para. 2 KARBV

Tracking error level at the end of the reporting period pursuant to Section 16 Para. 2 No. 1 KARBV	0.33 percentage points
Annual tracking difference level	-0.27 percentage points

The STOXX® Global Select Dividend 100 Index (Net Total Return Index) posted a performance of 20.92% during the period under review. Taking into account costs, distributions and taxes, iShares STOXX Global Select Dividend 100 UCITS ETF (DE) recorded a performance of 20.65% during the same period.

Annual Report for iShares STOXX Global Select Dividend 100 UCITS ETF (DE) for the period from 01/03/2016 to 28/02/2017

Information on staff remuneration pursuant to Section 101 Para. 4 KAGB

The below disclosures are made in respect of the remuneration policies of the BlackRock Group ("BlackRock"), as they apply to BlackRock Asset Management Deutschland AG (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "Directive"), and the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority.

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Role of the Compensation Committees

Remuneration governance is a tiered structure including the Management Development and Compensation Committee ("MDCC"), BlackRock, Inc.'s Board of Directors (the "BlackRock, Inc. Board") (BlackRock Inc.'s independent remuneration committee), complemented by the EMEA Compensation Committee (the "Committee") and the Manager's Board of Directors (the "Manager's Board"). These bodies are responsible for the determination of the Manager's remuneration policies.

a) MDCC

The MDCC's primary purposes include:

- to provide oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans;
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed to be administrator; and
- to review and discuss the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approval of the MDCC report for inclusion in the proxy statement.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The MDCC is currently composed of Messrs. Gerber (Chairman), Komansky, Grosfeld, Maughan, Mills and Nixon. The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which require that each member meet a "non-employee director" standard.

The MDCC held 8 meetings during 2016. The MDCC charter is available in English on BlackRock, Inc.'s website (www.blackrock.com).

b) EMEA Compensation Committee

The Committee is established for the purpose of reviewing compensation policies, practices and principles as required by local/regional rules set by regulatory bodies. Specifically, the Committee's primary purposes are to review and make recommendations concerning:

- executive compensation programs;
- employee benefit plans;
- such other compensation plans as may be established from time to time; and
- other local/regional compensation policies, practices, and principles as required to comply with local/regional rules as set by regulators.

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Daniel Dunay, Global Head of Reward; and Karen Dennehy, EMEA Head of Human Resources. Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

Examples of additional attendees may include individuals from the Operational Risk and Regulatory Compliance functions.

Decision-making process

Compensation decisions for employees are made once a year in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for compensation decision-making is tied to financial performance, significant discretion is used to determine individual compensation based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

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No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Annual incentive awards are generated from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate for the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Operational Risk and Regulatory Compliance departments report to the Committee on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Operational Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee, BlackRock's global management committee, or has a reporting obligation to the Manager's Board.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the Committee.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet five key objectives as detailed below:

- attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;
- aligning the interests of senior employees with those of shareholders by awarding BlackRock, Inc. stock as a significant part of both annual and long-term incentive awards;
- controlling fixed costs by ensuring that compensation expense varies with profitability;
- linking a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance; and
- discouraging excessive risk-taking.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Compensation practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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The compensation model includes a basic salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to be considered for a bonus, there is no contractual obligation to make any award to an employee under the discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in stock and subject to additional vesting/clawback conditions. As annual compensation increases, a greater portion is paid in stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Enterprise Leadership Acceleration at BlackRock Plan” are made to select senior leaders to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentives for continued performance over a multi-year period recognizing the scope of the individual’s role, business expertise and leadership skills. These awards usually vest fully three years after they are granted.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of the adjusted operating margin* and organic revenue growth**. Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the relevant employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments. These awards vest in equal instalments over the three years following grant.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff. This refers to categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- Organisational changes
- New business initiatives
- Changes in significant influence function lists
- Changes in role responsibilities
- Revised regulatory direction

Quantitative remuneration disclosure

The Manager is required under the policy to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock’s interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) Board members; and (c) staff who have the ability to materially affect the risk profile of the Manager or the Fund.

* Adjusted operating margin: As reported in BlackRock, Inc.’s external filings, this reflects adjusted operating income divided by total revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

** Organic revenue growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

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All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager's UCITS activities is included in the aggregate figures disclosed. Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. However, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS activities according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 is EUR 1.09 million. This figure is comprised of fixed remuneration of EUR 0.74 million and variable remuneration of EUR 0.36 million. There were a total of 18 beneficiaries of the remuneration.

