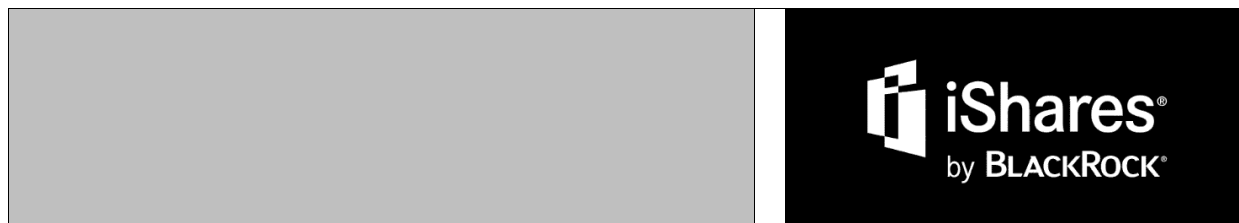


The Directors of the Company whose names appear both on the Company's directorship register and under the heading "Management of the Company" accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



# iShares II Public Limited Company

## Swiss Extract Prospectus

Dated 18 November 2016

*(An umbrella investment company with variable capital and having segregated liability between its Funds incorporated with limited liability in Ireland under registration number 317171 and authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)*

	<p><b>iShares \$ High Yield Corp Bond UCITS ETF</b>  <b>iShares \$ TIPS UCITS ETF</b>  <b>iShares \$ Treasury Bond 7-10yr UCITS ETF</b>  <b>iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF</b>  <b>iShares € Govt Bond 15-30yr UCITS ETF</b>  <b>iShares € Govt Bond 3-5yr UCITS ETF</b>  <b>iShares € Govt Bond 7-10yr UCITS ETF</b>  <b>iShares Asia Property Yield UCITS ETF</b>  <b>iShares BRIC 50 UCITS ETF</b>  <b>iShares Core UK Gilts UCITS ETF</b>  <b>iShares Developed Markets Property Yield UCITS ETF</b>  <b>iShares Dow Jones Global Sustainability Screened UCITS ETF</b>  <b>iShares EM Infrastructure UCITS ETF</b>  <b>iShares EURO STOXX 50 ex-Financials UCITS ETF</b>  <b>iShares EURO STOXX 50 UCITS ETF</b>  <b>iShares FTSE MIB UCITS ETF EUR (Dist)</b></p>	<p><b>iShares Global Clean Energy UCITS ETF</b>  <b>iShares Global Infrastructure UCITS ETF</b>  <b>iShares Global Timber &amp; Forestry UCITS ETF</b>  <b>iShares Global Water UCITS ETF</b>  <b>iShares J.P. Morgan \$ EM Bond UCITS ETF</b>  <b>iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)</b>  <b>iShares Listed Private Equity UCITS ETF</b>  <b>iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF</b>  <b>iShares MSCI EM Islamic UCITS ETF</b>  <b>iShares MSCI EM Latin America UCITS ETF</b>  <b>iShares MSCI Europe SRI UCITS ETF</b>  <b>iShares MSCI Europe UCITS ETF EUR (Dist)</b>  <b>iShares MSCI Turkey UCITS ETF</b>  <b>iShares MSCI USA Dividend IQ UCITS ETF</b>  <b>iShares MSCI USA Islamic UCITS ETF</b>  <b>iShares MSCI World Islamic UCITS ETF</b>  <b>iShares STOXX Europe 50 UCITS ETF</b>  <b>iShares UK Property UCITS ETF</b>  <b>iShares US Aggregate Bond UCITS ETF</b>  <b>iShares US Property Yield UCITS ETF</b></p>
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THIS IS AN EXTRACT OF THE PROSPECTUS FOR ISHARES II PLC. THIS EXTRACT OF THE PROSPECTUS IS AN EXTRACT FOR DISTRIBUTION TO NON-QUALIFIED INVESTORS IN SWITZERLAND ONLY AND IT DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF IRISH APPLICABLE LAW. THIS EXTRACT OF THE PROSPECTUS REFERS TO THE OFFERING OF THE FUNDS LISTED HEREIN. OTHER FUNDS ARE AVAILABLE IN THE COMPANY WHICH ARE NOT CURRENTLY OFFERED FOR SALE TO NON-QUALIFIED INVESTORS IN SWITZERLAND.

Distribution of this document is not authorised unless it is accompanied by a copy of the latest annual report and audited financial statements and, if published thereafter, the latest semi-annual report and unaudited financial statements. Such reports will form part of this Prospectus.

## IMPORTANT INFORMATION

***This document contains important information and should be read carefully before investing. If you have any questions about the content of this Prospectus you should consult your broker, intermediary, bank manager, legal adviser, financial accountant or other independent financial adviser.***

***The value of the Shares and any income from them may go down as well as up and accordingly an investor may not get back the full amount invested.***

***An investment in the Funds of the Company should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. Please refer to the "Risk Factors" section for more information. As determined as at the date of this Prospectus, the Net Asset Value of each of iShares \$ High Yield Corp Bond UCITS ETF, iShares Asia Property Yield UCITS ETF, iShares BRIC 50 UCITS ETF, iShares Developed Markets Property Yield UCITS ETF, iShares Dow Jones Global Sustainability Screened UCITS ETF, iShares EM Infrastructure UCITS ETF, iShares EURO STOXX 50 UCITS ETF, iShares Global Timber & Forestry UCITS ETF, iShares J.P. Morgan \$ EM Bond UCITS ETF, iShares Listed Private Equity UCITS ETF, iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF, iShares MSCI EM Latin America UCITS ETF, iShares MSCI EM Islamic UCITS ETF, iShares MSCI Europe SRI UCITS ETF, iShares MSCI Turkey UCITS ETF, iShares UK Property UCITS ETF and iShares US Property Yield UCITS ETF and is likely to have a high volatility due to the nature of the investment policies of these Funds as reflected in their risk and reward profiles as set out in the relevant KIID.***

Capitalised terms used in this Prospectus are defined on pages 7 to 13.

The distribution of this Prospectus and the offering or purchase of the Shares of the Company may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying Account Opening Form and Dealing Form in any such jurisdiction may treat this Prospectus or such Account Opening Form and Dealing Form as constituting an invitation to them to purchase or subscribe for Shares, nor should they in any event use such Account Opening Form and Dealing Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Account Opening Form and Dealing Form could lawfully be used. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and subscribing, holding or disposing of such Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile, including any requisite government or other consents and the observing of any other formalities.

The Shares of each Fund will normally be primarily listed and admitted for trading on the main market of the LSE (but may be primarily listed on an alternative stock exchange). It is also intended that the Shares of each Fund will be listed and admitted for trading on a number of other stock exchanges (including without limitation, Frankfurt Stock Exchange (XTF Exchange Traded Fund platform), SIX Swiss Exchange, NYSE Euronext Amsterdam, Borsa Italiana, Bolsa Mexicana de Valores (Mexican Stock Exchange) and BATS Chi-X) but the Company does not warrant or guarantee that such listings will take place or continue to exist. In the event that such listings do take place, the primary listing of the Shares of the Funds will normally be on the main market of the LSE (although a number of Funds may be primarily listed on an alternative stock exchange) and any other listings shall be secondary to the primary listing.

For details of where Shares are listed or admitted for trading, please refer to the official iShares website ([www.ishares.com](http://www.ishares.com)).

It is possible that in certain jurisdictions, parties entirely unaffiliated with the Company (and any Fund), the Manager or the Investment Manager, may make the Shares of any Fund(s) available for investment by investors

in those jurisdictions through off market trading mechanisms. Neither the Company, nor the Manager, nor the Investment Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.

**The Shares have not been, and will not be registered under the 1933 Act or the securities laws of any of the states of the United States. The Shares may not be offered or sold directly or indirectly in the United States or for the account or benefit of any US Person. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law.**

**Shares may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan.**

**Additionally, Shares may not be acquired by a person who is deemed to be a US Person under the 1940 Act and regulations thereunder or a person who is deemed to be a US Person under the CEA and regulations thereunder.**

**The Shares have not been, nor will they be, qualified for distribution to the public in Canada as no prospectus for the Company has been filed with any securities commission or regulatory authority in Canada or any province or territory thereof. This document is not, and under no circumstances is to be construed as, an advertisement or any other step in the furtherance of a public offering of Shares in Canada. No Canadian Resident may purchase or accept a transfer of Shares unless he is eligible to do so under applicable Canadian or provincial laws.**

**In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any non-Qualified Holder except in exceptional circumstances and then only with the prior consent of the Directors or Manager. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a Qualified Holder and is not acquiring Shares for or on behalf of a non-Qualified Holder. The granting of prior consent by the Directors to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.**

Applicants for Shares will be required to declare if they are a US Person. Investors (whether they invested through the Primary Market or the Secondary Market) are required to notify the Administrator immediately in the event that they cease to be a Qualified Holder. Where the Company becomes aware that any Shares are directly or beneficially owned by a non Qualified Holder, it may redeem the Shares so held compulsorily and may also impose a fee on each such person who is not a Qualified Holder to compensate the Company for any loss it has suffered (or may suffer) in respect of such holding of Shares.

Each Fund which invests physically in Indian securities ("Fund with India Exposure") is required to be registered as a Foreign Portfolio Investor ("FPI") under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014. In order to be registered as a FPI, each Fund with India Exposure is required to demonstrate that it satisfies the following broad based criteria: (i) The Fund must have a minimum of 20 investors including, both, direct investors and underlying investors in pooling vehicles. (ii) No investor shall hold over 49% of the Shares (by number and value) of the Fund. (iii) No underlying beneficial owner shall hold over 25% of the Shares (by number and value) of the Fund. Institutional investors who hold over 49% of a Fund with India Exposure must themselves comply with broad based criteria. Underlying beneficial owners who hold over 25% of the Fund are required to provide their consent to the FPI registration and, to that end, have their client information disclosed to the relevant depository participant and Securities and Exchange Board of India. For the reasons above, **no investor in a Fund with India Exposure may hold over 49% of Shares (by number and value) of the Fund (apart from Common Depository's Nominee). Any investor who holds more than 25% of the Shares (by number and value) of a Fund with India Exposure hereby consents to the FPI registration of the relevant Fund and consents to have their client information disclosed to the Company and to the relevant depository participant and Securities and Exchange Board of India by brokers, custodians, nominees, local Central Securities Depositories, International Central Securities Depositories, and any other intermediary and by the Company and its service providers.**

Shares are offered only on the basis of the information contained in the current Prospectus and the latest annual report and audited financial statements and any subsequent semi-annual report and unaudited financial statements. These reports will form part of this Prospectus.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and, accordingly, should not be relied upon.

Statements made in this Prospectus are based on the Directors' understanding of the law and practice currently in force in Ireland and are subject to changes therein. Figures contained in this Prospectus are accurate as at the date of this Prospectus only and are subject to changes therein.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (and only to the extent) that it is required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language

other than English, the language of the Prospectus on which such action is based shall prevail. Any disputes as to the terms of the Prospectus, regardless of the language of the Prospectus, shall be governed by and construed in accordance with the laws of Ireland. Additionally, each investor irrevocably submits to the jurisdiction of the courts of Ireland for resolution of any disputes arising out of or in connection with the offering of Shares in the Company.

The Company may make application to register and distribute its Shares in jurisdictions outside Ireland. In the event that such registrations take place, local regulations may require the appointment of paying/facilities agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary rather than directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees and expenses in connection with the registration and distribution of Shares in such jurisdictions, including the appointment of representatives, distributors or other agents in the relevant jurisdictions and the production of local country information documents, will be at normal commercial rates and may be borne by the Company and/or the Funds.

This Prospectus, and the KIID for the relevant Fund and/or Share Class, should each be read in its entirety before making an application for Shares.

## DIRECTORY

<b>iShares II public limited company</b>	<b>Board of Directors of the Company</b>
J.P. Morgan House	Paul McNaughton
International Financial Services Centre	Paul McGowan
Dublin 1	Teresa O'Flynn
Ireland	Barry O'Dwyer
	Karen Prooth
<b>Manager</b>	<b>Investment Manager and Promoter</b>
BlackRock Asset Management Ireland Limited	BlackRock Advisors (UK) Limited
J.P. Morgan House	12 Throgmorton Avenue
International Financial Services Centre	London EC2N 2DL
Dublin 1	England
Ireland	
<b>Depositary</b>	<b>Administrator and Registrar</b>
State Street Custodial Services (Ireland) Limited	State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay	78 Sir John Rogerson's Quay
Dublin 2	Dublin 2
Ireland	Ireland
<b>Secretary</b>	<b>Auditors and Reporting Accountant</b>
Sanne	PricewaterhouseCoopers
4 <sup>th</sup> Floor	Chartered Accountants
76 Baggot Street Lower	One Spencer Dock
Dublin 2	North Wall Quay
Ireland	Dublin 1
	Ireland
<b>Legal Advisors (as to Irish Law)</b>	
William Fry	
2 Grand Canal Square	
Dublin 2	
Ireland	


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## DEFINITIONS

"Account Opening Form", such account opening form or application form (as the context requires) as the Directors may prescribe, to be completed by the Authorised Participant for the purposes of opening a Primary Market dealing account in relation to the Company and/or relevant Fund; or to be completed by the Common

Depository's Nominee for the purposes of applying for Shares of the Funds to be issued in its name and to include authorisation for the Company to deal with Authorised Participants (as applicable).

"*Accumulating Share Class*", a Share Class designated as being "Accumulating" in the list of Share Classes listed under the heading "Classes of Share" in "The Company" section of this Prospectus or "Acc" in the "Current and Launched Share Classes" table in "The Company" section of this Prospectus and in respect of which income and other profits will be accumulated and reinvested.

"Act", the Companies Act 2014 (of Ireland), as may be amended.

"*Administrator*", State Street Fund Services (Ireland) Limited, and/or such other person as may be appointed, with the prior approval of the Central Bank, to provide administration, transfer agency and registrar services to the Company.

"*Administration Agreement*", the agreement made between the Manager and the Administrator in respect of the provision of administration, transfer agency and registrar services to the Company as may be amended from time to time in accordance with the requirements of the Central Bank.

"ADR", American Depository Receipt.

"*Affiliate*", a company which has the ultimate parent of the Investment Manager as its ultimate parent, or a company in which the ultimate parent of the Investment Manager has at least 50% direct or indirect ownership.

"*Articles*", the Articles of Association of the Company, as amended from time to time.

"*Australian Dollar*" or "AUD", the lawful currency of the Commonwealth of Australia.

"*Authorised Participant*", a market maker or broker entity which is registered with the Company as an authorised participant and therefore able to subscribe directly to, or redeem directly from, the Company for Shares in a Fund (i.e. the Primary Market).

"*Barclays Capital*", a division of Barclays PLC.

"*Base Currency*", the base currency of a Fund.

"*Benchmark Index*", in relation to a Fund, the index against which the return of the Fund will be compared.

"*Benefit Plan Investor*" shall have the meaning contained in Section 3(42) of US Employee Retirement Income Security Act of 1974 ("ERISA"), and includes (a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (b) a "plan" described in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code; and (c) an entity whose underlying assets include "plan assets" by reason of an employee benefit plan's or a plan's investment in such entity. For purposes of the foregoing, a "Benefit Plan Investor" does not include a governmental plan (as defined in Section 3(32) of ERISA), a non-US plan (as defined in Section 4(b)(4) of ERISA) or a church plan (as defined in Section 3(33) of ERISA) that has not elected to be subject to ERISA.

"*BlackRock Group*", the BlackRock, Inc. group of companies and any of their affiliates and connected persons.

"*Board of Directors*", the board of Directors of the Company.

"*Business Day*", in relation to all Funds, a day on which markets are open for business in England (or such other day as the Directors may from time to time determine subject to advance Shareholder notice).

"*Canadian Dollar*" or "CAD", the lawful currency of Canada.

"*Canadian Resident*", a person resident in Canada for the purposes of Canadian income tax legislation.

"*Cash Component*", the cash component of the Portfolio Composition File. The Cash Component will be made up of three elements, namely, (i) the accrued dividend attributable to Shares of a particular Share Class of the Fund (generally dividends and interest earned less fees and expenses incurred since the previous distribution), (ii) cash amounts representing amounts arising as a result of rounding the number of Shares to be delivered, capital cash held by the Fund or amounts representing differences between the weightings of the Portfolio Composition File and the Fund and (iii) any Duties and Charges which may be payable.

"CEA", the Commodities Exchange Act (of the United States), as amended.

"*Central Bank*", the Central Bank of Ireland or any successor thereof.

"Central Bank UCITS Regulations", Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as may be amended or replaced.

"*Central Securities Depositories*", such Recognised Clearing Systems which are national settlement systems for individual national markets. As the Funds issue Shares through the International Central Securities Depository settlement system, Central Securities Depositories would be Participants in an International Central Securities Depository.

"*China A Shares*", securities of companies that are incorporated in the PRC and denominated and traded in Renminbi on the Shanghai and Shenzhen Stock Exchanges.

"*Clearstream*", Clearstream Banking, Société Anonyme, Luxembourg and any successor in business thereto.

"*Common Depository*", the entity appointed as a depository for the International Central Securities Depositories, currently Citibank Europe plc, having its registered office at 1 North Wall Quay, Dublin 1.

"*Common Depository's Nominee*", the entity appointed as nominee for any Common Depository and as such acts as the registered holder of the Shares in the Funds, currently Citivic Nominees Limited.

"*Company*", iShares II plc.

"*CSDCC*", China Securities Depository and Clearing Corporation Limited.

"*CSRC*", China Securities Regulatory Commission.

"*Currency Hedged Fund*", iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc).

"*Currency Hedging Agreement*", the agreement made between the Investment Manager and State Street Europe Limited pursuant to which State Street Europe Limited has been appointed to provide currency hedging services for iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc) and all Currency Hedged Share Classes, as may be amended from time to time in accordance with the requirements of the Central Bank.

"*Currency Hedged Share Class*", a Share Class of a Fund (other than the Currency Hedged Fund that has only one Share Class) which allows the use of hedging transactions to reduce the effect of exchange rate fluctuations as described under the heading "Currency Hedged Share Classes" in "The Company" section of this Prospectus.

"*Current Funds*", the Funds in existence as at the date of this Prospectus as listed on page 1 of this Prospectus.

"*Current Share Classes*", the Share Classes of the Current Funds available for launch at the discretion of the Manager as at the date of this Prospectus as listed on pages 17 to 21 of this Prospectus.

"*Danish Krone*" or "*DKK*", the lawful currency of the Kingdom of Denmark.

"*Dealing Day*", in general, in relation to the Current Funds, each Business Day will be a Dealing Day. However, some Business Days will not be Dealing Days where, for example, markets on which a Fund's Investments are listed or traded or markets relevant to a Benchmark Index are suspended or closed or where there is a public holiday in the relevant jurisdiction in which a delegate of the Investment Manager is based, provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, switching and/or redemption of Shares in the Company or any Fund in accordance with the provisions of the Prospectus and the Articles. The Investment Manager produces dealing calendars which detail in advance the Dealing Days for each Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for each Fund (and each Share Class within a Fund) is available from the Investment Manager.

"*Dealing Form*", such dealing form as the Directors may prescribe for the purposes of dealing in Shares of the Company and/or relevant Fund.

"*Depository*", State Street Custodial Services (Ireland) Limited or such other person as may be appointed, with the prior approval of the Central Bank, to act as depository to the Company.

"*Depository Agreement*", the agreement between the Company, the Manager and the Depository as may be amended from time to time in accordance with the requirements of the Central Bank.

"*Directive*", Directive No. 2009/65/EC of the European Parliament and of the Council of 13 July 2009 as amended by Directive No. 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as may be amended or replaced.

"*Directors*", the directors of the Company or any duly authorised committee thereof.

"*Distributing Share Class*", a Share Class designated as being "Distributing" in the list of Share Classes listed under the heading "Classes of Share" in "The Company" section of this Prospectus or "Dist" in the "Current and Launched Share Classes" table in "The Company" section of this Prospectus and in respect of which distributions of income will be declared.

"*Duties and Charges*", in relation to any Fund or Share Class, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, Depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges (including hedging-related costs, transaction costs) whether in connection with the original acquisition or increase of the assets of the relevant Fund or Share Class or the creation, issue, sale, redemption, switching or repurchase of Shares or the sale or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption and to take into account unrealised gains or losses (and their crystallisation, reinvestment or settlement) from currency forwards in connection with a sale, redemption, switching or repurchase of Shares in a Currency Hedged Share Class or a Currency Hedged Fund), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value per Share of Shares in the relevant Fund or Share Class.

"*DVP*", delivery versus payment settlement.

"*Electronic Order Entry Facility*", the website facility which may be used by Authorised Participants to submit dealing requests in respect of Shares in a Fund and to obtain information in relation to the dealing procedures.

"*Equity Funds*", Funds of the Company which track or replicate the performance of a Benchmark Index, the constituents of which are comprised of equities and which are, as at the date of the Prospectus, iShares Asia Property Yield UCITS ETF, iShares BRIC 50 UCITS ETF, iShares Developed Markets Property Yield UCITS ETF, iShares Dow Jones Global Sustainability Screened UCITS ETF, iShares EM Infrastructure UCITS ETF, iShares EURO STOXX 50 ex-Financials UCITS ETF, iShares EURO STOXX 50 UCITS ETF, iShares FTSE MIB UCITS ETF EUR (Dist), iShares Global Clean Energy UCITS ETF, iShares Global Infrastructure UCITS ETF, iShares Global Timber & Forestry UCITS ETF, iShares Global Water UCITS ETF, iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc), iShares Listed Private Equity UCITS ETF, iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF, iShares MSCI EM Latin America UCITS ETF, iShares MSCI EM Islamic UCITS ETF, iShares MSCI Europe SRI UCITS ETF, iShares MSCI Europe UCITS ETF EUR (Dist), iShares MSCI Turkey UCITS ETF, iShares MSCI USA Dividend IQ UCITS ETF, iShares MSCI USA Islamic UCITS ETF, iShares MSCI World Islamic UCITS ETF, iShares STOXX Europe 50 UCITS ETF, iShares UK Property UCITS ETF and iShares US Property Yield UCITS ETF.

"*ERISA Plan*", (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); or (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended.

"*ESMA*", the European Securities and Markets Authority.

"*Euro*", "*EUR*" or "*€*", the single European currency unit referred to in Council Regulation (EC) No. 974/98 on 3 May 1998 on the introduction of the Euro, and, at the discretion of the Manager, the currencies of any countries that at any time formed part of the Eurozone.

"*Euroclear*", Euroclear Bank S.A./N.V. and any such successor in business thereto.

"*EMU*" or "*Eurozone*", the Member States that adopt or have adopted the Euro as its lawful currency, at the date of this Prospectus being Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

"*European Economic Area*" or "*EEA*", the European Economic Area, the participating member states of which are the Member States, Iceland, Liechtenstein and Norway.

"*Fatwa*", a scholarly opinion or verdict issued by the Shari'ah Panel incorporating a Shari'ah ruling on an actual or potential, including hypothetical when agreed, action or fact.

"*FDI*", financial derivative instruments.

"*Fitch*", Fitch Ratings, a division of the Fitch Group.

"*Fixed Income Funds*", Funds of the Company which track or replicate the performance of a Benchmark Index, the constituents of which are comprised of fixed income securities and which are, as at the date of the Prospectus, iShares \$ High Yield Corp Bond UCITS ETF, iShares \$ TIPS UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, iShares € Govt Bond 15-30yr UCITS ETF, iShares € Govt Bond 3-5yr UCITS ETF, iShares € Govt Bond 7-10yr UCITS ETF, iShares Core UK Gilts UCITS ETF, iShares J.P. Morgan \$ EM Bond UCITS ETF and iShares US Aggregate Bond UCITS ETF [The names of collective investments schemes which are not approved for distribution to non qualified investors in or from Switzerland have been deleted].

"*FOP*", free of payment settlement.



"*FTSE*", FTSE Russell, a division of the London Stock Exchange Group plc.

"*Fund*", a fund of assets established (with the prior approval of the Central Bank) for one or more classes of Shares which is invested in accordance with the investment objectives applicable to such fund and which forms part of the Company; a reference to a "Fund" shall, in the context where no particular Share Class is specified, include all Share Classes attributable to that Fund.

"*GDN*", Global Depository Note.

"*GDR*", Global Depository Receipt.

"*Global Property*", for the purpose of the FTSE EPRA/NAREIT Developed Dividend + Index, global property comprises property from global developed markets.

"*Global Share Certificate*", the certificate evidencing entitlement to Shares of a Fund (as described in further detail under the section of this Prospectus entitled "General Information on Dealings in the Company").

"*Hong Kong Dollar*" or "*HKD*", the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China.

"*HKSCC*", Hong Kong Securities Clearing Company Limited.

"*Insolvency Event*", occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person's assets or the person becomes subject to an administration order, (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts, (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business, (v) an event occurs in relation to the person in any jurisdiction that has an effect similar to that of any of the events referred to in (i) to (iv) above or (vi) the Company in good faith believes that any of the above may occur.

"*International Central Securities Depositories*", such Recognised Clearing Systems used by the Funds in issuing their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets, and which includes Euroclear and/or Clearstream.

"*Investment*", any investment authorised by the Memorandum which is permitted by the Regulations and the Articles.

"*Investment Manager*", BlackRock Advisors (UK) Limited and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to the Funds.

"*Investment Management Agreement*", the agreement between the Manager and the Investment Manager in respect of the provision of investment management services to the Funds as may be amended from time to time in accordance with the requirements of the Central Bank.

"*Israeli Shekel*" or "*ILS*", the lawful currency of the State of Israel.

"*J.P. Morgan*", a division of JPMorgan Chase & Co.

"*Japanese Yen*" or "*JPY*", the lawful currency of Japan.

"*JPX-Nikkei*", a joint venture between Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc. and Nikkei Inc.

"*KIID*", the key investor information document issued in respect of each Fund pursuant to the Regulations, as may be amended from time to time in accordance with the Central Bank UCITS Regulations.

"*Launched Share Class*", a Share Class in existence and available for investment as at the date of this Prospectus as listed on pages 17 to 21 of this Prospectus.

"*LSE*", the London Stock Exchange, a division of the London Stock Exchange Group plc.

"*Macquarie*", Macquarie Bank Ltd.

"*Manager*", BlackRock Asset Management Ireland Limited, a limited liability company incorporated in Ireland.

"*Management Agreement*", the agreement between the Company and the Manager as may be amended from time to time in accordance with the requirements of the Central Bank.

"*Markit iBoxx*", a division of Markit Ltd

"*Member State*", a member state of the European Union; the member states at the date of this Prospectus being Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

"*Memorandum*", the Memorandum of Association of the Company, as amended from time to time.

"*Moody's*", Moody's Investors Service, a division of Moody's Corporation.

"*MSCI*", MSCI Inc.

"*Net Asset Value*", the net asset value of a Fund or Share Class (as appropriate) determined in accordance with the Articles.

"*New Zealand Dollar*" or "*NZD*", the lawful currency of New Zealand.

"*Non-Significant Markets*", any market that is not a Significant Market.

"*Norwegian Krone*" or "*NOK*", the lawful currency of the Kingdom of Norway.

"*OECD*", the Organisation for Economic Co-operation and Development.

"*OTC*", over the counter.

"*Participants*", accountholders in an International Central Securities Depository, which may include Authorised Participants, their nominees or agents, and who hold their interest in Shares of the Funds settled and/or cleared through the applicable International Central Securities Depository.

"*Paying Agent*", the entity appointed to act as paying agent to Funds.

"*PNC Group*", the PNC group of companies, the ultimate holding company of which is PNC Financial Services Group, Inc..

"*Portfolio Composition File*", the file setting out the Investments and Cash Component which may be transferred to the Fund, in the case of subscriptions, and by the Company, in the case of redemptions, in satisfaction of the price of Shares thereof. Each Share Class of a Fund will have a Portfolio Composition File, which may (but need not) differ from the Portfolio Composition Files for other Share Classes within the same Fund.

"*PRC*", the People's Republic of China.

"*Primary Market*", the off exchange market whereon Shares of a Fund are created and redeemed directly with the Company.

"*Prospectus*", this document as it may be amended from time to time in accordance with the Central Bank UCITS Regulations together with, where the context requires or implies, any Supplement or addendum.

"*Qualified Holder*", any person, corporation or entity other than (i) a US Person as defined under Rule 902 (k) of the 1933 Act; (ii) an ERISA Plan; (iii) any other person, corporation or entity to whom a sale or transfer of Shares, or in relation to whom the holding of Shares (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) would (a) cause the Company to be required to register as an "investment company" under the 1940 Act, (b) would cause the Shares in the Company to be required to be registered under the 1933 Act, (c) would cause the Company to become a "controlled foreign corporation" within the meaning of the US Internal Revenue Code of 1986, (d) would cause the Company to have to file periodic reports under section 13 of the US Exchange Act of 1934, (e) would cause the assets of the Company to be deemed to be "plan assets" of a Benefit Plan Investor, or (f) would cause the Company otherwise not to be in compliance with the 1940 Act, the 1933 Act, the US Employee Retirement Income Security Act of 1974, the US Internal Revenue Code of 1986 or the US Exchange Act of 1934; or (iv) a custodian, nominee, trustee or the estate of any person, corporation or entity described in (i) to (iii) above.

"*Recognised Clearing System*", a "recognised clearing system" so designated by the Irish Revenue Commissioners (e.g. CREST or Euroclear).

"*Regulated Markets*", the stock exchanges and/or regulated markets listed in Schedule I and in the relevant Supplement, if any.

"*Regulations*", European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended or replaced.

"*Regulatory Information Service*", any of the news services set out in Schedule 12 to the Listing Rules of the UKLA.

"REIT", real estate investment trusts.

"Remuneration Policy", the policy as described in the section entitled "The Manager" including, but not limited to, a description as to how remuneration and benefits are calculated and identification of those individuals responsible for awarding remuneration and benefits.

"RQFII", Renminbi Qualified Foreign Institutional Investor.

"SEC", the US Securities and Exchange Commission.

"Secondary Market", a market on which Shares of the Funds are traded between investors rather than with the Company itself, which may either take place on a recognised stock exchange or OTC.

"SEHK", the Stock Exchange of Hong Kong.

"Share", a participating share of no par value in a Fund or any Share Class representing a participation in the capital of the Company and carrying rights attributable to the relevant Fund or Share Class, issued in accordance with the Articles and with the rights provided for under the Articles.

"Share Class", any class of Share attributable to a particular Fund and carrying rights to participate in the assets and liabilities of such Fund, as further described below under "Classes of Share", in "The Company" section of this Prospectus.

"Shareholder", the registered holder of a Share in a Fund of the Company.

"Shari'ah", the rules, principles and parameters of Islamic law as interpreted by the Shari'ah Panel.

"Shari'ah Funds", together, iShares MSCI EM Islamic UCITS ETF, iShares MSCI USA Islamic UCITS ETF and iShares MSCI World Islamic UCITS ETF.

"Shari'ah Panel", the panel of Islamic scholars appointed by the Investment Manager, and any person appointed to sit on the panel from time to time, who provide advice and guidance relating to the Shari'ah Fund's compliance with Shari'ah, and render Fatwas (decisions) based on Shari'ah.

"Significant Markets", in respect of a Fund, any market or combination of markets where the value of a Fund's Investments or exposure in those markets exceeds 30% of that Fund's Net Asset Value, calculated as at that Fund's most recent annual accounting date and recorded in the Company's financial statements unless the Investment Manager determines to apply a different percentage and/or date which it believes to be more appropriate.

"Significant Markets Business Day", in respect of each Fund, a Business Day on which Significant Markets are open for trading and settlement.

"Singapore Dollar" or "SGD", the lawful currency of the Republic of Singapore.

"SIX", SIX Swiss Exchange.

"S&P", Standard & Poor's, a division of S&P Global Inc.

"Sterling", "GBP" or "Stg£", the lawful currency of the United Kingdom.

"Stock Connect", the Shanghai-Hong Kong Stock Connect.

"Stock Connect Funds", Funds that invest in China A Shares on the Shanghai Stock Exchange via the Stock Connect.

"STOXX", STOXX Ltd, a division of Deutsche Börse AG.

"Structured Finance Securities", eligible debt or equity securities or other financial instruments, including asset-backed securities and credit-linked securities, which may be issued by a member of the BlackRock Group.

"Subscriber Shares", shares of Stg£1.00 each in the capital of the Company designated as "Subscriber Shares" in the Articles and subscribed by or on behalf of the Manager for the purposes of incorporating the Company.

"Supplement", any document issued by the Company expressed to be a supplement to this Prospectus.

"Swedish Krona" or "SEK", the lawful currency of the Kingdom of Sweden.

"Swiss Francs" or "CHF", the lawful currency of the Swiss Confederation.

"UCITS", an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive, as amended.

"UKLA", the United Kingdom Listing Authority, part of the UK Financial Conduct Authority.

"Umbrella Cash Collection Account", a collection account established by the Company at umbrella level in the name of the Company.

"Unhedged Share Class", a Share Class which is not a Currency Hedged Share Class.

"United Kingdom" and "UK", the United Kingdom of Great Britain and Northern Ireland.

"United States" and "US", the United States of America, its territories, possessions, any State of the United States and the District of Columbia.

"US Dollar", "USD", "US\$" or "\$", the lawful currency of the United States.

"US Person", any person or entity deemed by the SEC from time to time to be a "US Person" under Rule 902(k) of the 1933 Act or other person or entity as the Directors may determine. The Directors may amend the definition of "US Person" without Shareholder notice as necessary in order best to reflect then-current applicable US law and regulation. Further information regarding the meaning of "US Person" is set out in Schedule V.

"Valuation Currency", in respect of a Share Class, the currency in which a class of Shares is priced by the Administrator and in which such Shares are denominated.

"Valuation Point", such time and day as the Directors may from time to time determine (with the consent of the Administrator) in relation to the valuation of the assets and liabilities of a Fund and the Share Classes within that Fund. Please see the Primary Market Dealing Timetable on pages 79 to 80 for further details of the Valuation Point applicable to the Current Funds.

"1933 Act", the Securities Act of 1933 (of the United States), as amended.

"1940 Act", the Investment Company Act of 1940 (of the United States), as amended.

## THE COMPANY

### General

The Company is an umbrella open-ended investment company with variable capital and having segregated liability between its Funds. The Company is organised under the laws of Ireland as a public limited company pursuant to the Act. The Company has been authorised by the Central Bank as a UCITS pursuant to the Regulations and is regulated under the Regulations. The Company is an exchange traded fund. It was incorporated on 16 December 1999 under registration number 317171. **Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. The authorisation of the Company shall not constitute a warranty as to performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

Clause 3 of the Memorandum provides that the Company's sole objective is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public and which operates on the principle of risk spreading.

The Company is a UCITS and accordingly each of the Funds are subject to the investment and borrowing restrictions set out in the Regulations and the Central Bank UCITS Regulations. These are set out in detail in Schedule III below.

### Funds

This Prospectus relates to the following Funds:

iShares \$ High Yield Corp Bond UCITS ETF iShares \$ TIPS UCITS ETF iShares \$ Treasury Bond 7-10yr UCITS ETF iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF iShares € Govt Bond 15-30yr UCITS ETF iShares € Govt Bond 3-5yr UCITS ETF	iShares Global Clean Energy UCITS ETF iShares Global Infrastructure UCITS ETF iShares Global Timber & Forestry UCITS ETF iShares Global Water UCITS ETF iShares J.P. Morgan \$ EM Bond UCITS

iShares € Govt Bond 7-10yr UCITS ETF iShares Asia Property Yield UCITS ETF iShares BRIC 50 UCITS ETF iShares Core UK Gilts UCITS ETF iShares Developed Markets Property Yield UCITS ETF iShares Dow Jones Global Sustainability Screened UCITS ETF iShares EM Infrastructure UCITS ETF iShares EURO STOXX 50 ex-Financials UCITS ETF iShares EURO STOXX 50 UCITS ETF iShares FTSE MIB UCITS ETF EUR (Dist)	ETF iShares JPX–Nikkei 400 EUR Hedged UCITS ETF (Acc) iShares Listed Private Equity UCITS ETF iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF iShares MSCI EM Islamic UCITS ETF iShares MSCI EM Latin America UCITS ETF iShares MSCI Europe SRI UCITS ETF iShares MSCI Europe UCITS ETF EUR (Dist) iShares MSCI Turkey UCITS ETF iShares MSCI USA Dividend IQ UCITS ETF iShares MSCI USA Islamic UCITS ETF iShares MSCI World Islamic UCITS ETF iShares STOXX Europe 50 UCITS ETF iShares UK Property UCITS ETF iShares US Aggregate Bond UCITS ETF iShares US Property Yield UCITS ETF
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The Company may, with the prior approval of the Central Bank, create additional Funds or Share Classes in which case the Company will issue either a revised prospectus or a Supplement describing such Funds or Share Classes. Details of any Share Classes available for subscription may from time to time be set out in separate Supplements. In addition, a list of all Funds and Share Classes thereof and their fees will be set out in the annual and semi-annual reports of the Company.

### Profile of a Typical Investor

Investors in a Fund are expected to be informed investors who have taken professional advice, are able to bear capital and income risk, and should view investment in a Fund as a medium to long term investment.

### Supplements

Each Supplement should be read in the context of and together with this Prospectus.

### Classes of Share

Each Fund of the Company comprises a distinct portfolio of Investments. The Shares of each Fund may be issued with different rights, features and on different terms and conditions to those of the other Funds. Shares of a Fund may be divided into different Share Classes with different dividend policies, currency hedging and Valuation Currencies and may therefore have different fees and expenses.

The types of Share Classes that may be made available by the Company in its Funds, except the Currency Hedged Fund, are set out below, although not all types of Share Classes are available in every Current Fund. Only one Share Class is available in the Currency Hedged Fund and, accordingly, it is not subject to the classification below.

Currency(ies) of the constituents of the Benchmark Index	Income Treatment	Share Class Valuation Currency	Hedged / Unhedged	Currency into which the Share Class is Hedged
All in Base Currency	Accumulating	Base Currency	Unhedged	N/A
All in Base Currency	Accumulating	Differs from the Base Currency	Unhedged	N/A
All in Base Currency	Accumulating	Differs from the Base Currency	Hedged	The same as the Valuation Currency
All in Base Currency	Distributing	Base Currency	Unhedged	N/A
All in Base Currency	Distributing	Differs from the Base Currency	Unhedged	N/A
All in Base Currency	Distributing	Differs from the Base Currency	Hedged	The same as the Valuation Currency
A single currency, different from the Base Currency	Accumulating	Base Currency	Unhedged	N/A
A single currency,	Accumulating	Base Currency	Hedged	The same as the

different from the Base Currency				Valuation Currency
A single currency, different from the Base Currency	Accumulating	Differs from the Base Currency	Unhedged	N/A
A single currency, different from the Base Currency	Accumulating	Differs from the Base Currency and from the currency of the constituents of the Benchmark Index	Hedged	The same as the Valuation Currency
A single currency, different from the Base Currency	Distributing	Base Currency	Unhedged	N/A
A single currency, different from the Base Currency	Distributing	Base Currency	Hedged	The same as the Valuation Currency
A single currency, different from the Base Currency	Distributing	Differs from the Base Currency	Unhedged	N/A
A single currency, different from the Base Currency	Distributing	Differs from the Base Currency and from the currency of the constituents of the Benchmark Index	Hedged	The same as the Valuation Currency
Multiple currencies	Accumulating	Base Currency	Unhedged	N/A
Multiple currencies	Accumulating	Base Currency	Hedged	The same as the Valuation Currency
Multiple currencies	Accumulating	Differs from the Base Currency	Unhedged	N/A
Multiple currencies	Accumulating	Differs from the Base Currency	Hedged	The same as the Valuation Currency
Multiple currencies	Distributing	Base Currency	Unhedged	N/A
Multiple currencies	Distributing	Base Currency	Hedged	The same as the Valuation Currency
Multiple currencies	Distributing	Differs from the Base Currency	Unhedged	N/A
Multiple currencies	Distributing	Differs from the Base Currency	Hedged	The same as the Valuation Currency

For details of the Share Classes available in each of the Current Funds as at the date of this Prospectus please refer to the tables below under the heading "Current and Launched Share Classes". Additional classes of Shares, including Share Classes of the type not currently listed above, may be added by the Company to any Fund in the future, at its discretion, in accordance with the requirements of the Central Bank. The creation of additional Share Classes will not result in any material prejudice to the rights attaching to existing Share Classes. Details of the Share Classes available for subscription, and to which different fee structures may apply, may be set out in separate Supplements. In addition a list of all Funds and issued Share Classes thereof will be set out in the annual and semi-annual reports of the Company.

Please note that if you hold a Share Class and you wish to change your holding to a different Share Class of the same Fund, any such change may be treated by tax authorities as a redemption and sale and may be a realisation for the purposes of capital gains taxation.

Please refer to the "Risk Factors" section of this Prospectus for the specific risks associated with investment in a Fund's Share Class.

### **Currency Hedged Share Classes**

The Company may issue Currency Hedged Share Classes in Funds that are not Currency Hedged Funds which allow the use of hedging transactions to reduce the effect of currency exchange rate fluctuations. For details regarding the hedging methodology please refer to the section below entitled "Currency Hedged Share Classes".

The Investment Manager may use derivatives (for example, currency forwards, futures, options and swaps, or such other instruments as are permitted under Schedule II of this Prospectus) to hedge the rate of exchange between the currency of all or some of the currencies in which the assets of a Fund (including cash and income) are denominated and the Share Class Valuation Currency.











- where an index becomes available which more accurately represents the likely tax treatment of the investing Fund in relation to the component securities in that index.

Where such a change would result in a material difference between the constituent securities of the Benchmark Index and the proposed Benchmark Index, Shareholder approval will be sought in advance. In circumstances where immediate action is required and it is not possible to obtain Shareholder approval in advance of a change in a Fund's Benchmark Index, Shareholder approval will be sought for either the change in the Benchmark Index or, if not so approved, the winding up of the Fund, as soon as practicable and reasonable.

Any change of a Benchmark Index will be cleared in advance with the Central Bank, reflected in revised Prospectus documentation and will be noted in the annual and semi-annual reports of the relevant Fund issued after any such change takes place. In addition, any material change in the description of a Benchmark Index will be noted in the annual and semi-annual reports of the relevant Fund.

The Directors may change the name of a Fund, particularly if its Benchmark Index, or the name of its Benchmark Index, is changed. Any change to the name of a Fund will be approved in advance by the Central Bank and the relevant documentation pertaining to the relevant Fund will be updated to reflect the new name.

Any of the above changes may have an impact on the tax status of the Company and/or a Fund in a jurisdiction. Therefore, it is recommended that investors should consult their professional tax adviser to understand any tax implications of the change in their holdings in the jurisdiction in which they are resident.

## **FUND DESCRIPTIONS**

Each Fund may invest in FDI for direct investment purposes. For details regarding investment in FDI please refer to the section headed "Investment Techniques".

Each Fund's Investments, other than its Investments in open-ended collective investment schemes, will normally be listed or traded on the Regulated Markets set out in Schedule I.

The following are the investment objectives and policies for each of the Current Funds. Investors should note that the description of the Benchmark Index provided in relation to a Fund is subject to change.

The investment objective, investment policy and Benchmark Index description listed for a particular Fund applies to all Share Classes (as applicable) offered in that Fund.

Currency Hedged Share Classes, where offered in a Fund, aim to reduce the impact of exchange rate fluctuations between the underlying portfolio currency exposures of the Fund and the Valuation Currency of the Currency Hedged Share Class on returns of the relevant Benchmark Index to investors in that Share Class, through entering into foreign exchange contracts for currency hedging. Only Funds which track a Benchmark Index which does not incorporate a currency hedging methodology may launch Currency Hedged Share Classes.

Share Classes, including Currency Hedged Share Classes may have different valuation currencies from the Base Currency of their Funds.

### ***iShares \$ High Yield Corp Bond UCITS ETF***

#### *Investment Objective*

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Markit iBoxx USD Liquid High Yield Capped Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that so far as possible and practicable consists of the component securities of the Markit iBoxx USD Liquid High Yield Capped Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities which will typically be liquid high yield fixed income securities. The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is sub-investment grade, although this may include unrated bonds judged to be of comparable quality with sub-investment grade bonds at the time of purchase.

The base currency of iShares \$ High Yield Corp Bond UCITS ETF is US Dollar (US\$).

#### *Benchmark Index*

The Markit iBoxx USD Liquid High Yield Capped Index currently consists of sub-investment grade US Dollar denominated fixed rate bonds issued by corporate issuers in developed markets and rated by at least one of three rating services: Moody's Investors Service, Standard & Poor's Rating Services, or Fitch Ratings. It is designed to provide a balanced representation of the US Dollar high yield corporate market by the means of the most liquid high yield corporate bonds available. The maximum original time to maturity is 15 years and the minimum time to maturity is one and a half years for new bonds to be included and one year for bonds that already exist in the Benchmark Index. The Benchmark Index applies a cap of 3% per issuer and a 10% cap for 144A bonds which do not have registration rights or for which the registration period is greater than one year. The Benchmark Index is market capitalisation weighted and rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://products.markit.com/indices/publications/etf.asp>.

### ***iShares \$ TIPS UCITS ETF***

#### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg Barclays US Government Inflation-Linked Bond Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of US Treasury inflation-protected bonds that so far as possible and practicable consists of the component securities of the Bloomberg Barclays US Government Inflation-Linked Bond Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares \$ TIPS UCITS ETF is US Dollar (US\$) and the Fund will not undertake any exposure to currencies other than US Dollar, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than US Dollar.

#### *Benchmark Index*

The Bloomberg Barclays US Government Inflation-Linked Bond Index measures the performance of the US Treasury Inflation Protected Bond market (US TIPS). The Benchmark Index includes only capital indexed bonds issued by the US Treasury with a remaining maturity of one year or more and a minimum amount outstanding of US\$500 million. Bonds must be denominated in US Dollar with coupons and principal paid in US Dollar. The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://index.barcap.com/index.dxml?pageid=4377>.

### ***iShares \$ Treasury Bond 7-10yr UCITS ETF***

#### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the ICE U.S. Treasury 7-10 Year Bond Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of bonds that so far as possible and practicable consists of the component securities of the ICE U.S. Treasury 7-10 Year Bond Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares \$ Treasury Bond 7-10yr UCITS ETF is US Dollar (US\$). This Fund will not undertake any exposure to currencies other than US Dollar, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than US Dollar.

#### Benchmark Index

The ICE U.S. Treasury 7-10 Year Bond Index measures the performance of US Dollar denominated fixed rate US Treasury bonds that have a remaining maturity of between seven and ten years. The Benchmark Index includes investment grade bonds issued by the US Treasury that have a minimum amount outstanding of \$300 million. The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.interactivedata.com/products-services/ice-indices/idcot7>

#### **iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF**

#### Investment Objective

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays MSCI Euro Corporate 0-3yr Sustainability ex Controversial Weapons Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of the Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Barclays MSCI Euro Corporate 0-3yr Sustainability ex Controversial Weapons Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF is Euro (€).

#### Benchmark Index

The Barclays MSCI Euro Corporate 0-3yr Sustainability ex Controversial Weapons Index measures the performance of fixed rate, investment-grade Euro denominated corporate bonds issued by companies with an environmental social and governance ("ESG") rating of BBB or higher, excluding issuers involved in the manufacture of controversial weapons.

The Benchmark Index is derived from the Bloomberg Barclays Euro Corporate 0-3 Year Bond Index (the "Parent Index") which measures the performance of fixed rate Euro-denominated securities issued by industrial, utility and financial corporations. Inclusion is based on the currency of the issue, and not the domicile of the issuer. The Parent Index includes investment-grade bonds (based on the index provider's rating which uses the middle rating of the credit rating agencies Fitch, Moody's and S&P) that have a remaining time to maturity of at least 1 to 5 years and a minimum amount outstanding of €300 million.

The Benchmark Index methodology positively screens the corporate bonds within the Parent Index which are issued by listed companies from all those industry sectors included in the Parent Index (excluding controversial weapons) and assigns a rating to the issuers of the bonds in respect of their management of the ESG risks most relevant to their industry peer group, in accordance with MSCI's ESG rating framework and process. Other than the exclusion of issuers involved in the manufacture of controversial weapons no other exclusion is made on the basis of ethics. Rather the ESG rating methodology within the Benchmark Index seeks to assess an issuer's exposure to and management of ESG risks or opportunities in the course of its activities based on a granular breakdown of such issuer's business, its core product or business segments, the location of its assets or revenues and other relevant measures. The rating assessments of an issuer's performance are not absolute but are intended to be relative to the standards and performance of the issuer's industry peers. The Benchmark Index has no industry sector bias and a particular sector can be completely excluded if all issuers in the sector fail to meet the minimum ESG rating. Further details regarding the MSCI's ESG rating methodology are available at <https://www.msci.com/index-methodology>

The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted. Further details regarding the constituents of the Benchmark Index and their weightings are available at <http://index.barcap.com/index.dxml?pageId=4377>

#### **iShares € Govt Bond 15-30yr UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg Barclays Euro Government Bond 30 Year Term Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of bonds that so far as possible and practicable consists of the component securities of the Bloomberg Barclays Euro Government Bond 30 Year Term Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares € Govt Bond 15-30yr UCITS ETF is Euro (€) and the Fund will not undertake any exposure to currencies other than Euro or the currency of member states of the European Economic Area (EEA) (ie EU Member States, Norway, Iceland and Liechtenstein), except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than these currencies.

#### Benchmark Index

The Bloomberg Barclays Euro Government Bond 30 Year Term Index measures the performance of Euro denominated fixed rate government bonds that were originally issued with a maturity between 19 and 33 years, but have a remaining maturity of between 15 and 30 years. The Benchmark Index includes investment grade bonds, issued by certain EMU member states, that have a minimum amount outstanding of €2 billion. The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://index.barcap.com/index.dxml?pageId=4377>

### **iShares € Govt Bond 3-5yr UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg Barclays Euro Government Bond 5 Year Term Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of bonds that so far as possible and practicable consists of the component securities of the Bloomberg Barclays Euro Government Bond 5 Year Term Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares € Govt Bond 3-5yr UCITS ETF is Euro (€) and the Fund will not undertake any exposure to currencies other than Euro or the currency of member states of the European Economic Area (EEA) (ie EU Member States, Norway, Iceland and Liechtenstein), except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than these currencies.

#### Benchmark Index

The Bloomberg Barclays Euro Government Bond 5 Year Term Index measures the performance of Euro denominated fixed rate government bonds that have recently been issued and have a remaining maturity of between three and five years. The Benchmark Index includes investment grade bonds issued by certain EMU member states that have a minimum amount outstanding of €2 billion. The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://index.barcap.com/index.dxml?pageId=4377>

## **iShares € Govt Bond 7-10yr UCITS ETF**

### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg Barclays Euro Government Bond 10 Year Term Index.

### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of bonds that so far as possible and practicable consists of the component securities of the Bloomberg Barclays Euro Government Bond 10 Year Term Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares € Govt Bond 7-10yr UCITS ETF is Euro (€) and the Fund will not undertake any exposure to currencies other than Euro or the currency of member states of the European Economic Area (EEA) (ie EU Member States, Norway, Iceland and Liechtenstein), except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than these currencies.

### Benchmark Index

The Bloomberg Barclays Euro Government Bond 10 Year Term Index measures the performance of Euro denominated fixed rate government bonds that have recently been issued and have a remaining maturity of between seven and ten years. The Benchmark Index includes investment grade bonds issued by certain EMU member states that have a minimum amount outstanding of €2 billion. The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://index.barcap.com/index.dxml?pageId=4377>

## **iShares Asia Property Yield UCITS ETF**

### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE EPRA/NAREIT Developed Asia Dividend + Index.

### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE EPRA/NAREIT Developed Asia Dividend + Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares Asia Property Yield UCITS ETF is US Dollar (US\$).

### Benchmark Index

The FTSE EPRA/NAREIT Developed Asia Dividend + Index is designed to provide a representation of higher yielding stocks within the FTSE EPRA/NAREIT Developed Asia Index. The Benchmark Index measures the performance of Real Estate Investment Trusts (REITs) and Real Estate Holding & Development companies from developed Asian countries and includes those stocks that have a forecasted dividend yield of equal or greater than 2%. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Australia, Hong Kong, Japan, New Zealand and Singapore. The list of countries may be subject to change over time. The Benchmark Index is free float market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

## **iShares BRIC 50 UCITS ETF**

### Investment Objective



The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE BRIC 50 Net of Tax Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE BRIC 50 Net of Tax Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

A substantial portion of this Benchmark Index's constituents are GDRs and ADRs. GDRs and ADRs are negotiable certificates issued by depository banks and represent ownership of a company's shares which can be listed and traded independently from the actual shares of the company. To assist in replicating of its Benchmark Index, a substantial portion of this Fund's Investments will, therefore, be GDRs and ADRs.

The Base Currency of iShares BRIC 50 UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The FTSE BRIC 50 Net of Tax Index represents the performance of the 50 biggest BRIC companies by full market capitalisation, that trade as either depository receipts (DRs) for Brazilian, Indian or Russian companies, and Hong Kong listed shares such as H Shares, Red Chips and P Chips for Chinese companies. The FTSE BRIC 50 Net of Tax Index uses DRs and Hong Kong listed shares as more readily tradable proxies for the underlying securities. As at 30 June 2016, securities issued by entities domiciled in Russia constituted 13.2% by weight of the Benchmark Index. The Benchmark Index is weighted by free-float market capitalisation, and each component's weight is capped at 15% maximum. The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

### **iShares Core UK Gilts UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of bonds that so far as possible and practicable consists of the component securities of the FTSE Actuaries UK Conventional Gilts All Stocks Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Core UK Gilts UCITS ETF is Sterling (Stg£).

#### Benchmark Index

The FTSE Actuaries UK Conventional Gilts All Stocks Index is designed to offer exposure to Sterling denominated fixed rate UK government bonds quoted on the London Stock Exchange with a diversified spread of maturity dates and coupons. The Benchmark Index rebalances on a daily basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

### **iShares Developed Markets Property Yield UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE EPRA/NAREIT Developed Dividend + Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE EPRA/NAREIT Developed Dividend + Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in



order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares Developed Markets Property Yield UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The FTSE EPRA/NAREIT Developed Dividend+ Index is designed to provide a representation of higher yielding stocks within the FTSE EPRA/NAREIT Developed Index. The Benchmark Index measures the performance of Real Estate Investment Trusts (REITs) and Real Estate Holding & Development companies from developed countries world-wide and includes those stocks that have a forecasted dividend yield of equal or greater than 2%. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Australia, Austria, Belgium, Canada, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, the UK and USA. The list of countries may be subject to change over time. The Benchmark Index is free float market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

#### **iShares Dow Jones Global Sustainability Screened UCITS ETF**

#### Investment Objective

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The base currency of iShares Dow Jones Global Sustainability Screened UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment currently consists of equity securities, selected to provide a representation of the global sustainability equity market. The Benchmark Index contains equity securities which consist of the top 20% of the largest 2,500 global sustainability companies of the Dow Jones Global Total Stock Market Index. The companies are selected for the Benchmark Index based on long term economic, environmental and social criteria. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplementaldata/eu>.

#### **iShares EM Infrastructure UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Emerging Market Infrastructure Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Emerging Market Infrastructure Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares EM Infrastructure UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The S&P Emerging Market Infrastructure Index comprises 30 of the largest publicly listed emerging markets infrastructure companies that meet specific investability requirements. The Benchmark Index is designed to provide liquid and tradable exposure to the leading publicly listed emerging markets companies in the

infrastructure industry, namely, from the transportation, energy and utility sectors as defined by the Global Industry Classification Standards (GICS), which are incorporated in emerging markets or derive their revenues from emerging markets operations. The Benchmark Index is weighted by market capitalisation. The Fund may invest directly in securities listed or traded on the Regulated Markets of Russia in accordance with the weighting attributed to such securities in the S&P Emerging Market Infrastructure Index. As at 30 June 2016, 4.9% of S&P Emerging Market Infrastructure Index comprised such securities. Investment in Russian listed or traded securities shall be limited to those securities which are listed or traded on the Moscow Exchange MICEX-RTS. The Benchmark Index rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplemental-data/eu>.

### ***iShares EURO STOXX 50 ex-Financials UCITS ETF***

#### *Investment Objective*

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the EURO STOXX 50 ex-Financials Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the EURO STOXX 50 ex-Financials Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The base currency of iShares EURO STOXX 50 ex-Financials UCITS ETF is Euro (€).

#### *Benchmark Index*

The EURO STOXX 50 ex-Financials Index is a subset of the EURO STOXX 50 Index, which measures the performance of 50 stocks with the objective of reflecting the market sector leaders in the Eurozone. The EURO STOXX 50 ex-Financials Index provides a representation of the market sector leaders in the Eurozone, excluding companies that are allocated to the industry 'Financials' according to the Industry Classification Benchmark (ICB). As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The list of countries may be subject to change over time. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at [www.stoxx.com](http://www.stoxx.com).

### ***iShares EURO STOXX 50 UCITS ETF***

#### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the EURO STOXX 50 Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the EURO STOXX 50 Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares EURO STOXX 50 UCITS ETF is Euro (€).

#### *Benchmark Index*

The EURO STOXX 50 Index measures the performance of 50 European company stocks with the objective of reflecting the market sector leaders in the Eurozone. Stocks are selected from the largest companies of the EURO STOXX Index that meet specific criteria according to the Benchmark Index methodology. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The list of countries may be subject to change over time. The Benchmark Index is weighted by free-float market capitalisation, and each component's weight is capped at 10% maximum. The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at [www.stoxx.com](http://www.stoxx.com).

### ***iShares FTSE MIB UCITS ETF EUR (Dist)***

#### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE MIB Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE MIB Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares FTSE MIB UCITS ETF EUR (Dist) is Euro (€).

#### Benchmark Index

The FTSE MIB Index measures the performance of 40 of the most liquid and capitalised Italian stocks which comply with FTSE's liquidity and free-float criteria. Benchmark Index components are selected by the FTSE Italia Index Policy Committee with the objective to replicate broad sector weights of the Italian stock market. The Benchmark Index is market capitalisation weighted with each constituent capped at a maximum of 15%. The Benchmark Index rebalances on the quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

### **iShares Global Clean Energy UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Global Clean Energy Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Global Clean Energy Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares Global Clean Energy UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The S&P Global Clean Energy Index comprises 30 of the largest publicly traded companies in clean energy related businesses that meet specific investability requirements. The Benchmark Index is designed to provide exposure to the leading publicly listed companies in the global clean energy business, from both developed markets and emerging markets. The Benchmark Index comprises a diversified mix of clean energy production and clean energy equipment & technology companies. The Benchmark Index is weighted by market capitalisation and rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplemental-data/eu>.

### **iShares Global Infrastructure UCITS ETF**

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Macquarie Global Infrastructure 100.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the Macquarie Global Infrastructure 100, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares Global Infrastructure UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The Macquarie Global Infrastructure 100 measures the stock performance of companies from both developed and emerging markets within the infrastructure industry, principally those engaged in management, ownership and operation of infrastructure and utility assets. The Benchmark Index represents the top 100 constituents from Developed and Emerging Markets countries within the Macquarie Global Infrastructure Index. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/Macquarie Global Infrastructure Index Series/Constituents and Weights.jsp>.

## ***iShares Global Timber & Forestry UCITS ETF***

### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Global Timber & Forestry Index.

### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Global Timber & Forestry Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares Global Timber & Forestry UCITS ETF is US Dollar (US\$).

### *Benchmark Index*

The S&P Global Timber and Forestry Index comprises 25 of the largest publicly traded companies engaged in the ownership, management or the upstream supply chain of forests and timberlands. These may be forest products companies, timber REITs, paper products companies, paper packaging companies, or agricultural product companies. The Benchmark Index is weighted by market capitalisation and rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplemental-data/eu>.

## ***iShares Global Water UCITS ETF***

### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Global Water Index.

### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Global Water Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares Global Water UCITS ETF is US Dollar (US\$).

### *Benchmark Index*

The S&P Global Water Index comprises 50 of the largest publicly traded companies in water-related businesses that meet specific investability requirements. The Benchmark Index is designed to provide liquid and tradable exposure to the leading publicly listed companies in the global water industry, from both developed markets and emerging markets. The Benchmark Index is weighted by market capitalisation and rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplemental-data/eu>.

## ***iShares J.P. Morgan \$ EM Bond UCITS ETF***

### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the J.P. Morgan EMBI Global Core Index.

### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that so far as possible and practicable consists of the component securities of the J.P. Morgan EMBI Global Core Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of the iShares J.P. Morgan \$ EM Bond UCITS ETF is US Dollar (US\$) and this Fund will not undertake any exposure to currencies other than US Dollar except in the efficient portfolio management of changes in its Benchmark Index and in the management of any future Share classes of the Fund which may be denominated in a currency other than US Dollar.