The amount of the total remuneration awarded by the Manager to the Board which has been attributed to the Manager's UCITS activities in respect of the Manager's financial year ending 31 December 2016 was EUR 0.21 million, and remuneration awarded to members of its staff whose actions have a material impact on the risk profile of the Manager or the Fund was EUR 0.09 million. The individual members of staff of the Manager whose actions have a material impact on the risk profile of the Manager or the Fund are those within the Manager's senior management and monitoring functions.

The Directive entered into force on 18 March 2016. The remuneration disclosures outlined above are made on a best effort basis, but they relate to remuneration for a year in which the policy did not apply in full. Consequently, subsequent remuneration disclosures in relation to the Fund may not be comparable.

Further information necessary for understanding the report pursuant to Article 7 No. 9 d) KARBV

Explanation of the calculation of the net change in unrealised gains and losses

Determination of net change in unrealised gains and losses takes place by means of comparing, in each financial year, the valuations of assets included in the unit price with the relevant historical purchase prices, the level of the positive differences in the sum of unrealised gains included, the level of the negative differences in the sum of unrealised losses included and by determining the net changes from a comparison of the sum totals at the end of the financial year with those at the beginning.

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Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Securities lending	
Assets used	
Absolute	EUR 6,033,324.35
In % of fund assets	0.50
Ten largest counterparties (descending)	
Name	CREDIT SUISSE SECURITIES (EUROPE) LIMITED
Gross volume of open transactions	EUR 4,364,654.14
Country of residence	United Kingdom (UK)
Name	GOLDMAN SACHS INTERNATIONAL FINANCE
Gross volume of open transactions	EUR 1,668,670.21
Country of residence	United Kingdom (UK)
Type(s) of settlement and clearing (e.g. bilateral, trilateral, CCP)	
Wertpapierleihekонтраherenten UniCredit Bank AG, London branch and Credit Suisse Securities (Europe) Ltd are subject to the bilateral model with BlackRock. The securities lending transactions and the associated collateralisation with the counterparties Goldman Sachs International and Morgan Stanley Co International PLC are carried out by an agent (tri-party model).	
Transactions broken down by remaining maturity (absolute amounts)	
unlimited	EUR 6,033,324.35
Type(s) and quality(ies) of collateral received	
Type(s) of collateral received	
Bonds	EUR 2,422,371.75
Equities	EUR 4,532,259.99
Quality(ies) of collateral received	
Quality	The Investment Stock Corporation currently accepts the following assets in particular as collateral for securities lending transactions:
	<ul style="list-style-type: none"> Government bonds with a maximum maturity of 10 years from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK Equities on the following indices: AEX Index (Netherlands), ATX index (Austria), BEL 20 Index (Belgium), CAC All Share Index (France), CDAX Index (Germany), FTSE All Share Index (UK), FTSE MIB Index (Italy), HEX 25 Index (Finland), Madrid General Index (Spain), OMX Copenhagen 20 Index (Denmark), OMX Stockholm 30 Index (Sweden), OBX Stock Index (Norway), PSI 20 Index (Portugal), SPI.
Currency(ies) of collateral received	
CHF, EUR, GBP	
Collateral broken down by remaining maturity (absolute amounts)	
unlimited	EUR 6,954,631.74
Income and cost shares	
Funds	
Absolute income share	EUR 211,710.42
Income share as % of gross income	60.54
Absolute cost share	EUR 83,549.20

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for the period from 01/03/2016 to 28/02/2017

Notes

Additional notes in accordance with Regulation (EU) 2015/2365 on securities financing transactions

Loaned securities as % of all loanable fund assets	
	0.53
Ten largest collateral issuers based on all security financing transactions and total return swaps	
Name	France, Republic of
Volume of collateral received (absolute)	EUR 2,422,371.75
Name	Infineon Technologies AG
Volume of collateral received (absolute)	EUR 765,675.00
Name	Kering S.A.
Volume of collateral received (absolute)	EUR 693,000.00
Name	ProSiebenSat.1 Media SE
Volume of collateral received (absolute)	EUR 561,375.00
Name	LVMH Moët Hennessy Louis Vuitton SE
Volume of collateral received (absolute)	EUR 379,700.00
Name	Beiersdorf AG
Volume of collateral received (absolute)	EUR 259,740.00
Name	Faes Farma S.A.
Volume of collateral received (absolute)	EUR 170,751.84
Name	Rallye S.A.
Volume of collateral received (absolute)	EUR 170,472.40
Name	Grammer AG
Volume of collateral received (absolute)	EUR 170,354.30
Name	Stock Spirits Group PLC
Volume of collateral received (absolute)	EUR 170,157.53