### Benchmark Index

The J.P.Morgan EMBI Global Core Index measures the performance of US dollar denominated fixed and / or floating rate emerging market bonds issued by sovereign and quasi-sovereign entities. Quasi-sovereign entities are entities whose securities are either 100% owned by their respective governments or subject to a 100% guarantee that does not rise to the level of constituting the full faith and credit by such governments. The Benchmark Index may consist of both investment grade and non-investment grade bonds, including bonds that are in default. The Benchmark Index includes bonds that: (i) are denominated in US Dollar; (ii) have a current face amount outstanding of US\$1 billion or more; (iii) have at least two years until maturity; (iv) are able to settle internationally through Euroclear or another institution domiciled outside the issuing country; and (v) have bid and offer prices that are available on a daily and timely basis-either from an inter-dealer broker or J.P.Morgan-are considered for inclusion into the Underlying Index.

As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Angola, Argentina, Azerbaijan, Brazil, Chile, China, Colombia, Costa Rica, Croatia, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Ghana, Hungary, Indonesia, Iraq, Ivory Coast, Jamaica, Kazakhstan, Kenya, Latvia, Lebanon, Lithuania, Malaysia, Mexico, Mongolia, Morocco, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Russia, Serbia, Slovakia, South Africa, Sri Lanka, Turkey, Tunisia, Ukraine, Uruguay, Venezuela, Vietnam and Zambia. The list of countries may be subject to change over time. As at 30 June 2016, securities issued by entities domiciled in Russia constituted 5.1% by weight of the Benchmark Index. The Benchmark Index is market value weighted and rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.jpmorgan.com/pages/jpmorgan/investbk/solutions/research/indices/composition>.

### ***iShares JPX–Nikkei 400 EUR Hedged UCITS ETF (Acc)***

#### Investment Objective

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the JPX-Nikkei 400 Net Total Return EUR Hedged Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the JPX-Nikkei Index 400, and foreign exchange forward contracts that, as far as possible and practicable, track the hedging methodology of the JPX-Nikkei 400 Net Total Return EUR Hedged Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares JPX–Nikkei 400 EUR Hedged UCITS ETF (Acc) is Euro (€).

#### Benchmark Index

The JPX-Nikkei 400 Net Total Return EUR Hedged Index aims to measure the performance of the JPX-Nikkei Index 400 with currency exposures hedged to Euro using one-month currency forwards according to the JPX-Nikkei methodology. The Benchmark Index contains both equity securities and foreign currency hedging components.

The JPX-Nikkei Index 400 aims to measure the performance of equity securities of large, mid and small market capitalisation companies listed on the Tokyo Stock Exchange. The companies included in the JPX-Nikkei Index 400 are selected based on their liquidity, percentage of company earnings allocated to shareholders, levels of profit generated from business operations, free float market capitalisation and to a lesser extent, corporate governance credentials. Liquid securities are those which can easily be bought or sold in the market in normal market conditions. Free float market capitalisation is the share price of a company multiplied by the number of shares available to general investors.

From the total number of all securities on the Tokyo Stock Exchange, only companies listed for at least three years that have not historically had debts in excess of assets or an operating or overall deficit (i.e. shortfall) in the last three years are eligible for inclusion. Subsequently, the most liquid securities are selected based on higher trading value and larger free float market capitalisation. A quantitative filter is applied to score securities based on percentage of company earnings allocated to shareholders (40% weighting), levels of profit generated from business operations (40% weighting) and market capitalisation (20% weighting). The 400 securities with the highest quantitative scores are initially selected to be included in the JPX-Nikkei Index 400. The index provider then applies a qualitative filter to consider the corporate governance credentials of the selected companies (e.g. their adoption or scheduled adoption of International Financial Reporting Standards, appointment of independent external directors and publication of financial information in English). This may result in the index provider removing a small number of companies on the initial list of 400 considered to have poor corporate governance credentials and replacing them with securities that meet the criteria of the JPX-Nikkei Index 400.



The Benchmark Index incorporates a monthly hedge, using a one month forward FX contract to reduce currency exposure. The foreign currency hedging component comprises rolling one-month forward contracts that are reset at the end of each month and hedge each foreign currency in the Benchmark Index back to the Fund's Base Currency (€). No adjustment is made to the hedge during the month to account for price movements of constituent securities of the Benchmark Index, corporate events affecting such securities, additions, deletions or any other changes to the Benchmark Index.

The Benchmark Index rebalances on an annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at [http://www.tse.or.jp/english/market/topix/jpx\\_nikkei.html](http://www.tse.or.jp/english/market/topix/jpx_nikkei.html) and <http://indexes.nikkei.co.jp/en/nkave/index/profile?idx=jpxnk400eur>.

### ***iShares Listed Private Equity UCITS ETF***

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Listed Private Equity Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Listed Private Equity Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares Listed Private Equity UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The S&P Listed Private Equity Index comprises the leading listed private equity companies that meet specific size, liquidity and business activity requirements from developed markets. The Benchmark Index is designed to provide tradable exposure to the leading publicly-listed companies in the private equity space. Holdings in Master Limited Partnerships in the Benchmark Index are capped at 20%. The Benchmark Index is weighted by market capitalisation and rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplementaldata/eu>.

### ***iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF***

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI AC Far East ex-Japan SmallCap Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI AC Far East ex-Japan SmallCap Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The MSCI AC Far East ex-Japan SmallCap Index measures the performance of small capitalisation stocks across Developed and Emerging Markets countries (excluding Japan) in the Far East which comply with MSCI's size, liquidity and free-float criteria. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand. The list of countries may be subject to change over time. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

## ***iShares MSCI EM Islamic UCITS ETF***

### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI EM (Emerging Markets) Islamic Index.

### *Investment Policy*

In order to achieve its investment objective, this Fund will invest, in a manner consistent with Shari'ah, in a portfolio of securities that so far as practicable and possible consists of the component securities of the MSCI EM (Emerging Markets) Islamic Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

For the sole purpose of gaining exposure to the component securities of the Benchmark Index, this Fund may from time to time invest in convertible investment grade sukuk (Shari'ah compliant bonds), ADRs, GDRs, GDNs and open-ended collective investment undertakings, provided that such action is done in a manner believed to be consistent with Shari'ah. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, this Fund may invest in other Funds of the Company, provided the other funds have been deemed compliant with Shari'ah.

The Shari'ah Panel appointed by the Investment Manager will be responsible for ascertaining the compliance of this Fund's operations with Shari'ah. Information relating to the specific services provided by the Shari'ah Panel can be found under "Shari'ah Panel".

The Fund may hold ancillary liquid assets (provided the investment in such assets complies with Shari'ah) subject to the limits set out in Schedule III.

The Base Currency of iShares MSCI EM Islamic UCITS ETF is US Dollar (US\$).

This Fund is designed for the Islamic investor; however, subscription is open to any other investor who is interested in investing in the Fund.

**It is intended that all the investments made by this Fund take place in conformity with Shari'ah. It is possible that the application of the Shari'ah may result in different outcomes for the Fund than in the case of funds with similar objectives that are not compliant with Shari'ah.**

### *Benchmark Index*

The MSCI EM (Emerging Markets) Islamic Index reflects Sharia investment principles and measures the performance of large and mid capitalisation stocks across Emerging Markets countries that are eligible investments for Islamic investors. The Benchmark Index applies stringent screens to exclude certain securities based on Sharia principles in agreement with the Sharia board appointed by the index provider. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, South Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The list of countries may be subject to change over time. The Fund may invest directly in securities listed or traded on the Regulated Markets of Russia in accordance with the weighting attributed to such securities in the MSCI Emerging Markets Index. As at 30 June 2016, 3.0% of MSCI Emerging Markets Islamic Index comprised such securities. Investment in Russian listed or traded securities shall be limited to those securities which are listed or traded on the Moscow Exchange MICEX-RTS. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

## ***iShares MSCI EM Latin America UCITS ETF***

### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI EM Latin America 10/40 Index.

### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI EM Latin America 10/40 Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares MSCI EM Latin America UCITS ETF is US Dollar (US\$).

### Benchmark Index

MSCI EM Latin America 10/40 Index measures the performance of large and mid capitalisation stocks across Emerging Markets countries in Latin America which comply with MSCI's size, liquidity and free-float criteria. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Brazil, Chile, Colombia, Mexico and Peru. The list of countries may be subject to change over time. The Benchmark Index employs a capping methodology in order to comply with UCITS diversification requirements. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

## **iShares MSCI Europe SRI UCITS ETF**

### Investment Objective

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Europe SRI Index.

### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI Europe SRI Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The base currency of iShares MSCI Europe SRI UCITS ETF is Euro (€).

### Benchmark Index

The MSCI Europe SRI Index aims to reflect the performance characteristics of a subset of equity securities within the MSCI Europe Index (the "Parent Index") which are issued by companies with higher environmental, social and governance ("ESG") ratings than other sector peers within the Parent Index, based on a series of exclusionary and ratings based criteria.

Firstly, companies which are identified by the index provider, Morgan Stanley Capital International Inc. ("MSCI"), as manufacturers or producers of controversial weapons, civilian firearms, nuclear power, or tobacco or which derive revenue from genetic modification of plants (except purely for research and development) are excluded. Companies which are identified by MSCI as engaging in the following activities are excluded if their revenues from such activities exceed the business involvement thresholds set by MSCI: alcohol producers, gambling operations or support, tobacco distributors, retailers and suppliers, civilian firearm retailers, suppliers to the nuclear industry and adult entertainment producers. This value based exclusion is reviewed on a quarterly basis.

The remaining companies are rated by the index provider based on their ability to manage their ESG risks and opportunities and are given a MSCI ESG Intangible Value Assessment (IVA) rating which determines their eligibility for inclusion. Companies which are identified by MSCI as being involved in very serious controversies that have an ESG impact on their operations and/or products and services are excluded based on an impact monitor scoring system. Companies must have a minimum IVA rating and ESG Impact Monitor score set by MSCI to be considered eligible for inclusion as new constituents in the Benchmark Index at each rebalancing. Companies are also required to maintain a minimum ESG IVA rating and ESG Impact Monitor score (which are lower than the requirements for inclusion) to remain in the Benchmark Index at each rebalance. Companies whose IVA ratings drop below the minimum eligibility criteria required to remain in the Benchmark Index will be excluded from the Benchmark Index at the next rebalance. When ESG-related ratings of companies in the Benchmark Index are downgraded below the minimum eligibility criteria, the Fund may hold such securities until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position. The minimum IVA ratings and ESG Impact Monitor scores set by the index provider can be found at the index provider's website set out below.



The Benchmark Index targets 25% cumulative coverage of the free float adjusted market capitalisation for each Global Industry Classification Standard ("GICS") sector within the Parent Index. This is achieved for each sector by ranking the eligible companies in each sector by each company's IVA rating and then in order of their free float market capitalisation (both from highest to lowest). Eligible companies from each sector are then included in the Benchmark Index in the order of such rankings and weighted based on their free float adjusted market capitalisation, until either the 25% target cumulative sector coverage has been met or there are no more eligible companies to include from that sector. In the event that there are insufficient eligible companies within a sector, the cumulative target sector coverage for that sector will not be met. Eligible companies may continue to be retained in the Benchmark Index to preserve index stability and reduce turnover even if this results in a cumulative sector coverage that is higher than the 25% target.

The Parent Index measures the performance of large and mid capitalisation stocks across the European markets which comply with MSCI's size, liquidity and free-float criteria. Companies are included in the Parent Index based on the proportion of their shares in issue that are available for purchase by international investors. Due to the ESG criteria being applied to the Parent Index to determine eligibility for inclusion in the Benchmark Index, the Benchmark Index will comprise a smaller number of securities compared to the Parent Index and such securities are likely to have different GICS sector weightings and factor weightings compared to the Parent Index. The Benchmark Index will therefore have a different performance and risk profile to the Parent Index.

The Benchmark Index rebalances on a quarterly basis to take into account changes to the Parent Index in addition to applying the ratings described above. The companies are however assessed for excluded activities and ESG ratings on an annual basis. Further details regarding the Benchmark Index (including its constituents) IVA ratings, ESG import monitor scores and ESG screening criteria are available on the index provider's website at <http://www.msci.com/products/indices/licensing/constituents.html>.

### ***iShares MSCI Europe UCITS ETF EUR (Dist)***

#### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Europe Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI Europe Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares MSCI Europe UCITS ETF EUR (Dist) is Euro (€).

#### *Benchmark Index*

The MSCI Europe Index measures the performance of the large and mid capitalisation stocks across Developed European countries which comply with MSCI's size, liquidity, and free-float criteria. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The list of countries may be subject to change over time. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

### ***iShares MSCI Turkey UCITS ETF***

#### *Investment Objective*

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Turkey Index.

#### *Investment Policy*

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI Turkey Index this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares MSCI Turkey UCITS ETF is US Dollar (US\$).

### Benchmark Index

The MSCI Turkey Index measures the performance of large and mid capitalisation stocks of the Turkish equity market which comply with MSCI's size, liquidity, and free-float criteria. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

### ***iShares MSCI USA Dividend IQ UCITS ETF***

#### Investment Objective

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI USA High Dividend Yield Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI USA High Dividend Yield Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all of the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The base currency of iShares MSCI USA Dividend IQ UCITS ETF is US Dollar (US\$).

### Benchmark Index

The MSCI USA High Dividend Yield Index includes equities of large and mid capitalisation companies in the United States (US). The Benchmark Index measures the performance of equities of companies selected from the MSCI USA Index (excluding real estate investment trusts (REITs)) which have higher than average dividend yields and which have track records for consistently paying dividends and the capacity to sustain dividend payments.

The index provider (MSCI) applies a dividend income and quality (IQ) screening process to the Benchmark Index. Only equities of companies with a track record of consistently paying dividends are eligible index constituents. Equities are also screened with the aim of excluding companies with potentially deteriorating fundamentals which could be forced to cut or reduce dividends. From the list of eligible companies, only those with higher than average dividend yields are selected for inclusion in the Benchmark Index.

Issuer weights in the Benchmark Index are capped at 5%. The Benchmark Index is free float market capitalisation weighted and rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

### ***iShares MSCI USA Islamic UCITS ETF***

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI USA Islamic Index.

#### Investment Policy

In order to achieve its investment objective, this Fund will invest, in a manner consistent with Shari'ah, in a portfolio of securities that so far as practicable and possible consists of the component securities of the MSCI USA Islamic Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

For the sole purpose of gaining exposure to the component securities of the Benchmark Index, this Fund may from time to time invest in convertible investment grade sukuk (Shari'ah compliant bonds), ADRs, GDRs, GDNs and open-ended collective investment undertakings, provided that such action is done in a manner believed to be consistent with Shari'ah. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, this Fund may invest in other Funds of the Company, provided the other funds have been deemed compliant with Shari'ah.

The Shari'ah Panel appointed by the Investment Manager will be responsible for ascertaining the compliance of this Fund's operations with Shari'ah. Information relating to the specific services provided by the Shari'ah Panel can be found under "Shari'ah Panel".

The Fund may hold ancillary liquid assets (provided the investment in such assets complies with Shari'ah) subject to the limits set out in Schedule III.

The Base Currency of iShares MSCI USA Islamic UCITS ETF is US Dollar (US\$).

This Fund is designed for the Islamic investor; however, subscription is open to any other investor who is interested in investing in the Fund.

**It is intended that all the investments made by this Fund take place in conformity with Shari'ah. It is possible that the application of the Shari'ah may result in different outcomes for the Fund than in the case of funds with similar objectives that are not compliant with Shari'ah.**

Benchmark Index

The MSCI USA Islamic Index reflects Sharia investment principles and measures the performance of large and mid capitalisation stocks of the US equity market that are eligible investments for Islamic investors. The Benchmark Index applies stringent screens to exclude certain securities based on Sharia principles in agreement with the Sharia board appointed by the index provider. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

**iShares MSCI World Islamic UCITS ETF**

Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI World Islamic Index.

Investment Policy

In order to achieve its investment objective, this Fund will invest, in a manner consistent with Shari'ah, in a portfolio of securities that so far as practicable and possible consists of the component securities of the MSCI World Islamic Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

For the sole purpose of gaining exposure to the component securities of the Benchmark Index, this Fund may from time to time invest in convertible investment grade sukuk (Shari'ah compliant bonds), ADRs, GDRs, GDNs and open-ended collective investment undertakings, provided that such action is done in a manner believed to be consistent with Shari'ah. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, this Fund may invest in other Funds of the Company, provided the other funds have been deemed compliant with Shari'ah.

The Shari'ah Panel appointed by the Investment Manager will be responsible for ascertaining the compliance of this Fund's operations with Shari'ah. Information relating to the specific services provided by the Shari'ah Panel can be found under "Shari'ah Panel".

The Fund may hold ancillary liquid assets (provided the investment in such assets complies with Shari'ah) subject to the limits set out in Schedule III.

The Base Currency of iShares MSCI World Islamic UCITS ETF is US Dollar (US\$).

This Fund is designed for the Islamic investor; however, subscription is open to any other investor who is interested in investing in the Fund.

**It is intended that all the investments made by this Fund take place in conformity with Shari'ah. It is possible that the application of the Shari'ah may result in different outcomes for the Fund than in the case of funds with similar objectives that are not compliant with Shari'ah.**

Benchmark Index

The MSCI World Islamic Index reflects Sharia investment principles and measures the performance of large and mid capitalisation stocks across Developed Markets countries that are eligible investments for Islamic investors. The Benchmark Index applies stringent screens to exclude certain securities based on Sharia principles in agreement with the Sharia board appointed by the index provider. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, UK and the USA. The list of eligible countries may be subject to change over time. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

**iShares STOXX Europe 50 UCITS ETF**

Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the STOXX Europe 50 Index.

Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the STOXX® Europe 50 Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares STOXX Europe 50 UCITS ETF is Euro (€).

#### Benchmark Index

The STOXX Europe 50 Index measures the performance of 50 European companies with the objective of reflecting the market sector leaders in Europe. Stocks are selected from the 50 largest companies of the STOXX Europe 600 Index universe that meet specific criteria according to the Benchmark Index methodology. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The list of countries may be subject to change over time. The Benchmark Index is weighted by free-float market capitalisation, and each component's weight is capped at 10% maximum. The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at [www.stoxx.com](http://www.stoxx.com).

#### **iShares UK Property UCITS ETF**

##### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE EPRA/NAREIT UK Index.

##### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE EPRA/NAREIT UK Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares UK Property UCITS ETF is Sterling (Stg£).

#### Benchmark Index

The FTSE EPRA/NAREIT UK Index measures the performance of UK-listed Real Estate Investment Trusts (REITs) and Real Estate Holding and Development companies which comply with FTSE's size, liquidity and free-float criteria. The Benchmark Index is free float market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

#### **iShares US Aggregate Bond UCITS ETF**

##### Investment Objective

The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg Barclays US Aggregate Bond Index.

##### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that so far as possible and practicable consists of the component securities of the Bloomberg Barclays US Aggregate Bond Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities and money market instruments issued or guaranteed by governments, public international bodies or corporations. These include treasury, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage passthroughs), asset-backed securities, and commercial mortgage-backed securities.

The Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as such non-investment grade issues cease to

form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The base currency of iShares US Aggregate Bond UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The Bloomberg Barclays US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated fixed rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass throughs), asset-backed securities, and commercial mortgage-backed securities. Inclusion in this Benchmark Index is not based on the domicile of the issuer, securities must be US Dollar denominated and non-convertible. Only investment grade bonds with a minimum remaining time to maturity of one year are considered for inclusion in the Benchmark Index. The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://index.barcap.com/index.dxml?pageId=4377>.

#### ***iShares US Property Yield UCITS ETF***

#### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE EPRA/NAREIT United States Dividend + Index.

#### Investment Policy

In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE EPRA/NAREIT United States Dividend + Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

The Base Currency of iShares US Property Yield UCITS ETF is US Dollar (US\$).

#### Benchmark Index

The FTSE EPRA/NAREIT United States Dividend+ Index is designed to provide a representation of higher yielding stocks within the FTSE EPRA/NAREIT United States Index. The Benchmark Index measures the performance of US Real Estate Investment Trusts (REITS) and Real Estate Holding & Development companies and includes those stocks that have a forecasted dividend yield of equal or greater than 2%. The Benchmark Index is free float market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.ftse.com/Indices/>.

### **MSCI SHARI'AH BOARD**

Securities included in the Benchmark Indices for the Shari'ah Funds are deemed to be compliant with Shari'ah by a board appointed by MSCI (the "MSCI Shari'ah Board"), and will be reviewed on a quarterly basis by the MSCI Shari'ah Board to contemplate changes as a result of market changes or other events (e.g., de-listing, bankruptcy, corporate actions). In such event, the Investment Manager is responsible for ensuring the Fund undertakes the required changes to its Investments in line with the Benchmark Indices for the Shari'ah Funds.

The MSCI Shari'ah Board is not affiliated with the Shari'ah Funds, the Manager or the Investment Manager and does not serve as consultant to or otherwise have any relationship with the Shari'ah Funds, the Manager, the Investment Manager or the Shari'ah Panel.

### **SHARI'AH PANEL**

Compliance with Shari'ah in the operations of the Shari'ah Funds shall be determined by the Shari'ah Panel. The Shari'ah Panel consists of Shari'ah scholars with expertise in Islamic investment. The Shari'ah Panel's primary duties and responsibilities are to (i) advise on the Shari'ah aspects of the Shari'ah Funds, (ii) issue an opinion, by way of a Fatwa, ruling or guidelines as to whether the activities of the Shari'ah Funds comply with Shari'ah and (iii) make recommendations or issue guidance as to how the Shari'ah Funds could be made

Shari'ah compliant. The Investment Manager may also, from time to time, utilise alternative methods for gaining exposure to the component securities of the Benchmark Index (e.g. ADRs, GDRs, GDNs or other collective investment schemes) and may request the Shari'ah Panel to assess the proposed method of investment for compliance with Shari'ah. The Investment Manager relies on the Shari'ah Panel's advice and guidance in ensuring that the Shari'ah Funds operate in a manner which is Shari'ah compliant.

The Shari'ah Panel will not be responsible for matters relating to (i) the management and supervision of the Company and its Funds, operations or vendors (not pertaining to Shari'ah), (ii) the application of Irish or other jurisdictional law, (iii) determining which securities form the underlying constituents of any index which acts as the benchmark of the Shari'ah Funds or any other Fund of the Company, (iv) determining what is the appropriate method to calculate dividend purification of the underlying securities in any such index and (v) determining in individual cases what form of security is appropriate to be held in order to match the return of the underlying securities in any such index (equity, depository or otherwise) – provided always that the MSCI Shari'ah Board has determined generally that such form of security is compliant with Shari'ah.

Following guidance of the Shari'ah Panel, the Investment Manager will ensure that any provisions or references to investment methods or techniques in the Prospectus, which would otherwise be available to the Shari'ah Funds in pursuing their investment policies, are not availed of to the extent they are not Shari'ah compliant. The Shari'ah Panel will advise on alternative investment techniques for the Shari'ah Funds which comply with the Shari'ah Funds' investment policies and are Shari'ah compliant.

The Shari'ah Panel has issued a Fatwa in respect of the Shari'ah Funds. Subject to the Funds' compliance, the Shari'ah Panel will issue an annual Shari'ah compliance certificate for the Shari'ah Funds.

Conflicts of interest relating to the investment of the Shari'ah Funds' assets may arise between members of the Shari'ah Panel and the Shari'ah Funds. In the event that a conflict of interest does arise, members of the Shari'ah Panel will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis. Subject to this, members of the Shari'ah Panel may effect transactions where those conflicts arise and shall not be liable to account for any profit, commission or other remuneration arising.

As at the date of this Prospectus, the members of the Shari'ah Panel are:

*Dr Mohamed Elgari.* Dr. Mohamed Elgari is a Professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia and former Director for the Centre for Research in Islamic Economics, at the same university. He is an expert at the Islamic Jurisprudence Academy of the OIC and the Islamic Jurisprudence Academy of the Islamic World League and a member of the Shari'ah Council of AAOFI. He is a member of the editorial boards of several academic publications in the field of Islamic Finance and Jurisprudence, including: The Journal of the Jurisprudence Academy (of the IWL); Journal of Islamic Economic Studies (IDB); Journal of Islamic Economic (IAIE, London); and the advisory board of Harvard Series in Islamic Law, Harvard Law School. Dr. Elgari is a member of numerous Shari'ah Boards of Islamic banks and Takaful companies worldwide. He has written several books on Islamic finance and published many articles on the subject, both in Arabic and English. Dr. Elgari is also a frequent speaker at conferences worldwide. Dr. Elgari is the recipient of the Islamic Development Bank prize in Islamic Banking and Finance for the year 1424H (2004). Dr. Elgari holds a PhD from the University of California and was born in Makkah, Saudi Arabia in 1950.

*Sheikh Nizam Yaquby.* Sheikh Nizam Yacuby is a graduate in Economics and Comparative Religion from McGill University, Montreal. He is a well known Shari'ah scholar based in Bahrain. Sheikh Yacuby also acts as an advisor to HSBC Amanah, Abu Dhabi Islamic Bank, DJ Indices, BNP Paribas, Lloyds TSB and Standard Chartered.

*Dr Abdul Sattar Abu Ghuddah.* Dr Abdul Sattar Abu Ghuddah has a PhD in Islamic Law and Comparative Fiqh from the Al Azhar University in Cairo. He is an active member of the Islamic Fiqh Academy and the Accounting and Auditing Standards Board of Islamic Financial Institutions. He also contributed to the compilation of the Fiqh Encyclopaedia. Dr Ghuddah acts as an advisor to Islamic Bank of Britain, Dow Jones Indices, Dar Al Istithmar, Ministry of Awkaf and Islamic Affairs in Kuwait and he is currently the President and Secretary General of the Shari'ah Board of Albaraka Banking Group in the Kingdom of Saudi Arabia.

Remuneration of the Shari'ah Panel is paid by the Investment Manager of the Shari'ah Funds and not from the TER (as defined in the section headed "Fund Expenses").

## **METHODOLOGIES FOR CURRENCY HEDGING**

The Company is a UCITS and accordingly the Funds are subject to the investment and borrowing restrictions set out in the Regulations and the Central Bank UCITS Regulations. These are set out in detail in Schedule III below.

### ***Currency Hedged Fund***

Currency hedging is undertaken for the Currency Hedged Fund via such Fund tracking a Benchmark Index that incorporates a foreign currency hedging methodology. The hedge positions may result in leverage being generated within this Fund on an intra-month basis. In relation to the foreign currency hedging component of the Currency Hedged Fund, in the event that there is a gain on the hedge, no leverage will result from such gain. In

the event that there is a loss on the hedge, leverage will result in the relevant Fund from such loss. Any leverage will be removed or reduced when the relevant Benchmark Index is rebalanced each month. As the Currency Hedged Fund tracks a Benchmark Index, it will seek to deliver an exposure similar to that generated by its Benchmark Index.

The Investment Manager does not intend to leverage the Currency Hedged Fund beyond that required to track its Benchmark Index.

Upon receipt of a subscription in the Currency Hedged Fund, the Investment Manager will allocate monies representing the subscription in proportion to the weightings in the Benchmark Index. The intra-month foreign currency exchange position may mean that tracking the equity portion of the Benchmark Index requires the Investment Manager to acquire securities representing the Benchmark Index directly and also through a futures contract in proportion to the weightings of the securities comprising the relevant Benchmark Index and the value of the hedge.

### ***Currency Hedged Share Classes***

Currency hedging is undertaken for each Currency Hedged Share Class by hedging its underlying portfolio currency exposures that are different from its Valuation Currency to keep the difference between such underlying portfolio currency exposures and the Valuation Currency within a pre-determined tolerance. The Investment Manager will monitor the currency exposure of each Currency Hedged Share Class against the pre-determined tolerances daily and will determine when a currency hedge should be reset and the gain or loss arising from the currency hedge reinvested or settled, while taking into consideration the frequency and associated transaction and reinvestment costs of resetting the currency hedge.

In the event that, the over-hedge or under-hedge position on any single underlying portfolio currency exposure of a Currency Hedged Share Class exceeds the pre-determined tolerance as at the close of a Business Day (for example, due to market movement), the hedge in respect of that underlying currency will be reset on the next Business Day (on which the relevant currency markets are open). Any over-hedged position arising in a Currency Hedged Share Class is not permitted to exceed 105% of the net asset value of that Share Class as prescribed by the Central Bank UCITS Regulations. In addition, if the aggregate gain or loss arising from the currency forwards for hedging all the underlying currencies of a Currency Hedged Share Class exceeds the pre-determined tolerance as at the close of a Business Day, the Investment Manager will determine on the next Business Day (on which the relevant currency markets are open) whether some or all of the currency hedges held by that Share Class are required to be reset to reduce the gain or loss if the gain or loss remains outside the tolerance. Applying the above tolerance thresholds will enable the Investment Manager to better manage the frequency and associated costs arising from FX transactions to effect the hedge for Currency Hedged Share Classes. The pre-determined tolerance threshold for each Currency Hedged Share Class is reviewed by BlackRock's Risk and Quantitative Analysis team.

In relation to the foreign currency hedging component of the Currency Hedged Share Classes, in the event that there is a gain on the foreign currency hedge, no leverage will result from such gain. In the event that there is a loss on the foreign currency hedge, leverage will result in the relevant Currency Hedged Share Classes from such loss. Any leverage will be removed or reduced when the relevant currency hedge is adjusted or reset as required for the relevant Currency Hedged Share Class. The Investment Manager does not intend to leverage the Currency Hedged Share Classes beyond the tolerance threshold at which point a reset of some or all of the currency hedges for that Currency Hedged Share Class will be triggered. In extreme market circumstances the tolerance threshold may be temporarily breached.

Upon receipt of a subscription in a Currency Hedged Share Class, the Investment Manager will allocate monies representing the subscription in proportion to the weightings between the securities held by the Fund that are attributable to that Share Class and the value of the hedge of that Share Class.

## **INVESTMENT TECHNIQUES**

The Funds invest in transferable securities in accordance with the Regulations and/or other liquid financial assets referred to in Regulation 68 of the Regulations with the aim of spreading investment risk. Each Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Schedule III. Each Fund's Investments, other than its Investments in open-ended collective investment schemes, will normally be listed or traded on Regulated Markets set out in Schedule I.

Each Fund's aggregate investment in other collective investment schemes is not permitted to exceed 10% of the relevant Fund's assets in accordance with the Regulations and Schedule III. The investment policies of the Current Funds do not permit the Funds to invest more than 10% of their assets in other collective investment schemes.

There are a number of circumstances in which achieving the investment objective and policy of a Fund may be prohibited by regulation, may not be in the interests of holders of Shares or may require the use of strategies which are ancillary to those set out in the Fund's investment objective and policy. These circumstances include, but are not limited to the following:-



- Each Fund is subject to the Regulations which include, inter alia, certain restrictions on the proportion of that Fund's value which may be held in individual securities. Depending on the concentration of the Benchmark Index, a Fund may be restricted from investing to the full concentration level of the Benchmark Index. In addition, a Fund may hold synthetic securities within the limits set out in this Prospectus, provided that the synthetic securities are securities which are correlated to, or the return on which is based on securities which form part of the Benchmark Index.
- The constituent securities of the Benchmark Index change from time to time (a "rebalancing"). The Investment Manager may adopt a variety of strategies when investing the assets of a Fund to bring it in line with the rebalanced Benchmark Index. For example, (a) for Equity Funds, where a security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, or where acquiring or holding such security is not as cost or tax efficient as acquiring or holding a depository receipt, a Fund may hold depository receipts relating to such securities (e.g. ADRs and GDRs); (b) for Fixed Income Funds, where a fixed income security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, or where acquiring or holding such security is not as cost or tax efficient as acquiring or holding a depository note or other fixed income securities, the Fund may hold depository notes relating to such securities (e.g. GDNs) and/or hold some other fixed income securities which have similar risk characteristics even if such fixed income securities are not themselves constituents of the Benchmark Index.
- From time to time, securities in the Benchmark Index may be subject to corporate actions. The Investment Manager may manage these events at its discretion.
- A Fund may hold ancillary liquid assets and will normally have dividend/income receivables. The Investment Manager may purchase FDI (as outlined above), for direct investment purposes, to produce a return similar to the return on the Benchmark Index.
- Securities included in the Benchmark Index may, from time to time, become unavailable, illiquid or unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Benchmark Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Benchmark Index.
- The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring a Fund perfectly in line with the Benchmark Index at all times.

### **Replicating Funds**

Replicating index funds seek to replicate as closely as possible the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in similar proportion to their weightings in the Benchmark Index and, in doing so, are permitted to avail of the higher investment limits set out in section 4 of Schedule III for replicating index funds. It may not, however, always be possible or practicable to purchase each and every constituent of the Benchmark Index in accordance with the weightings of the Benchmark Index, or doing so may be detrimental to holders of Shares in the relevant Fund (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Benchmark Index, or in circumstances where a security in the Benchmark Index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Benchmark Index). Replicating index Funds as per the Regulations will state the intent to avail of the investment limits set out in section 4 of Schedule III in their investment policy.

The following Funds use a replicating strategy: iShares Asia Property Yield UCITS ETF, iShares BRIC 50 UCITS ETF, iShares EM Infrastructure UCITS ETF, iShares EURO STOXX 50 ex-Financials UCITS ETF, iShares EURO STOXX 50 UCITS ETF, iShares FTSE MIB UCITS ETF EUR (Dist), iShares Global Clean Energy UCITS ETF, iShares Global Infrastructure UCITS ETF, iShares Global Timber & Forestry UCITS ETF, iShares Global Water UCITS ETF, iShares MSCI Turkey UCITS ETF, iShares MSCI USA Dividend IQ UCITS ETF, iShares MSCI USA Islamic UCITS ETF, iShares STOXX Europe 50 UCITS ETF, iShares UK Property UCITS ETF and iShares US Property Yield UCITS ETF.

### **Non-replicating Funds**

Certain Funds may not be replicating index funds for the purposes of the Regulations and therefore are not permitted to avail of the higher investment limits set out in section 4 of Schedule III which apply to replicating funds (instead, they may use optimisation techniques to achieve their investment objective). These Funds may, or may not, hold every security or the exact concentration of a security in its Benchmark Index, but will aim to track its Benchmark Index as closely as possible. The extent to which a Fund uses optimisation techniques will depend on the nature of the constituents of its Benchmark Index, the practicalities and cost of tracking the relevant Benchmark Index, and such use is at the discretion of the Investment Manager. For example, a Fund may use optimisation techniques extensively and may be able to provide a return similar to that of its Benchmark Index by investing only in a relatively small number of the constituents of its Benchmark Index. The Fund may also hold some securities which provide similar performance (with matching risk profile) to certain securities that make up the relevant Benchmark Index even if such securities are not themselves constituents of the Benchmark Index and the Fund's holdings may exceed the number of constituents of the Benchmark Index.



The use of optimisation techniques, implementation of which is subject to a number of constraints detailed in Schedule II and III, may not produce the intended results.

The following Funds use a non-replicating strategy: iShares \$ High Yield Corp Bond UCITS ETF, iShares \$ TIPS UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, iShares € Govt Bond 15-30yr UCITS ETF, iShares € Govt Bond 3-5yr UCITS ETF, iShares € Govt Bond 7-10yr UCITS ETF, iShares Core UK Gilts UCITS ETF, iShares Developed Markets Property Yield UCITS ETF, iShares Dow Jones Global Sustainability Screened UCITS ETF, iShares J.P. Morgan \$ EM Bond UCITS ETF, iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc), iShares Listed Private Equity UCITS ETF, iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF, iShares MSCI EM Islamic UCITS ETF, iShares MSCI EM Latin America UCITS ETF, iShares MSCI Europe SRI UCITS ETF, iShares MSCI Europe UCITS ETF EUR (Dist), iShares MSCI World Islamic UCITS ETF and iShares US Aggregate Bond UCITS ETF.

### **All Funds**

Where consistent with its investment policy, each Fund may from time to time invest in convertible securities, government bonds, liquidity instruments such as floating rate instruments and commercial paper (rated at least A3 by Moody's or an equivalent rating from another agency), Structured Finance Securities, other transferable securities (for example, medium term notes) and open-ended collective investment schemes. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, each Fund may invest in other Funds of the Company and/or in other collective investment schemes managed by the Manager. Funds which avail themselves of the investment limits set out in section 4 of Schedule III (i.e. replicating index funds per the Regulations), may only invest in these instruments to assist in gaining exposure to the component securities of their Benchmark Indices. The Equity Funds and the Fixed Income Funds may, in accordance with the requirements of the Central Bank in limited circumstances where direct investment in a constituent security of its Benchmark Index is not possible or where acquiring or holding such security is not as cost or tax efficient as acquiring or holding a depository receipt or a depository note, invest in depository receipts and depository notes respectively to gain exposure to the relevant security. The Funds may hold small amounts of ancillary liquid assets (which will normally have dividend/income receivables) and the Investment Manager, to produce a return similar to the return on the Benchmark Index, may purchase FDI. The Funds may also hold small amounts of cash ("Cash Holdings"). The Funds may, to preserve the value of such Cash Holdings, invest in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

In addition, a Fund may also engage in transactions in FDI including options and futures transactions, swaps, forward contracts, non-deliverable forwards, credit derivatives (such as single name credit default swaps and credit default swap indices), spot foreign exchange transactions, caps and floors, contracts for difference or other derivative transactions for direct investment, to assist in achieving its objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the Benchmark Index or to the Benchmark Index itself, to produce a return similar to the return of the Benchmark Index, to reduce transaction costs or taxes or allow exposure in the case of illiquid securities or securities which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to a Fund.

The maximum proportion of the Net Asset Value of the Funds that can be subject to total return swaps and contracts for difference is 100%. The expected proportion of the Net Asset Value of the Funds that will be subject to total return swaps is 0% and the expected proportion of the Net Asset Value of the Funds that will be subject to contracts for difference is 0%, save that the expected proportion of the Net Asset Value of iShares Listed Private Equity UCITS ETF that will be subject to contracts for difference is 15.2%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions.

In the event that a Fund invests in non-fully funded FDI, the Fund may invest (i) cash representing up to the notional amount of such FDI less margin payments (if any) in such FDI, and (ii) any variation margin cash collateral received in respect of such FDI (together "FDI Cash Holdings"), in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

The Funds will not invest in fully funded FDI, including fully funded swaps.

### *Disclosure required by the competent authority of Mexico in respect of the Funds marketed in that jurisdiction*

Although the percentage of a Fund's net assets which must be invested in the component securities of its Benchmark Index is not prescribed by this Prospectus the following Funds will each generally invest at least 80% of their assets in securities of their respective Benchmark Indices and in depository receipts or depository notes, as applicable, representing securities of their respective Benchmark Indices: iShares \$ High Yield Corp Bond UCITS ETF, iShares Core UK Gilts UCITS ETF, iShares EURO STOXX 50 ex-Financials UCITS ETF, iShares J.P. Morgan \$ EM Bond UCITS ETF, iShares MSCI Europe UCITS ETF EUR (Dist) and iShares UK Property UCITS ETF. However, these Funds may at times each invest up to 20% of their assets in certain FDI, cash and cash equivalents, including money market funds managed by the Manager or Affiliates, as well as in securities not included in their respective Benchmark Indices, but which the Investment Manager believes will help these Funds track their respective Benchmark Indices.

## **Risk Management Process**

The Investment Manager employs a risk management process in respect of the Funds in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDI ("global exposure") which each Fund gains. Any FDI not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. Information regarding the risks associated with the use of FDI can be found in the section entitled "Risk Factors - FDI Risks".

The Investment Manager uses the methodology known as the "Commitment Approach" in order to measure the global exposure of the Current Funds and manage the potential loss to them due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of FDI to determine the degree of global exposure of a Fund to FDI. Pursuant to the Regulations, in the event that a Fund uses leverage in the future, the global exposure for a Fund must not exceed 100% of that Fund's Net Asset Value.

The Funds may have small cash balances from time to time and may use FDI to produce a return on that cash similar to the Benchmark Index. The Funds may also use FDI as set out in this Prospectus. In addition, for Funds which invest in fixed income securities, in order to match the duration and risk profile of the relevant Benchmark Index they may obtain a larger percentage weight exposure through FDI than the relevant cash balance. It is not the Investment Manager's intention to leverage the Funds. The Central Bank considers that any resulting leverage below 5% of a Fund's Net Asset Value is consistent with the statement that a Fund does not intend to be leveraged.

## **Management of Cash Holdings and FDI Cash Holdings**

The Funds may invest Cash Holdings and / or FDI Cash Holdings in one or more daily dealing money market collective investment schemes authorised as UCITS. Such collective investment schemes may be managed by the Manager and / or an Affiliate and are subject to the limits set out in Schedule III. Such collective investment schemes may comprise sub-funds in Institutional Cash Series plc which invest in money market instruments. Institutional Cash Series plc is a BlackRock umbrella fund and open-ended investment company with variable capital incorporated in Ireland and having segregated liability between its sub-funds. It is not anticipated that the Fund's Cash Holdings and / or FDI Cash Holdings will result in additional market exposure or capital erosion, however, to the extent that additional market exposure or capital erosion occurs it is expected to be minimal.

## **ANTICIPATED TRACKING ERROR**

Tracking error is the annualised standard deviation of the difference in monthly returns between a fund and its benchmark index.

At BlackRock, we believe that this figure is important to a tactical investor who trades in and out of ETFs on a regular basis, often holding shares in an ETF for the period of only a few days or weeks. For a buy-to-hold investor with a longer investment time horizon, the tracking difference between the fund and the index over the target investment period should be more important as a measure of performance against the index. Tracking difference measures the actual difference between the returns of a Fund and the returns of the index (i.e. how closely a fund tracks its index), while tracking error measures the increase and decrease in tracking difference (i.e. volatility of tracking difference). We encourage investors to consider both metrics when evaluating an ETF.

Tracking error can be a function of the ETF replication methodology. Generally speaking, historical data provides evidence that synthetic replication produces lower tracking error than physical replication; however, the same data often also provides evidence that physical replication produces lower tracking difference than synthetic replication.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances.

In addition to the above, the Company and/or a Fund may also have a tracking error due to withholding tax suffered by the Company and/or a Fund on any income received from its Investments. The level and quantum of tracking error arising due to withholding taxes depends on various factors such as any reclaims filed by the Company and/or a Fund with various tax authorities, any benefits obtained by the Company and/or a Fund under a tax treaty or any securities lending activities carried out by the Company and/or a Fund.

The table below displays the anticipated tracking error, in normal market conditions, of the Current Funds against each Fund's Benchmark Index, except that for Current Funds which have multiple Share Classes, the anticipated tracking error displayed is for the Unhedged Share Classes against the corresponding Fund's Benchmark Index (which is also unhedged). The anticipated tracking error of a Fund is not a guide to its future performance. The annual and semi-annual report and accounts will set out the actual realised tracking errors as at the end of the period under review.

<b>Fund</b>	<b>Anticipated tracking error</b>
iShares \$ High Yield Corp Bond UCITS ETF	Up to 0.450%
iShares \$ TIPS UCITS ETF	Up to 0.050%
iShares \$ Treasury Bond 7-10yr UCITS ETF	Up to 0.100%
iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF	Up to 0.400%
iShares € Govt Bond 15-30yr UCITS ETF	Up to 0.075%
iShares € Govt Bond 3-5yr UCITS ETF	Up to 0.075%
iShares € Govt Bond 7-10yr UCITS ETF	Up to 0.100%
iShares Asia Property Yield UCITS ETF	Up to 0.600%
iShares BRIC 50 UCITS ETF	Up to 0.600%
iShares Core UK Gilts UCITS ETF	Up to 0.075%
iShares Developed Markets Property Yield UCITS ETF	Up to 0.200%
iShares Dow Jones Global Sustainability Screened UCITS ETF	Up to 0.150%
iShares EM Infrastructure UCITS ETF	Up to 0.400%
iShares EURO STOXX 50 ex-Financials UCITS ETF	Up to 0.300%
iShares EURO STOXX 50 UCITS ETF	Up to 0.300%
iShares FTSE MIB UCITS ETF EUR (Dist)	Up to 0.300%
iShares Global Clean Energy UCITS ETF	Up to 1.150%
iShares Global Infrastructure UCITS ETF	Up to 0.150%
iShares Global Timber & Forestry UCITS ETF	Up to 0.400%
iShares Global Water UCITS ETF	Up to 0.200%
iShares J.P. Morgan \$ EM Bond UCITS ETF	Up to 0.250%
iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)	Up to 0.200%
iShares Listed Private Equity UCITS ETF	Up to 0.300%
iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF	Up to 1.000%
iShares MSCI EM Islamic UCITS ETF	Up to 0.500%
iShares MSCI EM Latin America UCITS ETF	Up to 0.500%
iShares MSCI Europe SRI UCITS ETF	Up to 0.100%
iShares MSCI Europe UCITS ETF EUR (Dist)	Up to 0.200%
iShares MSCI Turkey UCITS ETF	Up to 0.250%
iShares MSCI USA Dividend IQ UCITS ETF	Up to 0.150%
iShares MSCI USA Islamic UCITS ETF	Up to 0.150%
iShares MSCI World Islamic UCITS ETF	Up to 0.200%
iShares STOXX Europe 50 UCITS ETF	Up to 0.200%
iShares UK Property UCITS ETF	Up to 0.200%
iShares US Aggregate Bond UCITS ETF	Up to 0.250%
iShares US Property Yield UCITS ETF	Up to 0.300%

## **EFFICIENT PORTFOLIO MANAGEMENT**

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the relevant Fund and the general provisions of the Directive. These techniques and instruments may include Investments in FDI such as interest rate and bond futures (which may be used to manage interest rate risk), index futures (which may be used to manage cash flows on a short term basis), options (which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps (which may be used to manage currency risk) and Investments in money market instruments and/or money market collective investment schemes. Such techniques and instruments are set out in Schedule II. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject to the Central Bank's requirements) may employ such techniques and instruments.

A Fund may enter into securities lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank UCITS Regulations and in accordance with the requirements of the Central Bank.

The maximum proportion of the Net Asset Value of the Funds that can be subject to repurchase and reverse repurchase agreements is 100%. The expected proportion of the Net Asset Value of the Funds that will be subject to repurchase and reverse repurchase agreements is 0%. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

The maximum proportion of the Net Asset Value of the Funds that can be subject to securities lending is 100%. The demand to borrow securities is a significant driver for the amount that is actually lent from a Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Based on historical data, lending volumes for Funds invested in the following asset classes are typically in the ranges set out below, though past levels are no guarantee of future levels.

<b>Asset Class / Fund Name(s)</b>	<b>Typical range of a Fund's Net Asset Value subject to securities lending (%)</b>
<i>Aggregate Bond</i> iShares US Aggregate Bond UCITS ETF	0-20%
<i>Corporate Bond</i> iShares \$ High Yield Corp Bond UCITS ETF	0-31%
<i>Developed Equity</i> iShares Asia Property Yield UCITS ETF, iShares Developed Markets Property Yield UCITS ETF, iShares Euro STOXX 50 ex-Financials UCITS ETF, iShares EURO STOXX 50 UCITS ETF, iShares FTSE MIB UCITS ETF EUR (Dist), iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc), iShares MSCI Europe UCITS ETF EUR (Dist), iShares MSCI USA Dividend IQ UCITS ETF, iShares STOXX Europe 50 UCITS ETF, iShares UK Property UCITS ETF and iShares US Property Yield UCITS ETF	0-87%
<i>Developed Government Bond</i> iShares \$ TIPS UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares € Govt Bond 15-30yr UCITS ETF, iShares € Govt Bond 3-5yr UCITS ETF and iShares € Govt Bond 7-10yr UCITS ETF and iShares Core UK Gilts UCITS ETF	0-99%
<i>Emerging Government Bond</i> iShares J.P. Morgan \$ EM Bond UCITS ETF	0-65%
<i>Emerging Market Equity</i> iShares BRIC 50 UCITS ETF, iShares EM Infrastructure UCITS ETF and iShares MSCI Turkey UCITS ETF	0-99%
<i>Global Equity</i> iShares Global Clean Energy UCITS ETF, iShares Global Infrastructure UCITS ETF, iShares Global Timber & Forestry UCITS ETF, iShares Global Water UCITS ETF and iShares Listed Private Equity UCITS ETF	0-19%
<i>Mid/Small Cap Equity</i> iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF	0-94%

As at the date of this Prospectus, iShares Dow Jones Global Sustainability Screened UCITS ETF, iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, iShares MSCI EM Islamic UCITS ETF, iShares MSCI EM Latin America UCITS ETF, iShares MSCI Europe SRI UCITS ETF, iShares MSCI USA Islamic UCITS ETF and iShares MSCI World Islamic UCITS ETF do not engage in securities lending.

## RISK FACTORS

**Investors' attention is drawn to the following risk factors in relation to the Funds. This does not purport to be an exhaustive list of the risk factors relating to investing in the Company or its Funds.**

### **General investment risks**

#### ***Investment Risks***

Past performance is not a guide to the future. The prices of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that any Fund will achieve its investment objective or that an investor will recover the full amount invested in a Fund. The capital return and income of each Fund are based on the capital appreciation and income of the securities it holds, less expenses incurred and any relevant Duties and Charges. Therefore, each Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

### **Risks specific to investing in index-tracking exchange traded funds (ETFs)**

#### ***Passive Investment Risk***

The Funds are not actively managed and may be affected by a general decline in market segments related to their respective Benchmark Indices. The Funds invest in securities included in, or representative of, their respective Benchmark Indices, and the Funds do not attempt to take defensive positions under any market conditions, including declining markets.

#### ***Index Tracking Risks***

While the Funds seek to track the performance of their respective Benchmark Indices, whether through a replication or optimising strategy, there is no guarantee that they will achieve perfect tracking and the Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Benchmark Indices, from time to time. This tracking error may result from an inability to hold the exact constituents of the Benchmark Index (although this is not the expected cause of tracking error for non-replicating Funds), for example where there are local market trading restrictions, small illiquid components, a temporary unavailability or interruption in trading of certain securities comprising the Benchmark Index and/or where the Regulations limit exposure to the constituents of the Benchmark Index. For liquidity purposes, the Funds may hold a portion of their net assets in cash and such cash holdings will not rise and fall in line with movements in their respective Benchmark Indices. In addition, the Company relies on index licences granted by third party index providers to use and track the Benchmark Indices for its Funds. In the event that an index provider terminates or varies an index licence, it will affect the ability of the impacted Funds to continue to use and track their Benchmark Indices and to meet their investment objectives. In such circumstances, the Directors may take such action as described in the section entitled "Benchmark Indices". Regardless of market conditions, the Funds aim to track the performance of their respective Benchmark Indices and do not seek to outperform their respective Benchmark Indices.

#### ***Optimising strategy***

It may not be practical or cost efficient for certain Funds to replicate their respective Benchmark Indices. Where it is not part of a Fund's investment policy to replicate its Benchmark Index, such Funds may use optimisation techniques to track the performance of their respective Benchmark Indices. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the Benchmark Index, holding securities in proportions that differ from the proportions of the Benchmark Index and/or the use of FDI to track the performance of certain securities that make up the Benchmark Index. The Investment Manager may also select securities which are not underlying constituents of the relevant Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the relevant Benchmark Index. Optimising Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Benchmark Indices.

#### ***Index-Related Risks***

As prescribed by this Prospectus, in order to meet its investment objective, each Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Benchmark Index as published by the index provider. There is no assurance that the index provider will compile the Benchmark Index accurately, or that the Benchmark Index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the Benchmark Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Benchmark Index, and does not guarantee that the Benchmark Index will be in line with the described index methodology.

The Investment Manager's mandate as described in this Prospectus is to manage the Funds consistently with the relevant Benchmark Index provided to the Investment Manager. Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the Funds and their investors. For example, during a period where the Benchmark Index contains incorrect constituents, a Fund tracking such published Benchmark Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Benchmark Index. As such, errors may result in a negative or positive performance impact to the

Funds and their investors. Investors should understand that any gains from index provider errors will be kept by the Funds and their investors and any losses resulting from index provider errors will be borne by the Funds and their investors.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of a Fund is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Fund and its investors. Unscheduled rebalances to the Benchmark Indices may also expose the Funds to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to a Benchmark Index may increase the costs and market exposure risk of the relevant Fund.

Where a Fund's Benchmark Index aims to identify securities that meet criteria which have an element of being forward looking (for example, securities that are expected to provide a high yield or which are selected on the basis of their liquidity, percentage of company earnings allocated to shareholders, levels of profit generated from business operations, market capitalisation and corporate governance credentials), there is no guarantee that the Benchmark Index will meet its objective. Many factors can affect the performance of a security and the impact of these factors on a security or its price can be difficult to predict.

#### ***Authorised Participant Concentration Risk***

Only an Authorised Participant may engage in creation or redemption transactions directly with the Funds. Certain Funds have a limited number of institutions that act as Authorised Participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Funds and no other Authorised Participant is able to step forward to make creation and/or redemption orders, the Shares may trade at a discount to the Funds' Net Asset Value and possibly face delisting.

#### ***Secondary Trading Risk***

The Shares will generally be traded on the main market of the LSE (or SIX) and may be listed or traded on one or more other stock exchanges. There can be no certainty that there will be liquidity in the Shares on any one or more of the stock exchanges or that the market price at which Shares may be traded on a stock exchange will be the same as the Net Asset Value per Share. There can be no guarantee that once the Shares are listed or traded on a stock exchange they will remain listed or traded on that stock exchange.

#### ***Suspension risk on local markets***

In certain markets (including, without limitation, Taiwan), trading on the local exchange may be carried out by one or a small number of local market account holders. If such account holder(s) fail(s) to deliver securities or monies in relation to a trade, there is a risk of suspension in relation to all Funds which effect their trading on the local market through such account holder(s). This risk may be increased where a Fund participates in a securities lending programme. Suspension in either case may increase the costs of the Fund.

#### **Counterparty and trading risks**

##### ***Counterparty Risk***

The Company will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. This would include the counterparties to any FDI that is entered into by a Fund. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Company mitigates much of its credit risk to its FDI counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. Currency forwards used by Currency Hedged Fund and Currency Hedged Share Classes to hedge their currency risks are not collateralised and Currency Hedged Fund and Currency Hedged Share Classes will have uncollateralised counterparty exposure to such foreign exchange counterparties in respect of such FDI, subject to the investment limits in Schedules II & III and subject to Currency Hedged Share Classes not being permitted to have over-hedged positions in excess of 105% of their net asset value. As at the date of this Prospectus, State Street is the sole counterparty for currency forwards used by Currency Hedged Fund and State Street is also expected to be the sole counterparty for currency forwards used by Currency Hedged Share Classes. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Company maintains an active oversight of counterparty exposure and the collateral management process. Counterparty exposure is subject to the investment restrictions in Schedule III.

##### ***Counterparty Risk to the Depositary and other depositaries***

The Company will be exposed to the credit risk of the Depositary or any depositary used by the Depositary where cash or other assets are held by the Depositary or other depositaries. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Cash held by the Depositary and other depositaries will not be segregated in practice but will be a debt owing from the Depositary or other depositaries to the Company as a depositor. Such cash will be commingled with cash belonging to other clients of the Depositary and/or other depositaries. In the event of the insolvency of the Depositary or other depositaries, the Company will be treated as a general unsecured creditor of the Depositary or other depositaries in relation to cash holdings of the Company. The Company may face

difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Fund(s) will lose some or all of their cash. The Company's securities are however maintained by the Depositary and sub-custodians used by the Depositary in segregated accounts and should be protected in the event of insolvency of the Depositary or sub-custodians. The Company may enter into additional arrangements (for example placing cash in money market collective investment schemes) in order to mitigate credit exposure for its cash holdings but may be exposed to other risks as a result.

To mitigate the Company's exposure to the Depositary, the Investment Manager employs specific procedures to ensure that the Depositary is a reputable institution and that the credit risk is acceptable to the Company. If there is a change in Depositary then the new depositary will be a regulated entity subject to prudential supervision with a high credit rating assigned by international credit rating agencies.

#### ***Liability of the Depositary and Responsibility of the Depositary for Sub-Custodians***

The Depositary shall be liable to the Company and its shareholders for the loss by the Depositary or a sub-custodian of financial instruments of the Company held in custody. In the case of such a loss, the Depositary is required, pursuant to the Regulations, to return the financial instrument of an identical type or the corresponding amount to the Company without undue delay, unless the Depositary can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability only applies to assets capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian and assets capable of being physically delivered to the Depositary.

The Depositary shall also be liable to the Company and its shareholders for all other losses suffered by the Company and/or its shareholders as a result of the Depositary's negligent or intentional failure to fully fulfil its obligations pursuant to the Regulations. In the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depositary may not be liable to the Company or its shareholders for the loss of an asset of a Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary.

The liability of the Depositary is not affected by the fact that it has entrusted the custody of the Company's assets to a third party. In the event that custody is delegated to local entities that are not subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction concerned, prior Shareholder notice will be provided advising of the risks involved in such delegation. As noted above, in the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depositary may not be liable to the Company or its shareholders for the loss of an asset of a Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary. Accordingly, while the liability of the Depositary is not affected by the fact that it has entrusted the custody of the Company's assets to a third party, in markets where custodial and/or settlement systems may not be fully developed, a Fund may be exposed to sub-custodial risk in respect of the loss of such assets in circumstances whereby the Depositary may have no liability.

#### ***Counterparty risk to the Paying Agent - dividend monies***

The Paying Agent for the Funds is responsible for making dividend payments to Participants on the relevant dividend payment date. Shortly before the dividend payment date, monies for distribution to Participants as dividends will be transferred from the Company's cash accounts with the Depositary to the Paying Agent. During the interim period, dividend monies are held with the Paying Agent (or its associated depositary bank) in the form of cash and the Company will have credit risk exposure, in respect of such cash, to the Paying Agent and its associated depositary bank. Cash held by the Paying Agent will not be segregated in practice but will be a debt owing from the Paying Agent (or its associated depositary bank) to the Company as a depositor. In the event of the insolvency of the Paying Agent (or its associated depositary bank) during the interim period, the Company will be treated as a general unsecured creditor of the Paying Agent (or its associated depositary bank) in relation to the cash. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Company may lose some or all of the dividend monies being distributed by the Paying Agent resulting in a reduction in the value of a Fund.

#### ***On Exchange Trading***

Where a counterparty to an on exchange trade in the Fund's underlying securities suffers an Insolvency Event, there are risks associated with the recognised investment exchanges and markets themselves set out in Schedule I. There is a risk that the relevant recognised investment exchange or market on which the trade is being conducted will not apply its rules fairly and consistently and that failed trades will be effected notwithstanding the insolvency of one of the counterparties. There is also a risk that a failed trade will be pooled with other failed trades, which may make it difficult to identify a failed trade to which the Fund has been a party. Either of these events may have a negative impact on the value of the Fund.

#### **Settlement through an International Central Securities Depository**

##### ***Inaction by the Common Depositary and/or an International Central Securities Depository***

Investors that settle or clear through an International Central Securities Depository will not be a registered Shareholder in the Company, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable International Central Securities Depository and otherwise by the arrangement with a Participant of the International Central Securities Depository (for example, their nominee, broker or Central Securities Depositories, as appropriate). The Company

will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depositary's Nominee, with such notice as is given by the Company in the ordinary course when convening general meetings. The Common Depositary's Nominee has a contractual obligation to relay any such notices received by the Common Depositary's Nominee to the Common Depositary which, in turn, has a contractual obligation to relay any such notices to the applicable International Central Securities Depositary, pursuant to the terms of its appointment by the relevant International Central Securities Depositary. The applicable International Central Securities Depositary will in turn relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depositary is contractually bound to collate all votes received from the applicable International Central Securities Depositaries (which reflects votes received by the applicable International Central Securities Depositary from Participants) and that the Common Depositary's Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the Common Depositary relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons other than the Common Depositary's Nominee.

### **Payments**

With the authorisation of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company or its authorised agent (for example, the Paying Agent) to the applicable International Central Securities Depositary. Investors, where they are Participants, must look solely to the applicable International Central Securities Depositary for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable International Central Securities Depositary) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment.

Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the Company will be discharged by payment to the applicable International Central Securities Depositary with the authorisation of the Common Depositary's Nominee.

### **Specific investment risks for all Funds**

#### ***Global Financial Market Crisis and Governmental Intervention***

Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant instability leading to extensive governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures and may continue to do so. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to implement the Funds' investment objectives.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Investment Manager cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on the Funds, the European or global economy and the global securities markets. The Investment Manager is monitoring the situation. Instability in the global financial markets or government intervention may increase the volatility of the Funds and hence the risk of loss to the value of your investment.