Auditor's Report

To iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, Munich

We have audited the annual financial statements – consisting of the balance sheet, the profit and loss account and the notes to the financial statements – including the accounting and the management report of iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen for the financial year from 1 March 2016 to 28 February 2017. The audit also included the information about the sub-funds iShares I Founder Shares, iShares STOXX Europe 600 Automobiles & Parts UCITS ETF (DE), iShares STOXX Europe 600 Banks UCITS ETF (DE), iShares STOXX Europe 600 Basic Resources UCITS ETF (DE), iShares STOXX Europe 600 Chemicals UCITS ETF (DE), iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE), iShares STOXX Europe 600 Financial Services UCITS ETF (DE), iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE), iShares STOXX Europe 600 Health Care UCITS ETF (DE), iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE), iShares STOXX Europe 600 Insurance UCITS ETF (DE), iShares STOXX Europe 600 Media UCITS ETF (DE), iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE), iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE), iShares STOXX Europe 600 Real Estate Cap UCITS ETF (DE), iShares STOXX Europe 600 Retail UCITS ETF (DE), iShares STOXX Europe 600 Technology UCITS ETF (DE), iShares STOXX Europe 600 Telecommunications UCITS ETF (DE), iShares STOXX Europe 600 Travel & Leisure UCITS ETF (DE), iShares STOXX Europe 600 Utilities UCITS ETF (DE), iShares STOXX Global Select Dividend 100 UCITS ETF (DE).

Responsibility of the legal representatives

The accounting and the preparation of the annual financial statements and of the management report in accordance with the provisions of German commercial law, taking into account the regulations of the German Investment Code (*Kapitalanlagegesetzbuch*, KAGB) and the supplemental provisions of the articles of incorporation, are the responsibility of the Company's Management Board.

Responsibility of the auditor

Our responsibility is to express an opinion on the annual financial statements including the accounting and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 121 Para. 2 of the KAGB and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require us to plan and perform the audit in such a way that misstatements materially affecting the annual financial statements according to the applicable accounting principles and the management report are detected with reasonable assurance. Knowledge of the fund in general, the sub-funds, and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the annual financial statements and management report are examined primarily on a test basis within the framework of the audit. The audit consists of evaluating the accounting policies used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the annual financial statements and the management report. We are of the opinion that our audit forms a reasonable basis for our audit assessment.

Opinion

According to our appraisal, based on the findings gained during our audit, the annual financial statements for the financial year 1 March 2016 to 28 February 2017 complies with the legal regulations and the supplemental provisions of the articles of incorporation. The management report is consistent with the annual financial statements and in overall terms accurately reflects the position of the Company and the sub-fund.

Munich, 26 May 2017

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Koch
Auditor

Rumpelt
Auditor

Management Company and Custodian Bank

Management Company

iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen
Max-Joseph-Straße 6
D-80333 Munich

External Investment Management Company:

BlackRock Asset Management Deutschland AG

Management

Christian Staub
Chairman of the Management Board
Munich

Alexander Mertz
Management Board
Munich

Harald Klug*
Management Board
Munich

Supervisory Board

Barry O'Dwyer (Chairman)
BlackRock, Managing Director
Dublin, Ireland

Thomas Fekete
BlackRock, Managing Director
London, United Kingdom

Prof. Dr Markus Rudolf**
Pro-Rector and University Professor, WHU Otto Beisheim School of Management

Harald Mährle***
Managing Partner, Raymond James Corporate Finance GmbH, Munich

Custodian Bank

State Street Bank International GmbH
Brienner Straße 59
80333 Munich, Germany

Auditor

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft
Rosenheimer Platz 4
81669 Munich, Germany

(*) Since 01/05/2016

(**) Until 16/03/2016

(***) Since 16/03/2016



iShares (DE) | Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

Max-Joseph-Str. 6

80333 Munich, Germany

Tel: +49 (0) 89 42729 - 5858

info@iShares.de

www.iShares.de