Funds which invest in the European bond market are directly exposed to intervention by the European Central Bank and governments of relevant European countries, particularly in relation to interest rates and the single European currency. For example, the value of the bonds held by a Fund is likely to decrease if interest rates are increased, and bond pricing complications could arise should a country leave the single European currency or that currency be discontinued completely.

#### ***Issuer Risk***

The performance of a Fund depends on the performance of individual securities to which the Fund has exposure. Any issuer of these securities may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labour problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or at their own discretion, decide to reduce or eliminate dividends, which may also cause their stock prices to decline.

#### ***Money Market Risk***

The Company, with a view to mitigating credit exposure to depositaries, may arrange for cash holdings of the Company (including pending dividend payments) to be placed into money market collective investment schemes, including other funds of the BlackRock Group. A money market collective investment scheme which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a scheme is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of



investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full.

### ***Securities Lending Risk***

The Company engages in a securities lending programme through the Investment Manager. In order to mitigate the credit risk exposure to the counterparties to any securities lending contract, the lending of a Fund's securities must be covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of the Fund's securities lent plus a premium. A Fund's securities can be lent to counterparties over a period of time. The risks of securities lending include the risk that a borrower may not provide additional collateral when required or may not return the securities when due. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the Fund. To the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Company will have a credit risk exposure to the counterparties to the securities lending contracts. To mitigate these risks, the Company benefits from a borrower default indemnity provided by BlackRock, Inc. The indemnity allows for full replacement of the securities lent if the collateral received does not cover the value of the securities loaned in the event of a borrower default.

### ***Currency Risk***

The Base Currency of a Fund is usually chosen to match the base currency in which its Benchmark Index is valued and this may differ from the currency of the underlying assets of the Benchmark Index. In addition, a Fund's Benchmark Index may comprise multiple-currency underlying assets. Consequently, the Investments of a Fund may be acquired in currencies which are not the Base Currency of the Fund. In addition, certain Funds may have Share Classes which have different Valuation Currencies from the Base Currency of the Fund. Consequently, the Investments of a Share Class may be acquired in currencies which are not the Valuation Currency of the Share Class.

Unless it is the stated intention of the Company to use hedging or other techniques and instruments in any Funds in order to cover currency risk, the fact that Base Currencies, Valuation Currencies and the currencies of Funds' Investments may differ may cause the cost of purchasing such Investments to be affected favourably or unfavourably by fluctuations in the relative exchange rates of the different currencies. For emerging market countries, volatility in currency markets can be heightened.

### **Risks specific to Funds focusing on specific markets**

#### ***Concentration Risk***

If the Benchmark Index of a Fund concentrates in a particular country, region, industry, group of industries, sector or specific theme that Fund may be adversely affected by the performance of those securities and may be subject to price volatility. In addition, a Fund that concentrates in a single country, region, industry or group of countries or industries may be more susceptible to any single economic, market, political or regulatory occurrence affecting that country, region, sector, industry or group of countries or industries. Such a Fund may be more susceptible to greater price volatility when compared to a more diverse fund. This could lead to a greater risk of loss to the value of your investment.

The Funds that are replicating index Funds per the Regulations may invest more than 10% and up to 20% of their Net Asset Value in shares issued by the same body in order to replicate their respective Benchmark Indices. This limit may be raised to 35% for a single issuer, where this is justified by exceptional market conditions, for example, market dominance. Market dominance exists where a particular constituent of the Benchmark Index has a dominant position in the particular market sector in which it operates and as such accounts for a large proportion of the Benchmark Index. This means that such a Fund may have a high concentration of investment in one company, or a relatively small number of companies, and may therefore be more susceptible to any single economic, market, political or regulatory occurrence affecting that company or those companies.

#### ***Emerging Markets- General***

Emerging markets are subject to special risks associated with investment in an emerging market. The material risks include: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; lack of available currency hedging instruments; abrupt imposition of restrictions on foreign investment; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; risk of expropriation, nationalisation or confiscation of assets or property; higher inflation; social, economic and political instability and uncertainties; the risk of expropriation of assets and the risk of war. In the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depositary may not be liable to the Company or its shareholders for the loss of an asset of a Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary. Accordingly, while the liability of the Depositary is not affected by the fact that it has entrusted the custody of the Company's assets to a third party, in markets where custodial and/or settlement systems may not be fully developed, a Fund may be exposed to sub-custodial risk in respect of the loss of such assets in circumstances whereby the Depositary will have no liability. In the event that custody is delegated to local entities that are not subject to effective

prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, prior Shareholder notice will be provided advising of the risks involved in such delegation.

As a result of the above risks, a Fund's investments can be adversely affected and the value of your investments may go up or down.

#### *Investments in the PRC*

For Funds that invest in or are exposed to investment in the PRC, potential investors should also consider the following risk warnings which are specific to investing in or exposure to the PRC:

The PRC is one of the world's largest global emerging markets. The economy in the PRC, which has been in a state of transition from a planned economy to a more market orientated economy, differs from the economies of most developed countries and investing in the PRC may be subject to greater risk of loss than investments in developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down, greater control of foreign exchange and more limitations on foreign investment policy than those typically found in a developed market. There may be substantial government intervention in the PRC economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests. The PRC government and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions, which may affect the trading of Chinese securities. The companies in which a Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies in more developed markets. In addition, some of the securities held by a Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of withholding or other taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may have an unpredictable impact on a Fund's investments and increase the volatility and hence the risk of a loss to the value of an investment in a Fund. Furthermore, market interventions may have a negative impact on market sentiment which may in turn affect the performance of the Benchmark Index and, by extension, the performance of a Fund.

The PRC economy has experienced significant and rapid growth in the past 20 years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities markets in the PRC and therefore on the performance of the Fund.

These factors may increase the volatility of any such Fund (depending on its degree of investment in the PRC) and hence the risk of loss to the value of your investment.

#### *Investments in Russia*

For Funds that invest in or are exposed to investment in Russia, potential investors should also consider the following risk warnings which are specific to investing in or exposure to Russia:

- The United States and the European Union have instituted additional sanctions against certain Russian issuers which include prohibitions on transacting in or dealing in new debt of longer than 30 days maturity or new equity of such issuers. Securities held by a Fund issued prior to the date of the sanctions being imposed are not currently subject to any restrictions under the sanctions. However, compliance with each of these sanctions may impair the ability of a Fund to buy, sell, hold, receive or deliver the affected securities or other securities of such issuers. If it becomes impracticable or unlawful for a Fund to hold securities subject to, or otherwise affected by, sanctions (collectively, "affected securities"), or if deemed appropriate by the Fund's Investment Manager, subscriptions in kind and directed cash subscriptions may not be available for such Fund in respect of the affected securities.

Also, if an affected security is included in a Fund's Benchmark Index, the Fund may, where practicable and permissible, seek to eliminate its holdings of the affected security by using optimisation techniques to seek to track the investment returns of its Benchmark Index. The use of (or increased use of) optimisation techniques may increase the Fund's tracking error risk. If the affected securities constitute a significant percentage of the Benchmark Index, a Fund may not be able to effectively implement optimisation techniques, which may result in significant tracking error between a Fund's performance and the performance of its Benchmark Index.

Sanctions may now, or in the future, result in retaliatory measures by Russia, including the immediate freeze of Russian assets held by a Fund. In the event of such a freeze of any Fund's assets, a Fund may not be able to pay out redemption proceeds in respect of the assets which are frozen or may need to liquidate non-restricted assets in order to satisfy redemption orders. The liquidation of a Fund's assets during this time may also result in a Fund receiving substantially lower prices for its securities.

These sanctions may also lead to changes in a Fund's Benchmark Index. An index provider may remove securities from a Benchmark Index or implement caps on the securities of certain issuers that have been

subject to recent economic sanctions. In such an event, it is expected that a Fund will rebalance its portfolio to bring it in line with the relevant Benchmark Index as a result of any such changes, which may result in transaction costs and increased tracking error.

If any of the events above were to occur, the Directors may (at their discretion) take such action as they consider to be in the interests of investors in Funds which have investment exposure to Russia, including (if necessary) suspending trading in the Funds (see the section entitled "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching" for more details) and/or taking such action as described in the section entitled "Benchmark Indices".

- The laws relating to securities investments and regulations in Russia have been created on an ad-hoc basis and do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application. Monitoring and enforcement of applicable regulations is rudimentary.
- Rules regulating corporate governance either do not exist or are underdeveloped and offer little protection to minority shareholders.
- There are also counterparty risks in connection with the maintenance of portfolio securities and cash with local sub-custodians and securities depositories in Russia.

These factors may increase the volatility of any such Fund (depending on its degree of investment in Russia) and hence the risk of loss to the value of your investment.

#### *Licensing in India*

In order to invest physically in Indian securities, a Fund is required to be registered as a Foreign Portfolio Investor ("FPI") under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014. In order to be registered as a FPI, each Fund is required to demonstrate that it satisfies the following broad based criteria: (i) The Fund must have a minimum of 20 investors including, both, direct investors and underlying investors in pooling vehicles. (ii) No investor shall hold over 49% of the Shares or value of the Fund. (iii) No underlying beneficial owner shall hold over 25% of the Shares or value of the Fund. Institutional investors who hold over 49% of the Shares or value of the Fund must themselves comply with broad based criteria. Underlying beneficial owners who hold over 25% of the Shares or value of the Fund are required to provide their consent to the FPI registration, and to that end have their client information disclosed to the relevant depository participant and Securities and Exchange Board of India. This criteria has been highlighted to investors. To the extent that investors in a Fund which invests physically in Indian securities under a FPI licence, do not meet the above criteria or disclosure requirement, the Fund may lose its FPI licence and may no longer be able to invest physically in Indian securities.

#### **Investments in Japan**

Japan is located in a part of the world that has historically been prone to natural disasters, such as earthquakes, volcanoes, and tsunamis, and is economically sensitive to environmental events. In addition, the nuclear power plant catastrophe in March 2011 may have short-term and long-term effects on the nuclear energy industry, the extent of which are currently unknown. As with other countries, Japan may be subject to political and economic risks. Political developments may lead to changes in policy which might adversely affect a Fund's investments. The Japanese economy is heavily dependent on foreign trade and can be adversely affected by trade tariffs and other protectionist measures. In addition, some Japanese reporting, accounting and auditing practices vary from the accounting principles generally accepted in other developed countries. Any of these risks, individually or in the aggregate, could result in a significant adverse impact on the Japanese economy and the securities to which a Fund has exposure and, in turn, result in a loss to your investment.

#### **Potential Implications of Brexit**

In a referendum held on 23 June 2016, the electorate of the United Kingdom resolved to leave the European Union. The result has led to political and economic instability, volatility in the financial markets of the United Kingdom and more broadly across Europe. It may also lead to weakening in consumer, corporate and financial confidence in such markets as the UK negotiates its exit from the EU. The longer term process to implement the political, economic and legal framework between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may also cause increased economic volatility in wider European and global markets.

Currency volatility resulting from this uncertainty may mean that the returns of a Fund and its investments are adversely affected by market movements, potential decline in the value of the Sterling (Stg£) and/or Euro, and any downgrading of UK sovereign credit rating. This may also make it more difficult, or more expensive, for a Fund to execute prudent currency hedging policies.

This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of a Fund and its investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to a Fund.

#### **Euro and Eurozone Risk**

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. Concerns persist regarding the risk

that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal. This situation as well as the United Kingdom's referendum have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of a Fund's investments. It is difficult to predict the final outcome of the Eurozone crisis. Shareholders should carefully consider how changes to the Eurozone and European Union may affect their investment in a Fund.

#### ***Investments in Smaller Companies***

The securities of smaller companies tend to be more volatile and less liquid than the securities of large companies. As securities of smaller companies may experience more market price volatility than securities of larger companies, the Net Asset Value of any Funds which invest in smaller companies may reflect this volatility. Smaller companies, as compared with larger companies, may have a shorter history of operations, may not have as great an ability to raise additional capital, may have a less diversified product line making them susceptible to market pressure and may have a smaller public market for their securities.

Investment in smaller companies may involve relatively higher investment costs and accordingly investment in Funds which invest in smaller companies should be viewed as a long-term investment. Such Funds may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

As a result of the above risks, a Fund's investments can be adversely affected and the value of your investments may go up or down.

#### ***Financial Sector Investment Risks***

Companies in the financial sector are subject to increasing governmental regulation, government intervention and taxes, which may adversely affect the scope of their activities, the amount of capital they must maintain and their profitability. The financial services sector may also be adversely affected by increases in interest rates and irrecoverable debt, decreases in the availability of funding or asset valuations and adverse conditions in other related markets. The deterioration of the credit markets has caused an adverse impact in the credit and interbank money markets generally, thereby affecting a wide range of financial services institutions and markets. Certain financial services companies have had to accept or borrow significant amounts of money from their governments and thereby face additional government imposed restrictions on their businesses which could have an impact on their performance and value. Insurance companies in particular, may be subject to intense price competition, which may have an adverse impact on their profitability. Companies that invest in real estate may be affected by adverse changes to the conditions of the real estate markets, movements in interest rates, investor confidence, changes in supply and demand for property, costs, availability of mortgage loans, taxes and the impact of environmental and planning laws. The risks faced by companies within the financial sector may have a higher impact on companies that employ substantial financial leverage within their businesses.

#### ***Investments in Property Securities***

Property securities are subject to some of the same risks associated with the direct ownership of property including, but not limited to: adverse changes of the conditions of the real estate markets, obsolescence of properties, changes in availability, costs and terms of mortgage funds and the impact of environmental laws. However, investing in property securities is not equivalent to investing directly in property and the performance of property securities may be more heavily dependent on the general performance of stock markets than the general performance of the property sector.

Historically there had been an inverse relationship between interest rates and property values. Rising interest rates can decrease the value of the properties in which a property company invests and can also increase related borrowing costs. Either of these events can decrease the value of an investment in property companies.

The current taxation regimes for property-invested entities are potentially complex and may change in the future. This may impact either directly or indirectly the returns to investors in a property fund and the taxation treatment thereof. Accordingly, investors should seek independent advice about the specific tax risks of investing in Funds which hold property securities in their Investments.

#### ***Investments in the Water Industry***

There are risks in concentrating in the water industry. Adverse developments within the water industry may affect the value of the underlying securities of a Fund. Companies involved in the water industry are subject to environmental considerations, taxes, government regulation, price and supply fluctuations, competition and water conservation.

#### ***Investments in the Global Clean Energy Industry***

Some of the securities in the global clean energy industry might be less liquid and less efficient than securities representing other sectors. This may make it difficult for a Fund investing in the global clean energy industry either to purchase or sell securities from this sector.

#### ***Investments in Private Equity Securities***

Private equity securities carry additional risk factors that should be considered by potential investors including excessive leverage, unclear ownership of economic risk, market access constraints and market opacity.

#### ***Investments in the Timber and Forestry Industry***

There are risks in concentrating in the timber and forestry industry. Adverse developments within the timber and forestry industry may affect the value of the underlying securities of a Fund. Companies involved in the timber and forestry industry are subject to environmental considerations, taxes, government regulation, price and supply fluctuations, competition and forestry conservation.

#### ***Investments in Infrastructure Securities***

There are risks in concentrating in infrastructure securities within the utilities, transportation and energy industries. Adverse developments within these industries may affect the value of the underlying securities of a Fund which invests in these industries. Companies involved in these industries are subject to environmental considerations, taxes, government regulation, price and supply considerations and competition.

#### **Risks related to Investment in the PRC via the Stock Connect**

In addition to the risk factors under the heading "Investment in the PRC" and other applicable risk factors, the following risk factors apply to the Stock Connect Funds:

##### ***Stock Connect***

Funds investing in the PRC may invest in China A Shares trading on the Shanghai Stock Exchange via Stock Connect. The Stock Connect is a programme that links the Shanghai Stock Exchange and the SEHK. Under the programme, investors can access the Shanghai Stock Exchange via the Hong Kong Central Clearing and Settlement System (CCASS) maintained by the HKSCC as central securities depository in Hong Kong. Investing in China A Shares via Stock Connect bypasses the requirement to obtain RQFII status which is required for direct access to the Shanghai Stock Exchange.

##### ***Quota Limitations***

Investing in the PRC via Stock Connect is subject to quota limitations which apply to the Investment Manager. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Stock Connect Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and therefore may impact on the ability of the relevant Stock Connect Fund to track closely the performance of the Benchmark Index.

##### ***Legal / Beneficial Ownership***

The China A Shares invested in via the Stock Connect will be held by the Depository/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System (CCASS) maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the China A Shares, as the nominee holder, through an omnibus securities account in its name registered with CSDCC. The precise nature and rights of the Stock Connect Funds as the beneficial owners of the China A Shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Stock Connect Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A Shares will be regarded as held for the beneficial ownership of the Stock Connect Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

##### ***Clearing and Settlement Risk***

HKSCC and CSDCC will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CSDCC operates a comprehensive network of clearing, settlement and stock holding infrastructure. CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of CSDCC default are considered to be remote. In the remote event of a CSDCC default, HKSCC's liabilities in respect of China A Shares invested in via the Stock Connect will be limited under its market contracts with clearing participants to assisting clearing participants in pursuing their claims against CSDCC. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC's liquidation. In that event, the relevant Stock Connect Fund may suffer delay in the recovery process or may not fully recover its losses from CSDCC.

##### ***Suspension Risk***

It is contemplated that both the SEHK and the Shanghai Stock Exchange would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator will be sought before a suspension is triggered. Where a suspension is effected, the relevant Stock Connect Fund's ability to access the PRC market will be adversely affected.

### ***Differences in Trading Day***

The Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Stock Connect Funds cannot carry out any China A Shares trading via the Stock Connect. The Stock Connect Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

### ***Restrictions on Selling Imposed by Front-end Monitoring***

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the Shanghai Stock Exchange will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Stock Connect Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Stock Connect Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

### ***Operational Risk***

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the SEHK and the Shanghai Stock Exchange differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Stock Connect Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

### ***Regulatory Risk***

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Stock Connect Funds may be adversely affected as a result of such changes.

### ***Recalling of Eligible Stocks***

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may restrict the ability of the relevant Stock Connect Fund to acquire the shares of one or more constituents of its Benchmark Index and therefore may impact on the ability of the relevant Stock Connect Fund to track closely the performance of the Benchmark Index.

### ***No Protection by Investor Compensation Fund***

Investment in China A Shares via the Stock Connect is conducted through brokers, and is subject to the risk of default by such brokers in their obligations. Investments of Stock Connect Funds are not covered by the Hong Kong's investor compensation fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A Shares invested in via the Stock Connect do not involve products listed or traded on the SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the investor compensation fund. Therefore the Stock Connect Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

## **Risks related to investment in Equity Funds**

### ***Equity Securities***

The value of equity securities fluctuates daily and a Fund investing in equities could incur significant losses. The prices of equities can be influenced by factors affecting the performance of the individual companies issuing the equities, as well as by daily stock market movements, and broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and natural disasters.

### ***Depository Receipts***

ADRs and GDRs are designed to offer exposure to their underlying securities.

In certain situations, the Investment Manager may use ADRs and GDRs to provide exposure to underlying securities within the Benchmark Index, for example where the underlying securities cannot be, or are unsuitable to be, held directly, where direct access to the underlying securities is restricted or limited or where depository

receipts provide a more cost or tax efficient exposure. However, in such cases the Investment Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly, due to the fact ADRs and GDRs do not always perform in line with the underlying security.

In the event of the suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the ADR or GDR will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in an ADR or GDR, or the characteristics of the ADR or GDR do not exactly reflect the underlying security.

In the event that a Fund invests in ADRs or GDRs in the circumstances set out above, the Fund's tracking of the Benchmark Index may be impacted, i.e. there is a risk that the Fund's return varies from the return of the Benchmark Index.

### ***High Dividend Paying Stocks***

While the Benchmark Index rules for the high dividend paying Funds are designed to select high dividend paying stocks, dividend payment streams can vary from year to year and past dividend payments are no guide for future dividend payments.

High dividend paying stocks include small-capitalisation and mid-capitalisation companies, which might be less financially secure than large-capitalisation companies. Additionally these companies depend more heavily on essential personnel and thus are more vulnerable to personnel loss. Small-capitalisation and mid-capitalisation companies might have less diversified product lines than large-capitalisation companies and thus are more susceptible to adverse development concerning their products. Small-capitalisation and mid-capitalisation companies may also be less frequently traded and thus may be difficult for a Fund to buy and sell.

### **Risks related to investment in Fixed Income Funds**

#### ***Government Bonds***

A Fund may invest in government bonds which pay a fixed rate of interest (also known as the 'coupon') and behave similarly to a loan. These bonds are therefore exposed to changes in interest rates which will affect their value. In addition, periods of low inflation will mean the positive growth of a government bond fund may be limited.

Investments in government bonds may be subject to liquidity constraints and periods of significantly lower liquidity in difficult market conditions. Therefore it may be more difficult to achieve a fair value on purchase and sale transactions which may cause the Manager not to proceed with such transactions. As a result, changes in the value of a Fund's investments may be unpredictable.

#### ***Sovereign, Quasi-sovereign and Local Authority Debt***

Sovereign debt includes securities issued by or guaranteed by a sovereign government. Quasi-sovereign debt includes securities issued by or guaranteed by or sponsored by an entity affiliated with or backed by a sovereign government. In some instances, the constituents of a Benchmark Index may include local authority debt securities issued by or guaranteed by or sponsored by an entity which is either a local authority or affiliated with or backed by a local authority entity. The entity that controls the repayment of sovereign, quasi-sovereign or local authority debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The entity's ability to repay the principal and/or interest due in a timely manner may be affected by, among other factors, its cash flow, the extent of its foreign reserves (where relevant), the availability of sufficient foreign exchange on the date a payment is due, the state of its country's economy, the relative size of the debt service burden to the economy as a whole, restrictions on its ability to raise more cash, the entity's policy towards the International Monetary Fund and the political constraints to which the entity may be subject. Such entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on such entities' implementation of economic reforms and/or economic performance and the timely service of such debtors' obligations. Failure to implement such reforms, achieve such levels of economic performance or repay the principal and/or interest when due may result in the cancellation of such third parties' commitments to lend funds to the entities, which may further impair such debtors' ability to service their debt on a timely basis. Consequently, such entities may default on their sovereign, quasi-sovereign or local authority debt. Holders of sovereign, quasi-sovereign or local authority debt, including a Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to such entities. Quasi-sovereign and local authority debt obligations are typically less liquid and less standardised than sovereign debt obligations. There is no bankruptcy proceeding by which this debt may be collected in whole or in part. Banks, Governments and companies (including within the EEA) invest in each other so if one member state performs poorly, the other countries could be impacted. If one country defaults on its debt obligations, other countries could be at risk.

#### ***Corporate Bonds***

A corporate bond Fund may invest in corporate bonds issued by companies within a range of credit worthiness if the relevant Fund's Benchmark Index does not apply any minimum credit rating requirement to its constituents.

Corporate bonds may be upgraded or downgraded from time to time due to a perceived increase or reduction in the credit worthiness of the companies issuing the bonds.

Where the Benchmark Index of a Fund imposes specific credit rating requirements for bonds to be included in the Benchmark Index (e.g. investment grade bonds or non-/ sub-investment grade bonds) and bonds that make up the Benchmark Index are downgraded, upgraded or have their credit ratings withdrawn by the relevant credit rating agencies such that they no longer meet the credit rating requirements of the Benchmark Index, the Fund may continue to hold the relevant bonds until such time as these bonds cease to form part of the Fund's Benchmark Index and the Fund's position in such bonds can be liquidated. Sub-investment grade bonds are generally riskier investments, involving a higher risk of default by the issuer, than investment grade bonds. A default by the issuer of a bond is likely to result in a reduction in the value of that Fund.

Although a Fund may invest in bonds that are traded on the secondary market, the secondary market for corporate bonds can often be illiquid and therefore it may be difficult to achieve fair value on purchase and sale transactions.

Cash interest rates vary over time. The price of bonds will generally be affected by changing interest rates and credit spread which in turn may affect the value of your investment. Bond prices move inversely to interest rates, so generally speaking the market value of a bond will decrease as interest rates increase. The credit rating of an issuing company will generally affect the yield that can be earned on a bond; the better the credit rating the smaller the yield.

#### ***Floating Rate Notes Risk***

Securities with floating or variable interest rates can be less sensitive to interest rate changes than securities with fixed interest rates, but may decline in value if their coupon rates do not reset as high, or as quickly, as comparable market interest rates. Although floating rate notes are less sensitive to interest rate risk than fixed rate securities, they are subject to credit and default risk, which could impair their value.

#### ***Covered Bonds***

Covered bonds are corporate bonds that are backed by cash from public sector or mortgage loans. Where a Fund invests in covered bonds, the Investment Manager will seek to invest in high quality bonds or as otherwise required in accordance with the relevant benchmark index. There is, however, no guarantee that such covered bonds will be free from counterparty default and the risks associated with counterparty default apply. Any deterioration in the assets backing a bond may result in a reduction in the value of the bond and, therefore, the relevant Fund. Additionally, a default by the issuer of a bond may result in a reduction in the value of the relevant Fund.

The price of bonds will generally be affected by changing interest rates and credit spreads.

#### ***High Yield Bonds***

Funds that invest in bonds that are rated sub-investment grade, or bonds which are unrated but judged to be of comparable quality with sub-investment grade bonds, at the time of purchase, may be more volatile than funds investing in higher-rated bonds of similar maturity.

High yield bonds may also be subject to greater levels of credit or default risk than high-rated bonds. Such bonds are more likely to react to developments affecting market and credit risk than more highly rated securities. The value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield bonds may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated bonds. In particular, high yield bonds are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities generally are not meant for short-term investing. Funds which invest in these securities, may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, such Funds may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower or unrated rated securities, under these circumstances, may be less than the prices used in calculating the Net Asset Value. In addition, prices for high yield securities may be affected by legislative and regulatory developments which could adversely affect the Net Asset Value insofar as they could adversely affect the Secondary Market for high yield securities, the financial condition of issuers of these securities and the value of outstanding high yield securities. For example, federal legislation in the United States requiring the divestiture by federally insured savings and loan associations of their investments in high yield bonds and limiting the deductibility of interest by certain corporate issuers of high yield bonds has adversely affected the market in recent years.

Lower rated or unrated (i.e. high yield) securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Lower rated or unrated fixed income obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, a Fund which invests in these securities may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Fund experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of that Fund's investment portfolio and increasing the exposure of the Fund to the risks of high yield securities.



### ***Illiquidity of Bonds Close to Maturity***

In addition to the liquidity risks of bonds already described above, there is a risk that bonds which are nearing maturity may become illiquid. In such cases, it may become more difficult to achieve fair value on the purchase and sale thereof.

### ***Duration Risk***

Where a Fund invests in bonds it is subject to the risk that the value of its investments will change due to a change in the level of interest rates. Rising interest rates will lead to falling bond prices, while declining interest rates will lead to rising bond prices. Duration is a measure of the sensitivity of the price (the value of principal) of a bond to a change in interest rates and is expressed in number of years.

### ***Depository Notes***

GDNs are designed to offer exposure to their underlying securities.

In certain situations, the Investment Manager may use GDNs to provide exposure to underlying securities within the Benchmark Index, for example where the underlying securities cannot be, or are unsuitable to be, held directly, where direct access to the underlying securities is restricted or limited or where depository notes provide a more cost or tax efficient exposure. However, in such cases the Investment Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly, due to the fact GDNs do not always perform in line with the underlying security.

In the event of the suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the GDN will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in a GDN, or the characteristics of the GDN do not exactly reflect the underlying security.

In the event that a Fund invests in GDNs in the circumstances set out above, the Fund's tracking of the Benchmark Index may be impacted, i.e. there is a risk that the Fund's return varies from the return of the Benchmark Index.

### ***Structured Finance and Other Securities***

A Fund may be exposed directly or indirectly to Structured Finance Securities and other assets which involve substantial financial risk, including distressed debt and low quality credit securities, asset-backed securities and credit-linked securities. These securities may entail a higher liquidity risk than exposure to sovereign or corporate bonds. The Fund's primary credit risk would be to the issuer of the Structured Finance Security.

### ***Fixed Income Transferable Securities***

Debt securities are subject to both actual and perceived measures of creditworthiness. The amount of credit risk may be assessed using the issuer's credit rating which is assigned by one or more independent rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but provides an indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. Companies often issue securities which are ranked in order of seniority which in the event of default would be reflected in the priority in which investors might be paid back. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market.

A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect the Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs.

### ***Illiquidity and Quality of Mortgage-Backed Instruments***

In addition to the risks associated with trading in FDI, there is a risk that mortgage-backed instruments may become illiquid. Additionally, the quality of mortgage pools may change from time to time. It may therefore, become more difficult to achieve fair value on the purchase and sale of such instruments.

### ***Bank Corporate Bonds***

Corporate bonds issued by a financial institution may be subject to the risk of a write down or conversion (i.e. "bail-in") by a relevant authority in circumstances where the financial institution is unable to meet its financial obligations. This may result in bonds issued by such financial institution being written down (to zero), converted into equity or alternative instrument of ownership, or the terms of the bond may be varied. 'Bail-in' risk refers to the risk of relevant authorities exercising powers to rescue troubled banks by writing down or converting rights of their bondholders in order to absorb losses of, or recapitalise, such banks. Investors should be alerted to the fact that relevant authorities are more likely to use a "bail-in" tool to rescue troubled banks, instead of relying on public financial support as they have in the past. Relevant authorities now consider that public financial support should only be used as a last resort after having assessed and exploited, to the maximum extent practicable,

other resolution tools, including the "bail-in" tool. A bail-in of a financial institution is likely to result in a reduction in value of some or all of its bonds (and possibly other securities) and a Fund holding such securities when a bail-in occurs will also be similarly impacted.

### **Risks specific to investing in sustainability screened funds**

#### ***Benchmark Index Screening***

The performance of iShares Dow Jones Global Sustainability Screened UCITS ETF and iShares MSCI Europe SRI UCITS ETF is measured against a specific index which is stated by the index provider to be screened for and exclude equity securities issued by entities involved in the following industries: Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment. These Funds' Benchmark Indices and their constituent holdings will be determined compliant with the screening element of the relevant Benchmark Index by the index provider. Neither these Funds, the Manager nor the Investment Manager makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such determination. In the event that the status of an equity security deemed compliant for the relevant Benchmark Index should change, neither iShares Dow Jones Global Sustainability Screened UCITS ETF, iShares MSCI Europe SRI UCITS ETF, the Manager nor the Investment Manager accepts liability in relation to such change. For the avoidance of doubt, neither iShares Dow Jones Global Sustainability Screened UCITS ETF, iShares MSCI Europe SRI UCITS ETF, the Manager nor the Investment Manager will monitor the equity securities that comprise these Funds' Benchmark Indices against the screening criteria applied by the index provider.

### **Risks specific to investing in Shari'ah funds**

#### ***Investments in the Shari'ah Funds***

Prospective investors should not rely on the pronouncement of the Shari'ah Panel on the compliance of the Shari'ah Funds with Shari'ah in deciding whether to become an investor. Prospective investors should consult their own Shari'ah advisors as to whether a Shari'ah Fund and the component securities of the Benchmark Index are compliant with Shari'ah. By becoming an investor, each investor shall be deemed to have represented that they are satisfied that the Shari'ah Fund does not contravene Shari'ah.

The Benchmark Index and its constituent holdings will be determined Shari'ah compliant by the MSCI Shari'ah Board. Neither the Shari'ah Funds, the Manager nor the Investment Manager makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such determination. In the event that the status of such Shari'ah compliance should change, neither the Shari'ah Funds, the Manager nor the Investment Manager accepts liability in relation to such change, but will endeavour to inform each investor as soon as reasonably practicable following such change.

Although the Shari'ah Funds intend to observe Shari'ah at all times, no such assurance can be given as, for example, there may be occasions when the Shari'ah Funds' Investments do not fully comply with such criteria for factors outside the control of the Shari'ah Funds.

Compliance with Shari'ah may result in the Benchmark Index changing its component securities with limited notice in which case the Investment Manager may be required to dispose of Investments in circumstances that are less advantageous than might otherwise be the case. Similarly, cash balances held by the Shari'ah Funds from time to time may be deposited on terms which shall grant no return on the sum deposited for the benefit of the Shari'ah Funds. In the event of any interest arising, such interest is intended to be donated by the relevant Shari'ah Fund to charity.

The performance of each Shari'ah Fund is measured against a specific index which is stated by the index provider to be compliant with Shari'ah. The Shari'ah Funds will gain exposure to the component securities of the relevant Benchmark Index in accordance with the guidance and advice provided by the Shari'ah Panel. As a consequence, this may mean that the Shari'ah Funds underperform other investment funds with comparable investment objectives that do not seek to adhere to Islamic investment criteria (for example the inability to invest in interest bearing securities or participate in securities lending).

### **Risks specific to iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF**

#### ***ESG Benchmark Index Screening***

The performance of iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF are measured against a specific index which is stated by the index providers to be screened for environmental, social and governance (ESG) impact and excludes corporate bonds issued by entities involved in the manufacture of controversial weapons. iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF's Benchmark Indices and their constituent holdings will be determined compliant with the screening element of the Benchmark Indices by the index providers. Neither iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, the Manager nor the Investment Manager makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such determination. In the event that the status of a corporate bond deemed compliant for the Benchmark Indices should change, neither the iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, the Manager nor the Investment Manager accepts liability in relation to such change. For the avoidance of doubt, neither the iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, the Manager nor the Investment Manager will monitor the corporate bonds that comprise iShares € Corp

Bond Sustainability Screened 0-3yr UCITS ETF's Benchmark Indices against the screening criteria applied by the index provider.

The Benchmark Indices methodology positively screens and ranks potential constituents according to their ESG credentials relative to their industry peers and will only include issuers with an ESG rating of BBB or higher. Other than the exclusion of issuers involved in the manufacture of controversial weapons, no other exclusion is made on the basis of how ethical a particular industry/sector is perceived to be. Investors should therefore make a personal ethical assessment of the Benchmark Indices prior to investing in iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF.

### **Risks specific to investing in Currency Hedged Fund and Currency Hedged Share Classes**

#### ***Currency Hedged Fund and Currency Hedged Share Classes***

The Currency Hedged Fund and Currency Hedged Share Classes use forward FX contracts and spot FX contracts to reduce or minimise the risk of currency fluctuations between, in the case of a Currency Hedged Fund, the currencies of the constituent securities of its Benchmark Index against its Base Currency and, in the case of a Currency Hedged Share Class, its underlying portfolio currency exposures against its Valuation Currency. In circumstances where the Base Currency of a Currency Hedged Fund or the Valuation Currency of a Currency Hedged Share Class is generally strengthening against the currency exposures being hedged (i.e. the currencies of the constituent securities of a Currency Hedged Fund's Benchmark Index or the underlying portfolio currency exposures of a Currency Hedged Share Class), currency hedging may protect investors in the relevant Currency Hedged Fund or Share Class against such currency movements. However, where the Base Currency of a Currency Hedged Fund or the Valuation Currency of a Currency Hedged Share Class is generally weakening against the currency exposures being hedged, currency hedging may preclude investors from benefiting from such currency movements. Investors should only invest in a Currency Hedged Fund or a Currency Hedged Share Class if they are willing to forego potential gains from appreciations in the currencies of the constituent securities of a Currency Hedged Fund's Benchmark Index or the underlying portfolio currency exposures of a Currency Hedged Share Class against the Currency Hedged Fund's Base Currency or the Currency Hedged Share Class' Valuation Currency respectively.

While currency hedging is likely to reduce currency risk in the Currency Hedged Fund and Currency Hedged Share classes, it is unlikely to completely eliminate currency risk.

Currency Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could reduce the ability of the Currency Hedged Share Class to reduce its currency risk and the volatility of such Currency Hedged Share Class.

#### ***Currency Hedged Fund Tracking Currency Hedged Benchmark Index***

In accordance with the hedging methodology of the Currency Hedged Fund's Benchmark Index (see "Fund Descriptions" above), the foreign currency hedge of each relevant Currency Hedged Fund is reset at the end of each month using one-month forward contracts. Whilst the hedge is proportionately adjusted for net subscription and redemptions in the relevant Currency Hedged Fund, no adjustment is made to the hedge during the month to account for the price movements of underlying securities held by the relevant Currency Hedged Fund, corporate events affecting such securities, or additions, deletions or any other changes to the constituents of the Fund's Benchmark Index. During the period between each foreign currency hedge reset at month-end, the nominal amount of the hedge may not match exactly the foreign currency exposure of the relevant Currency Hedged Fund. Depending on whether the assets in the currency in the Benchmark Index have appreciated or depreciated between each hedge reset, the foreign currency exposure for that currency of the relevant Currency Hedged Fund may be under-hedged or over-hedged respectively.

Gains or losses from the foreign currency hedge of the relevant Currency Hedged Fund will not be reinvested or covered until the hedge is reset at month-end. In the event that there is a loss on the relevant Currency Hedged Fund's foreign currency hedge prior to a reset at month-end, the relevant Currency Hedged Fund (by virtue of the hedging methodology used by its Benchmark Index) will have an exposure to securities which will exceed the Net Asset Value of the relevant Currency Hedged Fund as the Fund's Net Asset Value comprises both the value of the Fund's underlying securities plus the unrealised loss on the foreign currency hedge. Conversely, in the event that there is a gain on the relevant Currency Hedged Fund's foreign currency hedge prior to reset at month-end, the relevant Currency Hedged Fund will have a lower exposure to securities than its Net Asset Value as, in this case, the relevant Currency Hedged Fund's Net Asset Value will include an unrealised gain on the foreign currency hedge. When the foreign currency hedge is reset at month-end, any such difference will be materially addressed. The Investment Manager is seeking to deliver to investors a return reflective of the return of the benchmark index which incorporates a hedging methodology. Therefore the Investment Manager has no discretion to alter or vary the hedging methodology used by the relevant Currency Hedged Fund.

#### ***Currency Hedged Share Classes***

Currency Hedged Share Classes use a currency hedging approach whereby the hedge is proportionately adjusted for net subscriptions and redemptions in the relevant Currency Hedged Share Class. An adjustment is made to the hedge to account for the price movements of the underlying securities held for the relevant Currency Hedged Share Class, corporate events affecting such securities, or additions, deletions or any other changes to the underlying portfolio holdings for the Currency Hedged Share Class, however, the hedge will only be reset or adjusted on a monthly basis and as and when a pre-determined tolerance is triggered intra-month, and not whenever there is market movement in the underlying securities. In any event, any over-hedged position arising

in a Currency Hedged Share Class will be monitored daily and is not permitted to exceed 105% of the net asset value of that Share Class as prescribed by the Central Bank UCITS Regulations.

The aggregate gain or loss arising from the hedging positions of a Currency Hedged Share Class will be reduced by an adjustment to some or all of the currency hedges only on a monthly basis and as and when the aggregate exceeds a pre-determined tolerance intra-month as determined by the Investment Manager, and not whenever there is an aggregate gain or loss. When a gain or loss from a currency hedge is adjusted, either the gain will be reinvested into underlying securities or the underlying securities will be sold to meet the loss. In the event that there is a loss on the foreign currency hedge of the relevant Currency Hedged Share Class prior to an adjustment or reset, the relevant Currency Hedged Share Class will have an exposure to securities which will exceed its Net Asset Value as its Net Asset Value comprises both the value of its underlying securities plus the unrealised loss on its foreign currency hedge. Conversely, in the event that there is a gain on the foreign currency hedge of the relevant Currency Hedged Share Class prior to an adjustment or reset, the relevant Currency Hedged Share Class will have a lower exposure to securities than its Net Asset Value as, in this case, its Net Asset Value will include an unrealised gain on the foreign currency hedge. When the foreign currency hedge is adjusted or reset, any such difference will be materially addressed.

The Investment Manager will monitor the currency exposure and gain or loss arising from hedge positions of each Currency Hedged Share Class against the pre-determined tolerances daily and will determine when a currency hedge should be reset and the gain or loss arising from the currency forwards reinvested or settled, while taking into consideration the frequency and associated transaction and reinvestment costs of resetting the currency forwards. When a pre-determined tolerance threshold for a Currency Hedged Share Class is triggered as at the close of a Business Day, the relevant currency hedge will be reset or adjusted only on the next Business Day (on which the relevant currency markets are open); therefore, there could be a Business Day's lag prior to the hedge position being reset or adjusted.

The triggers for resetting and adjusting the hedge are pre-determined by the Investment Manager and periodically reviewed for appropriateness. Other than this periodic adjustment of the tolerance levels, the Investment Manager has no discretion to alter or vary the hedging methodology used by the relevant Currency Hedged Share Class (other than in exceptional market circumstances where the Investment Manager believes that it would be in investors' interests to reset or adjust the hedge before the trigger levels are exceeded, or not reset or adjust the hedge if they are exceeded).

### **Risks specific to use of FDI**

#### ***FDI Risks***

Each Fund may use FDI for the purposes of efficient portfolio management or, where stated in the investment policy of a Fund, for direct investment purposes. Such instruments involve certain special risks and may expose investors to an increased risk of loss. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the FDI, imperfect tracking between the change in value of the FDI and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when entering into a FDI, a Fund may be required to secure its obligations to its counterparty. For non-fully funded FDI, this may involve the placing of initial and/or variation margin assets with the counterparty. For FDI which require a Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of an FDI may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the FDI only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under an FDI up to such minimum transfer amount. A default by the counterparty in such circumstances will result in a reduction in the value of the Fund and thereby a reduction in the value of an investment in the Fund. In the case of the iShares Listed Private Equity UCITS ETF, such threshold is set at US\$250,000 and multiples thereof for the posting of variation margin and there is no posting of initial margin.

Additional risks associated with investing in FDI may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a FDI is not fully collateralised but each Fund will continue to observe the limits set out in paragraph 2.8 of Schedule III. The use of FDI may also expose a Fund to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

#### ***Uncollateralised FDI***

In addition to the risks associated with trading in FDI, trading in FDI which have not been collateralised gives rise to direct counterparty exposure. For FDI which are not collateralised (including, without limitation, mortgage-backed forward instruments where the underlying is unknown (commonly known as "TBAs")), such counterparty exposure exists for the period during the trading and settlement dates. A default by the issuer of such instrument may result in a reduction in the value of the Fund.

### ***Delayed Delivery Transactions***

Funds that invest in fixed income transferable securities may purchase TBAs. This refers to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (including but not limited to Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified.

Although the price has been established at the time of purchase, the principal value has not been finalised. As a TBA is not settled at the time of purchase, this may lead to leveraged positions within the Fund. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts. The Funds may dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction.

If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If the Fund delivers securities under the commitment, the Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.

### ***Asset Backed Securities ("ABS")***

The value of ABS typically increase when interest rates fall and decrease when interest rates rise, and are expected to move in the same direction of the underlying related asset. However, there may not be a perfect correlation between these events.

The ABS in which a Fund may invest may bear interest or pay preferred dividends at below market rates and, in some instances, may not bear interest or pay preferred dividends at all.

Certain ABS may be payable at maturity in cash at the stated principal amount or, at the option of the holder, directly in a stated amount of the asset to which it is related. In such instance, a Fund may sell the ABS in the Secondary Market prior to maturity if the value of the stated amount of the asset exceeds the stated principal amount and thereby realise the appreciation in the underlying asset.

ABS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, prepayments may occur at a slower rate than expected. As a result, the average duration of a Fund's portfolio may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities.

As with other debt securities, ABS are subject to both actual and perceived measures of creditworthiness. Liquidity in ABS may be affected by the performance or perceived performance of the underlying assets. In some circumstances investments in ABS may become less liquid, making it difficult to dispose of them. Accordingly a Fund's ability to respond to market events may be impaired and the Fund may experience adverse price movements upon liquidation of such investments. In addition, the market price for an ABS may be volatile and may not be readily ascertainable. As a result, the Fund may not be able to sell them when it desires to do so, or to realise what it perceives to be their fair value in the event of a sale. The sale of less liquid securities often requires more time and can result in higher brokerage charges or dealer discounts and other selling expenses. ABS may be leveraged which may contribute to volatility in the value of the security.

### ***Mortgage-Backed Securities ("MBS")***

MBS may be subject to prepayment risk which is the risk that, in a period of falling interest rates, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of MBS will be paid off more quickly than originally anticipated and a Fund will have to invest the proceeds in securities with lower yields. MBS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, certain types of MBS will be paid off more slowly than originally anticipated and the value of these securities will fall. As a result, the average duration of a Fund's portfolio may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities. Because of prepayment risk and extension risk, MBS react differently to changes in interest rates than other fixed income securities. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain MBS. Certain MBS in which a Fund may invest may also provide a degree of investment leverage, which could cause the Fund to lose all or a substantial amount of its investment. In some circumstances investments in MBS may become less liquid, making it difficult to dispose of them. Accordingly, a Fund's ability to respond to market events may be impaired and the Fund may experience adverse price movements upon liquidation of such investments. In addition, the market price for MBS may be volatile and may not be readily ascertainable. As a result, the Fund may not be able to sell them when it desires to do so, or to realise what it perceives to be their fair value in the event of a sale. The sale of less liquid securities often requires more time and can result in higher brokerage charges or dealer discounts and other selling expenses.

*Considerations relating to specific types of MBS in which a Fund may invest:*

#### *Commercial Mortgage-Backed Security ("CMBS")*

A CMBS is a type of mortgage backed security that is secured by a loan on a commercial property; CMBS can provide liquidity to real estate investors and to commercial lenders. Typically a CMBS provides a lower degree of prepayment risk because commercial mortgages are most often set for a fixed term and not for a floating term as is generally the case with a residential mortgage. A CMBS is not always in a standard form so can present increased valuation risk.

#### *Residential Mortgage-Backed security ("RMBS")*

An RMBS is a type of security whose cash flows come from residential debt such as mortgages, home-equity loans and subprime mortgages. This is a type of MBS which focuses on residential instead of commercial debt. Holders of an RMBS receive interest and principal payments that come from the holders of the residential debt. The RMBS comprises a large amount of pooled residential mortgages.

The stability of returns from an RMBS are not only dependent on changes in interest rates but also changes in the repayments of the underlying loans as a result of changes in economic conditions or the circumstances of the holder of the loan. These securities can therefore be more sensitive to economic events, may be subject to severe price movements and can be more difficult and/or more expensive to sell in difficult markets.

### **Other general risks**

#### ***Fund Liability Risk***

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability. As at the date of this Prospectus, the Directors are not aware of any such existing or contingent liability.

#### ***Funds with Multiple Share Classes***

While assets and liabilities that are specific to a Share Class within a Fund would be attributable to (and should be borne by) only that Share Class, there is no segregation of liabilities between Share Classes as a matter of Irish law. Due to the lack of segregation of liabilities as a matter of law, there is a risk that the creditors of a Share Class may bring a claim against the assets of the Fund notionally allocated to other Share Classes.

In practice, cross liability between Share Classes is only likely to arise where the aggregate liabilities attributable to a Share Class exceed the aggregate assets of the Fund notionally allocated to that Share Class. Such a situation could arise if, for example, there is a default by a counterparty in respect of the relevant Fund's investments. In these circumstances, the remaining assets of the Fund notionally allocated to other Share Classes of the same Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable to holders of Shares of such other Share Classes.

#### ***Funds with One or More Currency Hedged Share Classes***

Currency Hedged Share Classes hedge their currency exposure using forward FX contracts and spot FX contracts. All gains, losses and expenses arising from hedging transactions for a particular Currency Hedged Share Class are attributed only to that Currency Hedged Share Class and should generally be borne only by the investors in that Share Class. However, given that there is no segregation of liabilities between Share Classes under law, there is a risk that, if the assets notionally allocated to a Currency Hedged Share Class are insufficient to meet the losses arising from its hedging transactions (in addition to other fees and expenses attributable to such Share Class), the losses arising from the hedging transactions for such Share Class could affect the Net Asset Value per Share of one or more other Share Classes of the same Fund.

#### ***Insufficiency of Duties and Charges***

The Fund levies Duties and Charges in order to defray the costs associated with the purchase and sale of Investments. The level of Duties and Charges may be determined by the Manager in advance of the actual purchase or sale of Investments or execution of associated foreign exchange. It may be estimated based on historic information concerning the costs incurred in trading the relevant securities in the relevant markets. This figure is reviewed periodically and adjusted as necessary. If the Fund levies Duties and Charges which are insufficient to discharge all of the costs incurred in the purchase or sale of Investments, the difference will be paid out of the assets of the Fund, which, pending the reimbursement of the shortfall by an Authorised Participant, will result in a reduction in the value of the Fund (and a corresponding reduction in the value of each Share).

#### ***Failure to Settle***

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, Company will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant and any costs incurred as a result of the failure to settle will be borne by the Fund and its investors.

#### ***Taxation Risks***

Potential investors' attention is drawn to the taxation risks associated with investment in the Company. See the section headed "Taxation".

*Changes in taxation legislation may adversely affect the Funds*

The tax information provided in the "Taxation" section is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Company and the Funds, the taxation of investors and any tax relief, and the consequences of such tax status and tax relief, may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where a Fund is registered, cross-listed, marketed or invested could affect the tax status of the Company and the relevant Fund, affect the value of the relevant Fund's Investments in the affected jurisdiction, affect the relevant Fund's ability to achieve its investment objective, and/or alter the post tax returns on Shares held. Where a Fund invests in FDI the preceding sentence may also extend to the jurisdiction of the governing law of the FDI contract and/or the FDI counterparty and/or to the market(s) comprising the underlying exposure(s) of the FDI.

The Company may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Where the Company invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the Fund.

The availability and value of any tax relief available to investors depend on the individual circumstances of investors. The information in the "Taxation" section is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Funds.

*Tax liability in new jurisdictions*

Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example the Middle East, the Company, the relevant Fund, the Manager, the Investment Manager, the Depository and the Administrator shall not be liable to account to any holder of Shares for any payment made or suffered by the Company or the relevant Fund in good faith to a fiscal authority for taxes or other charges of the Company or the relevant Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to the fund at the point the decision to accrue the liability in the Fund accounts is made.

*Treatment of tax by index providers*

Investors should be aware that the performance of Funds, as compared to a Benchmark Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant index provider in their index calculation methodology, differ to the actual tax treatment of the underlying securities in the Benchmark Index held within Funds.

*FATCA*

Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the Company being unable to comply with the terms of such reporting systems.

***Liquidity Risk***

A Fund's investments may be subject to liquidity constraints, which means they may trade less frequently and in small volumes. Securities of certain types, such as bonds and mortgage-backed instruments, may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the price at which it has been valued for the purposes of calculating the Net Asset Value of the Fund or at a value considered to be fairest. Reduced liquidity of a Fund's investments may result in a loss to the value of your investment.

***Dealing Day Risk***

As foreign exchanges can be open on days which are not Dealing Days or days when a Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of Shares and, therefore, Shares in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when a Fund's Shares will not be able to be purchased or sold.

***Share Subscriptions and Redemptions***

Provisions relating to the redemption of Shares grant the Company discretion to limit the amount of Shares available for redemption on any Dealing Day to 10% of the Net Asset Value of any Fund and, in conjunction with such limitations, to defer or pro-rate such redemption requests. In addition, where requests for subscription or redemption are received late, there will be a delay between the time of submission of the request and the actual date of subscription or redemption. Such deferrals or delays may operate to decrease the number of Shares or the redemption amount to be received.

#### ***Umbrella Cash Subscription and Redemption Account Risk***

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account. Investors will be unsecured creditors of such Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment by the Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, the redeemed Shares will be cancelled from the relevant redemption date. Redeeming Authorised Participants and Authorised Participants entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Fund, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Fund or the Company during this period, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full. Redeeming Authorised Participants and Authorised Participants entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Authorised Participant's own risk.

In respect of the Umbrella Cash Collection Account, in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other Fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish insolvency and trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to the relevant Fund. Accordingly, there is no guarantee that such Fund or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Fund or the Company would have sufficient funds to repay any unsecured creditors.

#### ***Trading Currency Exposure***

Shares may be traded in various currencies on various stock exchanges. In addition, subscriptions and redemptions of Shares in a Fund will ordinarily be made in the Valuation Currency of the Shares and may in some cases be permitted in other currencies. The currencies in which the underlying investments of a Fund are denominated may also differ from the Base Currency of the Fund (which may follow the base currency of the Fund's Benchmark Index) and from the Valuation Currency of the Shares. Depending on the currency in which an investor invests in a Fund, foreign exchange fluctuations between the currency of investment, the Valuation Currency of the Shares and the Base Currency of the Fund and/or the currencies in which the Fund's underlying investments are denominated, will have an impact on, and may adversely affect, the value of such investor's investments.

#### ***Temporary Suspension***

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be temporarily suspended. Please see 'Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching' on page 87.

#### ***Valuation Risk***

Certain assets of the Fund may become illiquid and/or not publicly traded. Such securities and financial instruments may not have readily available prices and may therefore be difficult to value. The Manager, Investment Manager or Administrator may provide valuation services (to assist in calculating the Net Asset Value of a Fund) in relation to such securities and financial instruments. Investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated valuation of the securities the higher the fees payable to the Manager, Investment Manager or Administrator. Please see "Conflicts of Interest - General" on page 103 for details of how the Company deals with conflicts. In addition, given the nature of such Investments, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such Investments.

## **VALUATION OF THE FUNDS**

### **General**

The Net Asset Value per Share in each Fund shall be determined for each Dealing Day, in accordance with the Articles, by dividing the assets of the Fund, less its liabilities, by the number of Shares in issue in respect of that Fund, adjusted by rounding to such number of decimal places as the Directors may determine and agree with the



Administrator. Any liabilities of the Company which are not attributable to any Fund shall be allocated pro rata amongst all of the Funds according to their respective Net Asset Values.

Each Fund will be valued for each Dealing Day as at the Valuation Point listed for the Fund in the Primary Market Dealing Timetable using the index methodology of valuing securities. Depending on the nature of the underlying security, this could be either at the last traded, closing mid-market price or bid price on the relevant market.

A Fund may comprise more than one class of Shares and the Net Asset Value per Share may differ between classes in a Fund. Where a Fund is made up of more than one class of Shares, the Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value of the Fund attributable to each class. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class. The Net Asset Value of a Fund attributable to a class shall be determined by establishing the value of Shares in issue in the class and by allocating relevant fees and expenses to the class and making appropriate adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the Net Asset Value of the Fund accordingly.

Assets listed or traded on a Regulated Market for which market quotations are readily available shall be priced at the Valuation Point using the last traded price for equity securities and the closing mid-market price for bond securities on the principal Regulated Market for such Investment (with the exception of iShares \$ High Yield Corp Bond UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF, iShares J.P. Morgan \$ EM Bond UCITS ETF and iShares US Aggregate Bond UCITS ETF, and in respect of which bond securities shall be valued in accordance with the methodology employed by the Fund's relevant Benchmark Index which values bond securities using a bid price). If the assets of a Fund are listed or traded on several Regulated Markets, last traded price, closing mid-market price and/or bid price, as applicable, on the Regulated Market which, in the opinion of the Administrator, constitutes the main market for such assets, will be used.

The value of an Investment listed on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or an OTC market may be valued taking into account the level of premium or discount as at the date of valuation of the Investment with the approval of the Depositary, who must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment.

In the event that any of a Fund's Investments on the relevant Dealing Day are not listed or traded on any Regulated Market and for which market quotations are not readily available, such Investments shall be valued at their probable realisation value determined by the Directors or such other competent person (which may be related to but independent of the Fund) or firm appointed by the Directors and approved by the Depositary (as a competent person for such purpose) with care and in good faith.

The Administrator may use such probable realisation value estimated with care and in good faith as may be recommended by a competent professional appointed by the Directors and who is approved by the Depositary as a competent person for such purpose. Cash and other liquid assets will be valued at their face value with interest accrued, where applicable.

If for specific assets of a Fund the last traded, closing mid-market and/or bid prices, as applicable, do not, in the opinion of the Manager, reflect their fair value or if prices are unavailable, the value shall be calculated with care and in good faith by the Directors or a competent person or firm appointed by the Directors and approved for that purpose by the Depositary, on the basis of the probable realisation value for such assets as at the Valuation Point.

In the event of it being impossible or incorrect to carry out a valuation of a specific Investment in accordance with the valuation rules set out above, or if such valuation is not representative of the fair market value in the context of currency, marketability and such other considerations which are deemed relevant, the Directors are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific Investment, provided that such method of valuation has been approved by the Depositary.

Shares, units of or participations in open-ended collective investment schemes will be valued at the latest available net asset value of such share, unit or participation as published by such open-ended collective investment scheme; shares, units of or participations in closed-ended collective investment schemes will, if listed, or traded on a Regulated Market, be valued in accordance with the provisions above which apply to Investments listed or normally dealt in on a Regulated Market.

Any value and borrowing expressed otherwise than in the Base Currency of a Fund (whether of an Investment or cash) shall be converted into the Fund's Base Currency at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances.

Exchange-traded FDI will be valued for each Dealing Day at the settlement price for such instruments as at the Valuation Point. If such price is not available such value shall be the probable realisation value estimated with care and in good faith by the Directors or a competent person or firm appointed by the Directors and approved for such purpose by the Depositary.

The value of any OTC FDI contracts shall be (a) a quotation from the counterparty or (b) an alternative valuation, such as model pricing, calculated by the Company or an independent pricing vendor (which may be a party related to but independent of the counterparty which does not rely on the same pricing models employed by the counterparty) provided that: (i) where a counterparty valuation is used, it must be provided on at least a daily basis and approved or verified at least weekly by a party independent of the counterparty, which may be the Investment Manager or the Administrator (approved for the purpose by the Depositary); (ii) where an alternative valuation is used (i.e. a valuation that is provided by a competent person appointed by the Manager or Directors and approved for that purpose by the Depositary (or a valuation by any other means provided that the value is approved by the Depositary)), it must be provided on a daily basis and the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such valuation shall be reconciled to that of the counterparty on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

Forward foreign exchange and interest rate swaps contracts for which market quotations are freely available may be valued in accordance with the previous paragraph or by reference to market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation).

### **Publication of Net Asset Value and Net Asset Value per Share**

Except where the determination of the Net Asset Value has been suspended in the circumstances described under "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching" on page 87, the Net Asset Value per Share for each Fund shall be made available at the registered office of the Administrator on or before the close of business of each Dealing Day. The Net Asset Value per Share for each class of Shares in each Fund shall also be published daily on the Business Day following the Valuation Point for the applicable Fund by means of a Regulatory Information Service as well as the official iShares website ([www.iShares.com](http://www.iShares.com)), which shall be kept up to date, and such other publications and with such frequency as the Directors may determine. The publishing of the Net Asset Value per Share for each class of Shares in each Fund is for information purposes only, and is not an invitation to apply for, redeem or switch Shares at the published Net Asset Value per Share.

### **Indicative Net Asset Value**

The indicative net asset value (iNAV®) is the net asset value per share of each class of Shares in a Fund calculated on a real time basis (every 15 seconds) during trading hours. The values are intended to provide investors and market participants with a continuous indication of the value of each class of Shares. The values are usually calculated based on a valuation of the actual Fund portfolio using real-time prices from all relevant exchanges.

The responsibility for the calculation and publication of the iNAV® values of each class of Shares has been delegated by the Investment Manager to the Deutsche Börse Group. iNAV® values are disseminated via Deutsche Börse's CEF data feed and are displayed on major market data vendor terminals as well as on a wide range of websites that display stock market data, including the Deutsche Börse website at [www.deutsche-boerse.com](http://www.deutsche-boerse.com) and/or <http://www.reuters.com>.

An iNAV® is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any relevant stock exchange. In particular, any iNAV® provided for a Fund where the constituents of the Benchmark Index or Investments are not actively traded during the time of publication of such iNAV® may not reflect the true value of a Share, may be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an iNAV®, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a relevant stock exchange, which will be determined by the rules of the relevant stock exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV® may reflect time delays in the receipt of the prices of the relevant constituent securities in comparison to other calculated values based upon the same constituent securities including, for example, the Benchmark Index or Investments itself or the iNAV® of other exchange traded funds based on the same Benchmark Index or Investments. Investors interested in dealing in Shares on a relevant stock exchange should not rely solely on any iNAV® which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Benchmark Index or Investments, the relevant constituent securities and financial instruments based on the Benchmark Index or Investments corresponding to a Fund). None of the Company, the Directors, the Investment Manager or its designee, the Depositary, the Administrator, any Authorised Participant and the other service providers shall be liable to any person who relies on the iNAV®.

### **Income Equalisation**

For tax and accounting purposes, the Manager may implement income equalisation arrangements with a view to ensuring that the level of income derived from Investments is not affected by the issue, switching or redemption of Shares during the relevant accounting period.

## **DEALINGS IN THE COMPANY**

The Funds are exchange traded funds which means that the Shares of the Funds are listed on one or more stock exchanges. Certain market makers and brokers are authorised by the Company to subscribe and redeem Shares of the Funds directly with the Company in the Primary Market and they are referred to as "Authorised Participants". Such Authorised Participants generally have the capability to deliver the Shares of the Funds within the clearing systems relevant to the stock exchanges on which the Shares are listed. Authorised Participants usually sell the Shares they subscribe to on one or more stock exchanges, the Secondary Market, where such Shares become freely tradable. Potential investors who are not Authorised Participants can purchase and sell the Shares of the Funds on the Secondary Market through a broker/dealer on a recognised stock exchange or OTC. For further details of such brokers please contact the Investment Manager.

The section titled "Procedure for Dealing on the Primary Market" relates to subscriptions and redemptions between the Company and Authorised Participants. Investors who are not Authorised Participants should refer to the section below titled "Procedure for Dealing on the Secondary Market".

## **PROCEDURE FOR DEALING ON THE PRIMARY MARKET**

The Primary Market is the market on which Shares of the Funds are issued or redeemed by the Company at the request of Authorised Participants. Only Authorised Participants are able to effect subscriptions and redemptions of Shares on the Primary Market.

Applicants wishing to deal on the Primary Market in respect of the Funds have to satisfy certain eligibility criteria, and be registered with the Company, to become Authorised Participants. In addition, all applicants applying to become Authorised Participants must first complete the Company's Account Opening Form which may be obtained from the Administrator and satisfy certain anti-money laundering checks. The signed original Account Opening Form should be sent to the Administrator. Applicants wishing to become Authorised Participants should contact the Investment Manager for further details. The Company has absolute discretion to accept or reject any Account Opening Form and to revoke any authorisation to act as an Authorised Participant. The Common Depositary's Nominee, acting as the registered holder of Shares in the Funds, may not apply to become an Authorised Participant.

Authorised Participants may submit dealing requests for subscriptions or redemptions of Shares in a Fund through the Electronic Order Entry Facility. The use of the Electronic Order Entry Facility is subject to the prior consent of the Investment Manager and the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Requests for subscriptions and redemptions placed electronically are subject to the dealing request cut off times stated in the Primary Market Dealing Timetable. Alternative dealing methods are available with the consent of the Investment Manager and in accordance with the requirements of the Central Bank.

All dealing applications are at the Authorised Participant's own risk. Dealing requests, once submitted, shall (save as determined by the Investment Manager at its discretion) be irrevocable. The Company, the Investment Manager and the Administrator shall not be responsible for any losses arising in the transmission of Account Opening Forms or for any losses arising in the transmission of any dealing request through the Electronic Order Entry Facility or any alternative dealing method approved by the Investment Manager. Amendments to registration details and payment instructions will only be effected upon receipt by the Company of the original documentation.

Authorised Participants are responsible for ensuring that they are able to satisfy their purchase and redemption settlement obligations when submitting dealing requests on the Primary Market. Authorised Participants making redemption requests must first ensure that they have a sufficient holding of Shares available for redemption (which holding in the required number of Shares must be delivered to the Administrator for settlement in the relevant International Central Securities Depository by the relevant settlement date). Redemption requests will be processed only where the payment is to be made to the Authorised Participant's account of record.

### **Portfolio Composition File**

The Company publishes a Portfolio Composition File for each Launched Share Class providing an indication of the Investments of each Current Fund. In addition, the Portfolio Composition File also sets out the Cash Component to be delivered (a) by Authorised Participants to the Company in the case of subscriptions; or (b) by the Company to the Authorised Participants in the case of redemptions.

The Portfolio Composition File for each Launched Share Class of each of the Current Funds for each Dealing Day may be requested by Authorised Participants from the Investment Manager.

### **Dealings in Kind, in Cash and Directed Cash Dealings**

Shares may be subscribed for and redeemed on each Dealing Day.

The Company has absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Company also has absolute discretion (but shall not be obliged) to reject or cancel in whole or in part any subscription for Shares prior to the issue of Shares to an applicant (notwithstanding the application having been accepted) and, the registration of the same in the name of the

Common Depositary's Nominee in the event that any of the following occurs to the Authorised Participant (or its parent company or ultimate parent company): an Insolvency Event; a downgrading of credit rating; being placed on a watchlist (with negative implications) by a credit rating agency; or where the Company (or its Manager or Investment Manager) has reasonable grounds to conclude that the relevant Authorised Participant may be unable to honour its settlement obligations or that the Authorised Participant poses a credit risk to the Funds. In addition, the Company may impose such restrictions as it believes necessary to ensure that no Shares are acquired by persons who are not Qualified Holders.

The Company may accept subscriptions and pay redemptions either in kind or in cash or in a combination of both. The Company may determine whether to accept subscriptions in kind and/or in cash at its absolute discretion. The Company has the right to determine whether it will only accept requests for redemptions from an Authorised Participant in kind and/or in cash on a case by case basis in the event that any of the following occurs to the Authorised Participant (or its parent company or ultimate parent company): an Insolvency Event; a downgrading of credit rating; being placed on a watchlist (with negative implications) by a credit rating agency; or where the Company (or its Manager or Investment Manager) has reasonable grounds to conclude that the relevant Authorised Participant may be unable to honour its settlement obligations or that the Authorised Participant poses a credit risk.

Shares may be subscribed at the relevant Net Asset Value per Share together with associated Duties and Charges which may be varied to reflect the cost of execution. Shares may be redeemed at the relevant Net Asset Value per Share less any associated Duties and Charges which may be varied to reflect the cost of execution. The Articles empower the Company to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions. Where Authorised Participants subscribe for or redeem Shares in cash in a currency that is different from the currencies in which the relevant Fund's underlying investments are denominated, the foreign exchange transaction costs associated with converting the subscription amount to the currencies needed to purchase the underlying investments (in the case of a subscription) or converting the sale proceeds from selling the underlying investments to the currency needed to pay redemption proceeds (in the case of a redemption) will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

Where Authorised Participants subscribe for or redeem Shares in a Currency Hedged Fund or a Currency Hedged Share Class, the transaction costs associated with increasing (in the case of a subscription) or decreasing (in the case of a redemption) such hedge will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

In some cases, the level of Duties and Charges has to be determined in advance of the completion of the actual purchase or sale of Investments or execution of associated foreign exchange by or on behalf of the Company and the subscription or redemption price may be based on estimated Duties and Charges (which could be based on historic information concerning the costs incurred or expected costs in trading the relevant securities in the relevant markets). Where the sum representing the subscription or redemption price is based on estimated Duties and Charges which turn out to be different to the costs actually incurred by a Fund when acquiring or disposing of Investments as a result of a subscription or redemption, the Authorised Participant shall reimburse the Fund for any shortfall in the sum paid to the Fund (on a subscription) or any excess sum received from the Fund (on a redemption), and the Fund shall reimburse the Authorised Participant for any excess received by the Fund (on a subscription) or any shortfall paid by the Fund (on a redemption), as the case may be. Authorised Participants should note that no interest will accrue or be payable on any amount reimbursed or to be reimbursed by a Fund. In order to protect the Funds and holders of their Shares, the Company and the Manager reserve the right to factor into the estimated Duties and Charges a buffer to protect the Fund from potential market and foreign exchange exposure pending the payment of the actual Duties and Charges.

Dealing orders will normally be accepted in multiples of the minimum number of Shares. Such minima may be reduced or increased in any case at the discretion of the Manager. Authorised Participants should refer to the Electronic Order Entry Facility for details of minimum subscription and redemption orders for the Current Funds. Details in relation to the Valuation Points and cut-off times for the Current Funds are also set out in the Primary Market Dealing Timetable below. Details of the dealing cut-off times for subscription and redemption orders are also available from the Administrator. There are no minimum holding requirements for the Funds as at the date of this Prospectus. Details of the initial offer period and initial offer price are set out in the Primary Market Initial Dealing Timetable below.

Applications received after the times listed in the Primary Market Dealing Timetable will generally not be accepted for dealing on the relevant Dealing Day. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of the Company, Manager or the Investment Manager, in exceptional circumstances, provided they are received prior to the Valuation Point. Settlement of the transfer of Investments and/or cash payments in respect of subscriptions and redemptions must take place within a prescribed number of Business Days after the Dealing Day (or such earlier time as the Manager may determine in consultation with the Authorised Participant). Authorised Participants should refer to the Electronic Order Entry Facility for details of the maximum and minimum settlement times (which can range from one to four Business Days) in respect of subscriptions and redemptions. If a Significant Market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected settlement date (inclusive), and/or

settlement in the base currency of the Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times (but such delays will not exceed the regulatory requirements for settlement).

If a redeeming Authorised Participant requests redemption of a number of Shares representing 5% or more of the Net Asset Value of a Fund, the Directors may, in their sole discretion, redeem the Shares by way of a redemption in kind and in such circumstances the Directors will, if requested by the redeeming Authorised Participant, sell the Investments on behalf of the Authorised Participant. (The cost of the sale can be charged to the Authorised Participant).

If redemption requests on any Dealing Day amount to Shares representing 10% or more of the Net Asset Value of a Fund, the Manager may, in its discretion, refuse to redeem any Shares representing in excess of 10% of the Net Asset Value of the Fund (at any time including after the cut-off time on the Dealing Day). Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all Shares to which the original request related have been redeemed.

Settlement for redemptions will normally be made within ten Business Days of the Dealing Day. Payment of redemption proceeds to the account instructed by the Authorised Participant requesting the redemption will be in full discharge of the Company's obligations and liability.

The Investment Manager will carry out the underlying trades for any subscription or redemption request at its absolute discretion and may vary the underlying trades (for example, by staggering the timing of the trades) to take into account (amongst other things) the impact on other Shares in the relevant Fund and on the underlying market, as well as acceptable industry practices.

#### *Dealings in Kind*

Shares in certain Funds may be subscribed for and/or redeemed in exchange for in kind assets. Authorised Participants wishing to deal in kind should contact the Investment Manager for a list of Funds which accept dealing requests in kind.

Subscriptions by Authorised Participants for Shares in exchange for in kind assets would need to deliver a basket of underlying securities and a Cash Component (both as determined by the Investment Manager based on the underlying portfolio held, and to be held, by the Fund) to the Fund as part of its settlement obligations.

In the event that an Authorised Participant fails to deliver, or delays in delivering, one or more of the specified underlying securities by the relevant settlement date, the Company may (but shall not be obliged to) require the Authorised Participant to pay to it a sum equal to the value of such underlying securities plus any Duties and Charges associated with the purchase by the Company of such underlying securities, including any foreign exchange costs and other fees, and/or costs incurred as a result of the delay.

Redemptions by Authorised Participants in exchange for in kind assets would receive their redemption proceeds in the form of underlying securities and, if relevant, a Cash Component, as determined by the Investment Manager based on the Fund's underlying portfolio.

#### *Directed Cash Dealings*

If any request is made by an Authorised Participant to execute underlying security trades and/or foreign exchange in a way that is different than normal and customary convention, the Investment Manager will use reasonable endeavours to satisfy such request if possible but the Investment Manager will not accept any responsibility or liability if the execution request is not achieved in the way requested for any reason whatsoever.

If any Authorised Participant initiating a cash subscription or redemption wishes to have the underlying securities traded with a particular designated broker (i.e. a directed cash subscription or redemption), the Authorised Participant would need to specify such instructions in its dealing request. The Investment Manager may at its sole discretion (but shall not be obliged to) transact for the underlying securities with the designated broker. Authorised Participants that wish to select a designated broker are required, prior to the Investment Manager transacting the underlying securities, to contact the relevant portfolio trading desk of the designated broker to arrange the trade.

If an application resulting in a creation is accepted as a directed cash subscription, as part of the Authorised Participant's settlement obligations, the Authorised Participant would be responsible for (i) ensuring that the designated broker transfers to the Fund (via the Depositary) the relevant underlying securities, and (ii) paying the fees and costs charged by the designated broker for selling the relevant underlying securities to the Fund plus any associated Duties and Charges, including foreign exchange costs, to reflect the cost of execution.

If a dealing request resulting in a redemption is accepted as a directed cash redemption, the Authorised Participant is responsible for ensuring that the designated broker purchases the relevant underlying securities from the Fund. The Authorised Participant will receive the price paid by the designated broker for purchasing the relevant underlying securities from the Fund, less any associated Duties and Charges, including foreign exchange costs, to reflect the cost of execution.

The Investment Manager will not be responsible, and shall have no liability, if the execution of the underlying securities with a designated broker and, by extension, an Authorised Participant's subscription or redemption order, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the designated broker. Should an Authorised Participant or the designated broker to which the Authorised Participant directed the underlying securities transaction default on, delay settlement of, or change the terms of, any part of the underlying securities transaction, the Authorised Participant shall bear all associated risks and costs, including costs incurred by the Company and/or the Investment Manager as a result of the delay to the underlying securities transaction. In such circumstances, the Company and the Investment Manager have the right to transact with another broker and to amend the terms of the Authorised Participant's subscription or redemption request, including the subscription price and/or redemption proceeds, to take into account the default, delay and/or the change to the terms.

#### *Clearing and Settlement*

Authorised Participants' title and rights relating to Shares in the Funds will be determined by the clearance system through which they settle and/or clear their holdings. Shares in the Funds will settle through the relevant International Central Securities Depositories and the Common Depositary's Nominee will act as the registered holder of all such Shares. For further details, see the section "Global Clearing and Settlement" below.

#### **PRIMARY MARKET INITIAL DEALING TIMETABLE**

<b>Fund Name</b>	<b>Initial Share Class</b>	<b>Initial Offer Period*</b>	<b>Initial Price</b>	<b>Offer</b>	<b>Commencement of Dealings on LSE (anticipated)</b>

\* The initial offer period may be shortened, extended, changed to an earlier date, or changed to a later date by the Directors.

#### **PRIMARY MARKET DEALING TIMETABLE\***

<b>Fund Name</b>	<b>Fund Valuation Point on DD</b>	<b>Valuation Point applicable to assets listed or traded on Non-Significant Markets when those markets are closed on the DD</b>	<b>Dealing request cut off on DD (Cash/Market Trade dealings and In Kind FOP/OTC DVP dealings)</b>  (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)**  Authorised Participants should refer to the Electronic Order Entry Facility for further details.
iShares \$ High Yield Corp Bond UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares \$ TIPS UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares \$ Treasury Bond 7-10yr UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 pm
iShares € Govt Bond 15-30yr UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 pm
iShares € Govt Bond 3-5yr UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 pm
iShares € Govt Bond 7-10yr UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 pm
iShares Asia Property Yield UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares BRIC 50 UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares Core UK Gilts UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 pm

		to DD	
iShares Developed Markets Property Yield UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares Dow Jones Global Sustainability Screened UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares EM Infrastructure UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares EURO STOXX 50 ex-Financials UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares EURO STOXX 50 UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares FTSE MIB UCITS ETF EUR (Dist)	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares Global Clean Energy UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares Global Infrastructure UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares Global Timber & Forestry UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares Global Water UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares J.P. Morgan \$ EM Bond UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)	11.00pm	11.00pm on BD prior to DD	4.00am***
iShares Listed Private Equity UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares MSCI EM Islamic UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares MSCI EM Latin America UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares MSCI Europe SRI UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares MSCI Europe UCITS ETF EUR (Dist)	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares MSCI Turkey UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	2.30 pm
iShares MSCI USA Dividend IQ UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares MSCI USA Islamic UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares MSCI World Islamic UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	4.00 am***
iShares STOXX Europe 50 UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares UK Property UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	3.30 pm
iShares US Aggregate Bond UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm
iShares US Property Yield UCITS ETF	11.00 pm	11.00 pm on BD prior to DD	8.00 pm

\*"BD" means Business Day and "DD" means Dealing Day.

Where DD+1 is indicated in the "Fund Valuation Point" column for any Fund, the valuation for that Fund will take place as at the Significant Markets Business Day following the DD.

\*\* Provided always that the application is received before the Fund Valuation Point on the relevant Dealing Day.

\*\*\* Dealing requests for this Fund submitted through the Electronic Order Entry Facility by Authorised Participants may be accepted in exceptional circumstances(at the discretion of the Manager) after this cut off time, provided always that the application is received before the Fund Valuation Point on the relevant Dealing Day. Applications received after the Fund Valuation Point on the relevant Dealing Day will be treated as applications for the next Dealing Day.

Subscriptions and redemptions are made in baskets of Shares or in cash at the discretion of the Manager or the Investment Manager. Subscription and redemption orders will normally be accepted in multiples of the minimum number of Shares set at the discretion of the Manager or the Investment Manager. Authorised Participants should refer to the Electronic Order Entry Facility for details of minimum subscription and redemption orders for the Launched Share Classes. Save as provided under the heading "Dealings in Kind, in Cash and Directed Cash

Dealings" where an Authorised Participant submits a subscription request in cash, the corresponding redemption will be satisfied in cash unless otherwise agreed with the Authorised Participant (with relevant asset allocation being approved by the Depositary).

Earlier or later times may be determined by the Manager or the Investment Manager at their discretion with prior Shareholder notice.

On the Dealing Day prior to 25 December and 1 January, dealing requests for subscriptions or redemptions must be received by the earlier of the stated dealing request cut-off and 12.00 noon.

NOTE: ALL TIME REFERENCES IN THIS DEALING TIMETABLE ARE FOR GREENWICH MEAN TIME (GMT), OR BRITISH SUMMER TIME (BST), WHEN SUCH IS APPLICABLE - NOT CENTRAL EUROPEAN TIME (CET)

### **Failure to Deliver**

In the event that (i) in respect of an in kind dealing resulting in a creation, an Authorised Participant fails to deliver the required Investments and Cash Component, or (ii) in relation to a cash creation, an Authorised Participant fails to deliver the required cash, or (iii) in respect of a directed cash dealing resulting in a creation, an Authorised Participant fails to deliver the required cash or its designated broker fails to deliver the underlying Investments, within the stated settlement times for the Current Funds (available on the Electronic Order Entry Facility) the Company and/or Investment Manager reserves the right (but shall not be obliged) to cancel the relevant subscription request. The Authorised Participant shall indemnify the Company for any loss suffered by the Company as a result of a failure or delay by the Authorised Participant to deliver the required Investments and Cash Component or cash and, for directed cash dealings resulting in creations, any loss suffered by the Company as a result of a failure by the designated broker to deliver the required underlying Investments, within the stated settlement times, including (but not limited to) any market exposure, interest charges and other costs suffered by the Fund. The Company reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances.

The Directors may, in their sole discretion where they believe it is in the best interests of a Fund, decide not to cancel a subscription and provisional allotment of Shares where an Authorised Participant has failed to deliver the required Investment and Cash Component or cash and/or, for directed cash subscriptions, the designated broker has failed to deliver the required underlying Investments, within the stated settlement times. The Company may temporarily borrow an amount equal to the subscription and invest the amount borrowed in accordance with the investment objective and policies of the relevant Fund. Once the required Investments and Cash Component or cash has been received, the Company will use this to repay the borrowings. The Company reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Company as a result of this borrowing. Where a designated broker under a directed cash subscription fails or delays in delivering the required underlying securities, the Company and its Investment Manager has a right to transact with a different broker and to charge the relevant Authorised Participant for any interest or other costs incurred by the Company relating to the failed and new transactions. If the Authorised Participant fails to reimburse the Company for those charges, the Company and/or Investment Manager will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the Company in order to meet those charges.

A redemption request by an Authorised Participant will only be valid if the Authorised Participant satisfies its settlement obligation to deliver holdings in the required number of Shares in that Fund to the Administrator for settlement in the relevant International Central Securities Depositary by the relevant settlement date. In the event an Authorised Participant fails to deliver the required Shares of the relevant Fund in relation to a redemption within the stated settlement times for the Current Funds (available on the Electronic Order Entry Facility), the Company and/or Investment Manager reserves the right (but shall not be obliged) to treat this as a settlement failure by the Authorised Participant and to cancel the relevant redemption order, and the Authorised Participant shall indemnify the Company for any loss suffered by the Company as a result of a failure by the Authorised Participant to deliver the required Shares in a timely fashion, including (but not limited to) any market exposure and costs suffered by the Fund.

In the event that an Authorised Participant is liable to reimburse a Fund in respect of Duties and Charges (e.g. for any shortfall in the sum paid to the Fund on a subscription or any excess redemption proceeds received from the Fund on a redemption), the Company reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Company as a result of the Authorised Participant's failure to reimburse the Fund in a timely manner after receiving notice of the sum payable.

## **PROCEDURE FOR DEALING ON THE SECONDARY MARKET**

Shares may be purchased or sold on the Secondary Market by all investors through a relevant recognised stock exchange on which the Shares are admitted to trading, or OTC.

It is expected that the Shares of the Funds will be listed on one or more recognised stock exchanges. The purpose of the listing of the Shares on recognised stock exchanges is to enable investors to purchase and sell Shares on the Secondary Market, normally via a broker/dealer, in any quantity over a minimum of one Share. In



accordance with the requirements of the relevant recognised stock exchange, market-makers (which may or may not be Authorised Participants) are expected to provide liquidity and bid and offer prices to facilitate the Secondary Market trading of the Shares.

All investors wishing to purchase or sell Shares of a Fund on the Secondary Market should place their orders via their broker. Orders to purchase Shares in the Secondary Market through the recognised stock exchanges, or OTC, may incur brokerage and/or other costs which are not charged by the Company and over which the Company and the Manager has no control. Such charges are publicly available on the recognised stock exchanges on which the Shares are listed or can be obtained from stockbrokers.

Investors may redeem their Shares through an Authorised Participant by selling their Shares to the Authorised Participant (directly or through a broker).

The price of any Shares traded on the Secondary Market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. The market price of a Share listed or traded on a stock exchange may not reflect the Net Asset Value per Share of a Fund.

The Secondary Market dealing timetable depends upon the rules of the exchange upon which the Shares are dealt or the terms of the OTC trade. Please contact your professional advisor or broker for details of the relevant dealing timetable.

### **Secondary Market Redemptions**

As a UCITS ETF, a Fund's Shares purchased on the secondary market cannot usually be sold directly back to the Fund by investors who are not Authorised Participants. Investors who are not Authorised Participants must buy and sell shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees and additional taxes in doing so. In addition, as the market price at which the Shares are traded on the secondary market may differ from the Net Asset Value per Share, investors may pay more than the then current Net Asset Value per Share when buying shares and may receive less than the current Net Asset Value per Share when selling them.

An investor (that is not an Authorised Participant) shall have the right, subject to compliance with relevant laws and regulations, to request that the Manager buys back its Shares in respect of a Fund in circumstances where the Manager has determined in its sole discretion that the Net Asset Value per Share of the Fund differs significantly to the value of a Share of the Fund traded on the Secondary Market, for example, where no Authorised Participants are acting, or willing to act, in such capacity in respect of the Fund (a "Secondary Market Disruption Event").

If, in the view of the Manager, a Secondary Market Disruption Event exists, the Manager will issue a "Non-AP Buy-Back Notice" and stock exchange announcement(s) containing the terms of acceptance, minimum redemption amount and contact details for the buy-back of Shares.

The Manager's agreement to buy back any Shares is conditional on the Shares being delivered back into the account of the transfer agent at the relevant International Central Securities Depository (or transfer agent at the relevant Central Securities Depository (CSD) depending on the settlement model for the relevant Shares) and relevant confirmations given by the Common Depository. The redemption request will be accepted only on delivery of the Shares.

Shares bought back from an investor who is not an Authorised Participant will be redeemed in cash. Payment is subject to the investor having first completed any required identification and anti-money laundering checks. In kind redemptions may be available at an investor's request at the Manager's absolute discretion.

Redemption orders will be processed on the Dealing Day on which the Shares are received back into the account of the transfer agent by the dealing cut-off time less any applicable Duties and Charges and other reasonable administration costs, provided that the completed buy-back request has also been received.

The Manager may at its complete discretion determine that the Secondary Market Disruption Event is of a long term nature and is unable to be remedied. In that case the Manager may resolve to compulsorily redeem investors and may subsequently terminate the Fund.

Any investor requesting a buyback of its shares in case of a Secondary Market Disruption Event may be subject to taxes as applicable, including any capital gains taxes or transaction taxes. Therefore, it is recommended that prior to making such a request, the investor seeks professional tax advice in relation to the implications of the buyback under the laws of the jurisdiction in which they may be subject to tax.

## **GENERAL INFORMATION ON DEALINGS IN THE COMPANY**

- *Initial Offer of Shares – Clearing and Settlement Structure*

Shares in the Fund listed in the Primary Market Initial Dealing Timetable above will initially be offered during the initial offer period (which period may be shortened, extended, changed to an earlier date, or changed to a later date by the Directors) specified in that timetable and at a price per Share equal to a multiplier of the relevant Benchmark Index which is calculated as at close of business in the relevant underlying markets. The actual initial price per Share may vary from this estimated price depending on movements in the value of the relevant

Benchmark Index between the date of this Prospectus and the date that the initial offer closes. Details of the actual initial price per Share will be available from the Administrator and the Investment Manager.

Account Opening Forms for first time applicants and dealing requests must be received during the initial offer period to receive the initial offer price. Arrangements must also be made by that date for the settlement of the transfer of Investments and cash payments within the settlement times available on the Electronic Order Entry Facility (which can range from one to four Business Days).

Please refer to the Primary Market Initial Dealing Timetable for details of when it is expected that trading in the Shares of the Funds listed in that timetable will commence. The Shares will be admitted to trading upon issue.

Save as otherwise specified in the Primary Market Initial Dealing Timetable above, Shares in the Current Share Classes that are not Launched Share Classes as at the date of this Prospectus (please see pages 17 to 21) will initially be offered between 9.00a.m. (Irish time) on 21 November 2016 and 12.00 noon (Irish time) on 19 May 2017 (which period may be shortened, extended, changed to an earlier date, or changed to a later date by the Directors) and at a fixed price per Share of 5 units of the relevant currency (e.g. USD5) or such other amount determined by the Investment Manager at the relevant time and communicated to investors prior to investment.

The Shares of the Funds comprising Current Share Classes are normally listed on the Official List of the UKLA. Launched Share Classes may be listed on the Official List of the UKLA or an alternative stock exchange (please refer to [www.ishares.com](http://www.ishares.com) for details).

Shares will be issued for a price to be satisfied in cash or in kind, together with any applicable Duties and Charges. The initial Portfolio Composition File will be available upon request from the Administrator.

- *Title to Shares*

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. Shares will be held by the Common Depositary's Nominee (as registered holder) in registered form. Only persons appearing on the register of Shareholders (i.e. the Common Depositary's Nominee) will be a Shareholder. Fractional Shares will not be issued. No temporary documents of title or Share certificates will be issued (save as provided below). A trade confirmation will be sent by the Administrator to the Authorised Participants.

Shares in the Funds may be issued in or converted to dematerialised (or uncertificated) form. In such circumstances, the relevant Funds will apply for admission for clearing and settlement through an appropriate Recognised Clearing System. As the Company is an Irish company, the operation of a Recognised Clearing System in respect of any dematerialised Shares would be governed by the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.

- *Global Clearing And Settlement*

The Directors have resolved that Shares in the Funds will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate required for the International Central Securities Depositories (being the Recognised Clearing Systems through which the Funds' Shares will be settled). The Funds have applied for admission for clearing and settlement through the applicable International Central Securities Depository. The International Central Securities Depositories for the Funds currently are Euroclear and Clearstream and the applicable International Central Securities Depository for an investor is dependent on the market in which the Shares are traded. All Shares in the Funds will ultimately settle in an International Central Securities Depository but interests could be held through Central Securities Depositories. A Global Share Certificate in respect of each of the Funds or, where applicable, each Share class thereof will be deposited with the Common Depositary (being the entity nominated by the International Central Securities Depositories to hold the Global Share Certificate) and registered in the name of the Common Depositary's Nominee (being the registered holder of the Shares of the Funds, as nominated by the Common Depositary) on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. Interests in the Shares represented by the Global Share Certificates will be transferable in accordance with applicable laws and any rules and procedures issued by the International Central Securities Depositories. Legal title to the Shares of the Funds will be held by the Common Depositary's Nominee.

A purchaser of interests in Shares in the Funds will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such Shares and the rights of such investors, where they are Participants, shall be governed by their agreement with their International Central Securities Depository or, where they are not Participants, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depositary's Nominee as registered Shareholder following instructions from the applicable International Central Securities Depository upon receipt of instructions from its Participants. All references herein to distributions, notices, reports, and statements to such Shareholder, shall be distributed to the Participants in accordance with such applicable International Central Securities Depository's procedures.

## **International Central Securities Depositories**

All Shares in issue in each of the Funds or, where applicable, each Share Class thereof are represented by a Global Share Certificate and the Global Share Certificate is held by the Common Depositary and registered in the name of the Common Depositary's Nominee on behalf of an International Central Securities Depositary. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant International Central Securities Depositary.

Each Participant must look solely to its International Central Securities Depositary for documentary evidence as to the amount of its interests in any Shares. Any certificate or other document issued by the relevant International Central Securities Depositary, as to the amount of interests in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records.

Each Participant must look solely to its International Central Securities Depositary for such Participant's share of each payment or distribution made by the Company to or on the instructions of the Common Depositary's Nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their International Central Securities Depositary. Participants shall have no claim directly against the Company, the Paying Agent or any other person (other than their International Central Securities Depositary) in respect of payments or distributions due under the Global Share Certificate which are made by the Company to or on the instructions of the Common Depositary's Nominee and such obligations of the Company shall be discharged thereby. The International Central Securities Depositary shall have no claim directly against the Company, Paying Agent or any other person (other than the Common Depositary).

The Company or its duly authorised agent may from time to time require investors to provide them with information relating to: (a) the capacity in which they hold an interest in Shares of the Funds; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable International Central Securities Depositary to provide the Company with certain details in relation to Participants that hold interests in Shares in each Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type – e.g. fund/bank/individual, residence of ICSD Participants, number of ETFs and holdings of the Participant within Euroclear and Clearstream, as appropriate, including which Funds, types of Shares and the number of interests in the Shares held by each such Participant, and details of any voting instructions given by each such Participant. Euroclear and Clearstream Participants which are holders of interests in Shares or intermediaries acting on behalf of such holders agree to Euroclear and Clearstream, pursuant to the respective rules and procedures of Euroclear and Clearstream, disclosing such information to the Company or its duly authorised agent. Similarly, the Company or its duly authorised agent may from time to time request any Central Securities Depositary to provide the Company with details in relation to Shares in each Fund or interests in Shares in each Fund held in each Central Securities Depositary and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Shares and interests of Shares in a Central Securities Depositary or intermediaries acting on behalf of such holders agree to the Central Securities Depositary (including Euroclear UK & Ireland (the CREST system), SIS SegaInterSettle AG and Monte Titoli), pursuant to the respective rules and procedures of the relevant Central Securities Depositary, disclosing such information to the Company or its duly authorised agent.

Investors may be required to provide promptly any information as required and requested by the Company or its duly authorised agent, and agree to the applicable International Central Securities Depositary providing the identity of such Participant or investor to the Company or its duly authorised agent upon request.

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the Global Share Certificate, the Common Depositary's Nominee. Each Participant must look solely to its International Central Securities Depositary and the rules and procedures for the time being of the relevant International Central Securities Depositary governing delivery of such notices and exercising voting rights. For investors, other than Participants, delivery of notices and exercising voting rights shall be governed by the arrangements with a Participant of the International Central Securities Depositary (for example, their nominee, broker or Central Securities Depositories, as appropriate).

### **Exercise of Voting Rights through the International Central Securities Depositories**

The Common Depositary's Nominee has a contractual obligation to promptly notify the Common Depositary of any Shareholder meetings of the Company and to relay any associated documentation issued by the Company to the Common Depositary, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant International Central Securities Depositary. Each International Central Securities Depositary will, in turn, relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. The Directors understand that, in accordance with their respective rules and procedures, each International Central Securities Depositary is contractually bound to collate and transfer all votes received from its Participants to the Common Depositary and the Common Depositary is, in turn, contractually bound to collate and transfer all votes received from each International Central Securities Depositary to the Common Depositary's Nominee, which is obligated to vote in accordance with the Common

Depository's voting instructions. Investors who are not Participants in a relevant International Central Securities Depository would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in a relevant International Central Securities Depository to receive any notices of Shareholder meetings of the Company and to relay their voting instructions to the relevant International Central Securities Depository.

- *Anti-money laundering identification*

The Administrator and/ or Company reserves the right to request further details from an Authorised Participant and the Common Depository's Nominee in order to verify their respective identities. Any such party must notify the Administrator of any change in their details and furnish the Company with whatever additional documents relating to such change as it may request. Amendments to a party's registration details and payment instructions will only be effected upon receipt by the Administrator of original documentation. Failure to provide requested information or notify the Administrator or the Company of any change in details may result in a request for subscription or redemption of shares by such party not being accepted or processed until such time as satisfactory verification of identity is received.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Company. This obligation arises unless (i) the application is being made through a recognised financial intermediary; or (ii) payment is made through a banking institution, which in either case is in a country with money laundering regulations equivalent to those in Ireland.

The Company will specify what proof of identity is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

It is further acknowledged that the Company, the Investment Manager and the Administrator shall be indemnified by the Authorised Participant applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the Company has not been provided by the applicant.

- *Switching*

Switching of Shares from one Fund to another Fund is not available to investors trading on the Secondary Market.

Authorised Participants wishing to switch from one Fund to another Fund on the Primary Market would generally need to redeem or sell their Shares in the Fund and subscribe or purchase Shares in the other Fund.

Where permitted by the Articles, and subject to the prior approval of the Manager, a holder of Shares in a Share Class of a Fund may switch all or some of their Shares of a Share Class of a Fund (the "Original Shares") for Shares of another Share Class in the same Fund (the "New Shares"). Such switching requests may be submitted by Authorised Participants through the Electronic Order Entry Facility, in accordance with the provisions of the "Procedure for Dealing on the Primary Market" section above. Investors which are not Authorised Participants may only submit switching requests via Authorised Participants.

The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Points applicable at the time the Original Shares are repurchased and the New Shares are issued, after deducting the costs of undertaking the switch.

No switches will be made during any period in which the rights of Shareholders to deal in the Shares of the relevant Fund are suspended. Switching requests may be submitted by Authorised Participants through the Electronic Order Entry Facility before the cut off time for the Original Shares and the New Shares (see the dealing timetable above for dealing request cut off times). Any applications received after the applicable time will normally be held over until the next Dealing Day but may be accepted in exceptional circumstances for dealing on the relevant Dealing Day at the discretion of the Manager provided they are received prior to the Valuation Point.

The number of New Shares to be issued will be calculated in accordance with the following formula:

$$A + B = \frac{C \times (D-E)}{F}$$

Where:

<b>A =</b>	<b>number of New Shares to be allocated</b>
<b>B =</b>	balancing cash amount
<b>C =</b>	number of Original Shares switched

D =	redemption price per Original Share on the relevant Dealing Day
E =	the transaction costs incurred as a result of the switching trade, as calculated at the Manager's absolute discretion
F =	subscription price per New Share on the relevant Dealing Day

As a result of a switch, an Authorised Participant will in almost all circumstances be entitled to a fraction of a New Share. As Shares cannot be issued in fractional amounts, the value of the fraction of the New Share will be paid to / received from (as appropriate) the Authorised Participant by the Company.

- *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor (i.e. the seller of Shares) and the transferee (i.e. the purchaser of Shares). The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof.

To the extent Shares are issued in dematerialised form, such Shares may also be transferred in accordance with the rules of the relevant Recognised Clearing System. Persons dealing in Recognised Clearing Systems may be required to provide a representation that any transferee is a Qualified Holder. The Directors may decline to register any transfer of Shares to any person or entity that is not a Qualified Holder.

If in consequence of a transfer the transferor or transferee would hold less than the relevant minimum holding, if there is such a minimum holding, or would otherwise infringe the restrictions on holding Shares outlined above or if the transfer might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages which the Company might not otherwise have incurred or suffered, or the Company being required to register under the 1940 Act (or similar successor statute), or to register any class of Shares under the 1933 Act (or similar successor statute), the Directors may decline to register the transfer of a Share to such person. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferee will be required to complete an Account Opening Form which includes a declaration that the proposed transferee is not a US Person or is acquiring Shares on behalf of a US Person.

- *Confirmations*

A written confirmation of trade will be sent to the Authorised Participant following the Dealing Day. Shares will not normally be issued until such time as the Company is satisfied with all the information and documentation required to identify the applicant and is satisfied that the relevant Investments and Cash Component for in kind subscriptions or cash for cash subscriptions (including directed cash subscriptions) have been received by it.

- *Mandatory Redemption of Shares*

Investors are required to notify the Company immediately in the event that they cease to be Qualified Holders. Investors who cease to be Qualified Holders will be required to dispose of their Shares to Qualified Holders on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a non-Qualified Holder. If any investor or beneficial owner of any Shares fails to disclose information requested by the Company regarding such investor or beneficial owner and, due to such non-disclosure or inadequate disclosure, the Directors believe that there is an issue regarding such person being a non-Qualified Holder, the Company shall have the right to redeem or require the transfer (in accordance with the provisions of the Articles) of the Shares held by or for the benefit of such person.

If the Company becomes aware that any Shares are or might be held by a person who is not a Qualified Holder it may redeem such Shares on notice in writing to the investor concerned. The Investments which would otherwise have been transferred to the investor will be liquidated and the investor will receive the proceeds less any costs incurred. In addition, the Company may impose a penalty to compensate or indemnify the Company, the Manager and the Investment Manager for any loss the Company has suffered (or may suffer) in respect of the holding of Shares by or on behalf of such non-Qualified Holder. The Company shall also have the right to require any person breaching the provisions of the Prospectus to indemnify the Company, the Manager and the Investment Manager from any losses or claims suffered or incurred by any of them in connection with such breach. Such amount may be deducted from the redemption proceeds.

In circumstances where a Fund is unable to replicate the relevant Benchmark Index and unable to substitute another index for the Benchmark Index, the Directors may resolve to compulsorily redeem investors and may subsequently terminate a Fund.

In circumstances where it is or becomes impossible or impractical, for example from a cost, risk or operational perspective, to enter into, continue with or maintain FDI relating to the Benchmark Index for the relevant Fund or to invest in securities comprised within the particular Benchmark Index, the Directors may resolve to compulsorily redeem investors and may subsequently terminate the Fund.

In circumstances where the Directors consider compulsory redemption to be in the interests of the Company, a Fund or the investors of a Fund, the Directors may resolve to compulsorily redeem investors and may subsequently terminate the Fund.

The Company shall have the right to redeem, without the imposition of any penalty on the Company, Shares of a particular Share Class:

- (i) where the holders of Shares approve of the redemption of the Shares of the relevant class by way of written resolution or where not less than 75% of the votes cast approve of the redemption of the Shares at a general meeting of the relevant Share Class, of which not more than twelve and not less than four weeks' notice has been given;
- (ii) at the discretion of the Directors, after the first anniversary of the first issue of Shares of the relevant Share Class if the Net Asset Value of the relevant Share Class falls below Stg£100,000,000 or, in the case of a Currency Hedged Share Class, below Stg£2,000,000;
- (iii) at the discretion of the Directors, if the Share Class ceases to be listed on a recognised stock exchange;
- (iv) at the discretion of the Directors provided that Shareholder notice of not less than four and not more than six weeks has been given that all of the Shares in that Share Class shall be redeemed by the Company.

If within 90 days from the date of the Depositary serving notice of termination of the Depositary Agreement another depositary acceptable to the Company and the Central Bank has not been appointed to act as depositary, the Company shall serve notice on all holders of its intention to redeem all Shares then in issue on the date specified in such notice, which date shall not be less than one month nor more than three months after the date of service of such notice.

- *Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching*

The Company may temporarily suspend the determination of the Net Asset Value and the issue, switching and/or redemption of Shares in the Company or any Fund during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (ii) any period when circumstances exist as a result of which any disposal or valuation of Investments of the Company or the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Shares in general or owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Shares in general or owners of Shares of the relevant Fund;
- (iii) any period when there is any breakdown in the means of communication normally employed in determining the price of any of the Company's or a Fund's Investments or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot be reasonably, promptly or accurately ascertained;
- (iv) any period during which the Company is unable to repatriate funds required for the purpose of making redemption payments due or when such payments or the acquisition or realisation of Investments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading;
- (v) any period when the proceeds of the sale or redemption of Shares cannot be transmitted to or from the Company or the Fund's account;
- (vi) upon the publication of a notice convening a general meeting of the Company for the purposes of resolving to wind up the Company or terminate a Fund or Share Class;
- (vii) any period when it is or becomes impossible or impractical, for example from a cost, risk or operational perspective to enter into, continue with or maintain FDI relating to the Benchmark Index for the relevant Fund or to invest in stocks comprised within the particular Benchmark Index;
- (viii) any period in which a counterparty with which the Company has entered into a swap transaction is unable to make any payment due or owing under the swap, including where it is unable to repatriate or exchange at a reasonable rate the proceeds of its underlying hedge;
- (ix) any period when the Directors, in their discretion, consider suspension to be in the interests of the Company, a Fund or the Shareholders of a Fund; or
- (x) any period during which the Directors, in their discretion, consider suspension to be required for the purposes of effecting a merger, amalgamation or restructuring of a Fund or of the Company.

Any such suspension shall be published by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby, and shall be notified immediately (and in any event during the Business

Day on which the suspension took place) to the Central Bank and to the competent authorities in the Member States in which the Shares are marketed. Where practicable, the Company shall take all reasonable steps to bring such a suspension to an end as soon as possible.

No Shares of a Fund will be issued or allotted during a period when the determination of the Net Asset Value of that Fund is suspended.

- *Termination of a Fund*

Any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:

- if at any time the Net Asset Value of the relevant Fund falls below Stg£100,000,000;
- if any Fund shall cease to be authorised or otherwise officially approved; or
- if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund; or
- if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund; or
- if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions (including a Secondary Market Disruption Event) and the best interests of the Shareholders; or
- if the Directors shall have resolved that it is or becomes impossible or impractical, for example from a cost, risk or operational perspective, to enter into, continue with or maintain FDI relating to the Benchmark Index for the relevant Fund or to invest in securities comprised within the particular Benchmark Index; or
- if the Directors shall have resolved that it is or becomes impossible or impractical, for example from a cost, risk or operational perspective, for a Fund to track or replicate the relevant Benchmark Index and / or to substitute another index for the Benchmark Index.

The Directors shall give notice of termination of a Fund or a Share Class to the Common Depositary's Nominee, and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

With effect on and from the date as at which any Fund is to terminate or in the case of (i) below such other date as the Directors may determine:

- no Shares of the relevant Fund may be issued or sold by the Company;
- the Investment Manager or sub-investment manager shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable);
- the Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of the relevant Fund and available for the purpose of such distribution, provided that the Depositary shall be entitled to retain out of any monies in its hands as part of the relevant Fund provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
- Every such distribution referred to at (iii) above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine upon delivery to the Depositary of such form of request for payment as the Depositary shall in its absolute discretion require. Any payment of unclaimed proceeds or other cash will be made in accordance with the requirements of the Central Bank.

The Directors shall have the power to propose and implement a reconstruction and/or amalgamation of the Company or any Fund(s) on such terms and conditions as are approved by the Directors subject to the following conditions namely:

- that the prior approval of the Central Bank has been obtained; and
- that the holders of Shares in the relevant Fund or Funds have been circulated with particulars of the scheme of reconstruction and/or amalgamation in a form approved by the Directors and a special resolution of the holders of Shares in the relevant Fund or Funds has been passed approving the said scheme.

The relevant scheme of reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

- *Seeding Arrangements*

The Investment Manager may place a Fund that is below scale into a seeding programme. Under such programme, the Investment Manager and the Affiliates may pay a seeding fee to investors and market participants who commit to invest a minimum amount of investment capital, and to hold such investment for an agreed time period, to grow or regrow such Fund to scale. Any seeding fees paid by the Investment Manager and the Affiliates will be borne by the Investment Manager and the Affiliates respectively and will not be charged to the relevant Fund or to the Company as an extra cost. The Investment Manager believes that putting in place such a programme to grow small-sized Funds will give rise to benefits for other investors in such Funds.

Companies of the BlackRock Group and/or other collective investment schemes or segregated mandates managed by them may also provide seeding services to the Funds under the seeding programme.

### **Operation of the Subscription and Redemption Collection Account**

All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account. Monies in the Umbrella Cash Collection Account, including early subscription monies received in respect of a Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds or distributions, the relevant Authorised Participant will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Subscriptions amounts paid into the Umbrella Cash Collection Account, will be paid into an account in the name of the relevant Fund on the contractual settlement date. Where subscription monies are received in the Umbrella Cash Collection Account, without sufficient documentation to identify the Authorised Participant or the relevant Fund, such monies shall be returned to the relevant Authorised Participant within five (5) Business Days and as specified in the operating procedure in respect of the Umbrella Cash Collection Account.

Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account, until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Authorised Participants.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends, and / or to make payment into the Umbrella Cash Collection Account, is at the Authorised Participant's risk.

The Umbrella Cash Collection Account has been opened in the name of the Company. The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds.

The Company and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account which identifies the participating Funds, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of monies attributable to another Fund due to timing differences.

## **FUND EXPENSES**

The Company employs an "all in one" fee structure for its Funds (and Share Classes). Each Fund pays all of its fees, operating costs and expenses (and its due proportion of any costs and expenses of the Company allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). Where a Fund has multiple Share Classes, any fees, operating costs and expenses which are attributable to a particular Share Class (rather than the entire Fund) will be deducted from the assets notionally allocated by the Fund to that Share Class. Expenses paid out of the TER include, but are not limited to, fees and expenses paid to the Manager, regulators and auditors and certain legal expenses of the Company, but exclude transaction costs and extraordinary legal costs. The Total Expense Ratio for a Fund or Share Class is calculated and accrued daily from the current Net Asset Value of the relevant Fund or Share Class as follows and shall be payable monthly in arrears:

<b>Fund</b>	<b>Fund / Share Classes</b>	<b>TER</b>
iShares \$ High Yield Corp Bond UCITS ETF	Unhedged Share Classes	0.50%
	Currency Hedged Share Classes	Up to 1.00%*
iShares \$ TIPS UCITS ETF	Unhedged Share Classes	0.25%
	Currency Hedged Share Classes	Up to 1.00%*
iShares \$ Treasury Bond 7-10yr UCITS ETF	Unhedged Share Classes	0.20%
	Currency Hedged Share Classes	Up to 1.00%*
iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF	Unhedged Share Classes	0.25%
	Currency Hedged Share Classes	Up to 1.00%*



iShares € Govt Bond 15-30yr UCITS ETF	Unhedged Share Classes	0.20%
	Currency Hedged Share Classes	Up to 1.00%*
iShares € Govt Bond 3-5yr UCITS ETF	Unhedged Share Classes	0.20%
	Currency Hedged Share Classes	Up to 1.00%*
iShares € Govt Bond 7-10yr UCITS ETF	Unhedged Share Classes	0.20%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Asia Property Yield UCITS ETF	Unhedged Share Classes	0.59%
	Currency Hedged Share Classes	Up to 1.00%*
iShares BRIC 50 UCITS ETF	Unhedged Share Classes	0.74%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Core UK Gilts UCITS ETF	Unhedged Share Classes	0.20%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Developed Markets Property Yield UCITS ETF	Unhedged Share Classes	0.59%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Dow Jones Global Sustainability Screened UCITS ETF	Unhedged Share Classes	0.60%
	Currency Hedged Share Classes	Up to 1.00%*
iShares EM Infrastructure UCITS ETF	Unhedged Share Classes	0.74%
	Currency Hedged Share Classes	Up to 1.00%*
iShares EURO STOXX 50 ex-Financials UCITS ETF	Unhedged Share Classes	0.20%
	Currency Hedged Share Classes	Up to 1.00%*
iShares EURO STOXX 50 UCITS ETF	Unhedged Share Classes	0.35%
	Currency Hedged Share Classes	Up to 1.00%*
iShares FTSE MIB UCITS ETF EUR (Dist)	Unhedged Fund	0.35%
iShares Global Clean Energy UCITS ETF	Unhedged Share Classes	0.65%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Global Infrastructure UCITS ETF	Unhedged Share Classes	0.65%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Global Timber & Forestry UCITS ETF	Unhedged Share Classes	0.65%
	Currency Hedged Share Classes	Up to 1.00%*
iShares Global Water UCITS ETF	Unhedged Share Classes	0.65%
	Currency Hedged Share Classes	Up to 1.00%*
iShares J.P. Morgan \$ EM Bond UCITS ETF	Unhedged Share Classes	0.45%
	Currency Hedged Share Classes	Up to 1.00%*
iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)	Currency Hedged Fund	0.25%
iShares Listed Private Equity UCITS ETF	Unhedged Share Classes	0.75%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF	Unhedged Share Classes	0.74%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI EM Islamic UCITS ETF	Unhedged Share Classes	0.85%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI EM Latin America UCITS ETF	Unhedged Share Classes	0.74%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI Europe SRI UCITS ETF	Unhedged Share Classes	0.30%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI Europe UCITS ETF EUR (Dist)	Unhedged Fund	0.35%
iShares MSCI Turkey UCITS ETF	Unhedged Share Classes	0.74%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI USA Dividend IQ UCITS ETF	Unhedged Share Classes	0.35%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI USA Islamic UCITS ETF	Unhedged Share Class	0.50%
	Currency Hedged Share Classes	Up to 1.00%*
iShares MSCI World Islamic UCITS ETF	Unhedged Share Class	0.60%
	Currency Hedged Share Classes	Up to 1.00%*
iShares STOXX Europe 50 UCITS ETF	Unhedged Share Classes	0.35%
	Currency Hedged Share Classes	Up to 1.00%*
iShares UK Property UCITS ETF	Unhedged Share Classes	0.40%
	Currency Hedged Share Classes	Up to 1.00%*
iShares US Aggregate Bond UCITS ETF	Unhedged Share Class	0.25%
	Currency Hedged Share Classes	Up to 1.00%*
iShares US Property Yield UCITS ETF	Unhedged Share Classes	0.40%
	Currency Hedged Share Classes	Up to 1.00%*

\* For the current TER charged on each Share Class please refer to its KIID and/or the product pages of the website at [www.ishares.com](http://www.ishares.com)

The Manager is responsible for discharging all operational expenses, including but not limited to fees and expenses of the Directors, Investment Manager, Depositary and Administrator from the amounts received by the

Manager from the Total Expense Ratio. Such operational expenses include regulatory and audit fees but exclude transaction costs and extraordinary legal costs. Directors' fees will not exceed the sum of €40,000 per annum per Director without the approval of the Board of Directors. The BlackRock Group employees serving as Directors of the Company or the Manager are not entitled to receive Directors' fees.

In the event the costs and expenses of a Fund or Share Class that are intended to be covered within the TER exceed the stated TER, the Manager will discharge any excess amounts out of its own assets. The establishment costs of the Company have been, and the establishment costs of the Current Funds and Share Classes have been and will be, paid by the Manager.

Whilst it is anticipated that the TER borne by a Fund or Share Class shall not exceed the amounts set out above during the life of the Fund or Share Class (respectively) such amounts may need to be increased. Any such increase will be subject to the prior Shareholder approval of the relevant Fund or Share Class. Please see the section entitled "General Information on Dealings in the Company" for information on exercising voting rights by investors in the Funds, including their Share Classes.

To the extent a Fund undertakes securities lending to reduce costs, the Fund will receive 62.5% of the associated revenue generated from securities lending activities and the remaining 37.5% will be received by the securities lending agent which will pay for any securities lending costs out of its portion of the revenue.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any Shares of the Company.

## DIVIDEND POLICY

The Company intends to declare dividends pursuant to this Prospectus on the Shares of the Distributing Share Classes. Dividends may be paid out of the total income of the applicable Distributing Share Class net of any relevant expenses in respect of each financial year. Dividends will normally be declared with a view to being paid either monthly, quarterly or semi-annually. No smoothing of dividends will be applied across the dividend payments in a calendar year. The dividend payment frequency for each Distributing Share Class is as follows (please refer to [www.ishares.com](http://www.ishares.com) for further information on the dividend payment dates).

Distributions will not be made in respect of Accumulating Share Classes and income and other profits will be accumulated and reinvested.

<b>Fund</b>	<b>Frequency of Distributions for Distributing Funds / Share Classes</b>	<b>Months of Distributions</b>
iShares \$ High Yield Corp Bond UCITS ETF	Semi-Annually	May, November
iShares \$ TIPS UCITS ETF	Quarterly	March, June, September, December
iShares \$ Treasury Bond 7-10yr UCITS ETF	Semi-Annually	May, November
iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF	Semi-Annually	May, November
iShares € Govt Bond 15-30yr UCITS ETF	Semi-Annually	May, November
iShares € Govt Bond 3-5yr UCITS ETF	Semi-Annually	May, November
iShares € Govt Bond 7-10yr UCITS ETF	Semi-Annually	May, November
iShares Asia Property Yield UCITS ETF	Quarterly	Feb, May, August, November
iShares BRIC 50 UCITS ETF	Semi-Annually	May, November
iShares Core UK Gilts UCITS ETF	Semi-Annually	May, November
iShares Developed Markets Property Yield UCITS ETF	Quarterly	Feb, May, August, November
iShares Dow Jones Global Sustainability Screened UCITS ETF	Quarterly	March, June, September, December
iShares EM Infrastructure UCITS ETF	Semi-Annually	May, November
iShares EURO STOXX 50 ex-Financials UCITS ETF	Quarterly	Feb, May, August, November
iShares EURO STOXX 50 UCITS ETF	Quarterly	Feb, May, August, November
iShares FTSE MIB UCITS ETF EUR (Dist)	Semi-Annually	May, November
iShares Global Clean Energy UCITS ETF	Semi-Annually	May, November
iShares Global Infrastructure UCITS ETF	Quarterly	Feb, May, August, November
iShares Global Timber & Forestry UCITS ETF	Semi-Annually	May, November
iShares Global Water UCITS ETF	Semi-Annually	May, November
iShares J.P. Morgan \$ EM Bond UCITS ETF	Monthly	Monthly
iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)	Non-Distributing	N/A
iShares Listed Private Equity UCITS ETF	Semi-Annually	May, November
iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF	Semi-Annually	May, November
iShares MSCI EM Islamic UCITS ETF	Semi-Annually	May, November
iShares MSCI EM Latin America UCITS ETF	Semi-Annually	May, November
iShares MSCI Europe SRI UCITS ETF	Quarterly	Feb, May, August, November
iShares MSCI Europe UCITS ETF EUR (Dist)	Quarterly	Feb, May, August, November
iShares MSCI Turkey UCITS ETF	Semi-Annually	May, November
iShares MSCI USA Dividend IQ UCITS ETF	Semi-Annually	May, November
iShares MSCI USA Islamic UCITS ETF	Semi-Annually	May, November
iShares MSCI World Islamic UCITS ETF	Semi-Annually	May, November
iShares STOXX Europe 50 UCITS ETF	Quarterly	Feb, May, August, November
iShares UK Property UCITS ETF	Quarterly	Feb, May, August, November
iShares US Aggregate Bond UCITS ETF	Semi-Annually	May, November
iShares US Property Yield UCITS ETF	Quarterly	Feb, May, August, November

Full details of any change to the dividend policy will be provided in an updated Prospectus or Supplement and a Shareholder notice will be issued in advance.

Any dividend which has remained unclaimed for twelve years from the date of its declaration shall be forfeited and cease to remain owing by the Company and become the property of the relevant Fund.

Dividends for Distributing Share Classes will be declared in the Valuation Currency of the relevant Share Class. Investors who wish to receive dividend payments in a currency other than the Base Currency or Valuation Currency should arrange this with the relevant International Central Securities Depository (subject to this option being made available by the relevant International Central Securities Depository). Any foreign exchange conversions of dividend payments are not the responsibility of the Company and are at the cost and risk of the investors.

#### **Purification of Dividends**

Investors in the Shari'ah Funds are responsible for ensuring the purification of dividends received from such Funds where such dividends have accrued prohibited income (e.g. interest earnings). Investors shall be notified on the dividend declaration date of the percentages of prohibited income in any dividend to be paid to them and which will require purification. Pure and impure dividend amounts reported to investors will be based on MSCI's calculation to ensure consistency with the Benchmark Index. Neither the Shari'ah Funds, the Manager nor the Investment Manager is responsible for MSCI's calculation of the pure and impure dividend amounts.

### **GENUINE DIVERSITY OF OWNERSHIP CONDITION**

Shares in each of the Funds shall be widely available. The intended categories of investors for the Funds are those directly investing through the Primary Market creation mechanism as set out in this Prospectus or indirectly by investment through recognised exchanges on which the Funds' Shares are listed or through OTC transactions. Shares in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

## **MANAGEMENT OF THE COMPANY**

#### **The Board of Directors**

The Directors control the affairs of the Company and are responsible for the overall investment policy which will be determined by them and provided to the Manager. The Directors have delegated certain duties and responsibilities to the Manager with regards to the day-to-day management of the Company. The Manager has delegated certain of these responsibilities to the Investment Manager and the Administrator.

The Directors are all non-executive directors of the Company and their address is the registered office of the Company. The Board of Directors of the Company is as follows:

**Paul McNaughton** (*Chairman*) (*Irish*): Mr McNaughton has over 25 years' experience in the Banking/Finance, Fund Management & Securities Processing Industries. In addition Mr McNaughton spent 10 years with IDA (Ireland) both in Dublin and in the USA marketing Ireland as a location for multinational investment. He went on to establish Bank of Ireland's IFSC Fund's business before joining Deutsche Bank to establish their funds

business in Ireland. He was overall Head of Deutsche Bank's Offshore Funds business, including their hedge fund administration businesses primarily based in Dublin and the Cayman Islands, before assuming the role of Global Head of Deutsche's Fund Servicing business worldwide with operations in Dublin, London, Edinburgh, Jersey, Frankfurt, Singapore, New York, and Baltimore. Mr McNaughton left Deutsche Bank in August 2004 after leading the sale of Deutsche's Global Custody and Funds businesses to State Street Bank and now acts as an advisor and non-executive director for several investment companies and other financial entities in Ireland including several alternative/hedge fund entities. Mr McNaughton holds an Honours Economics Degree from Trinity College Dublin. He was the founding Chairman of the Irish Funds Industry Association ("IFIA") and a member of the Irish Government Task Force on Mutual Fund Administration. He was instrumental in the growth of the funds business in Ireland both for traditional and alternative asset classes.

**Paul McGowan (Irish):** Mr McGowan was a financial services tax partner in KPMG (Ireland) for more than 25 years and was Global Head of Financial Services Tax for KPMG (International). He is a former Chairman of the Irish Funds Industry Association and the IFSC Funds Working Group. He currently holds a number of non-executive directorships including Chairman of AEGON Ireland Plc and Coronation Capital Ltd and is a Director of [The names of collective investments schemes which are not approved for distribution to non qualified investors in or from Switzerland have been deleted]. He was appointed to the EU Arbitration Panel on transfer pricing by the Irish Government. Mr McGowan is a Fellow of the Institute of Chartered Accountants in Ireland and holds a business studies degree from Trinity College Dublin and a Diploma in Corporate Financial Management from Harvard Business School.

**Barry O'Dwyer (Irish):** Mr O'Dwyer is a managing director of BlackRock and is responsible for oversight of Corporate Governance for BlackRock's European open-ended fund range. He is the Chief Operating Officer for BlackRock's Irish business and serves as a Director on a number of BlackRock corporate, fund, and management companies in Ireland, Luxembourg, and Germany and on BlackRock's UK Life company. He is a governing council member of the Irish Funds Industry Association and a Board Director of Financial Services Ireland. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from City University Business School.

**Teresa O'Flynn (Irish):** Ms O'Flynn is a managing director who joined BlackRock in 2011 to establish the Renewable Power Infrastructure business, playing a leading role in the successful integration, fundraising for and overall development of the platform. As a senior director on the EMEA investment team, she is responsible for originating and executing investment opportunities in addition to ongoing portfolio management of fund investments. Ms. O'Flynn sits on the Global Renewable Power Group's Management and Leadership committees and is involved in setting and implementing the strategy for Renewable Power and Infrastructure more broadly. Prior to joining BlackRock in 2011, Ms. O'Flynn spent eight years as a senior transaction executive both at NTR and its subsidiary companies, where she led over \$2.5billion in US and European renewable energy transactions. Ms. O'Flynn worked extensively with NTR's wind portfolio companies and her responsibilities included business and strategic planning, corporate equity fundraising, turbine procurement, power purchase agreement negotiation and power project acquisition. Ms. O'Flynn was also a senior member of the Airtricity North American Management Team, leading the Project Finance team in originating, structuring and negotiating over \$1.5 billion of debt and tax equity transactions. Prior to joining Airtricity in 2004, Ms. O'Flynn was a tax manager with KPMG, Dublin where she advised domestic and multinational clients across a range of industries including manufacturing, pharmaceuticals, petroleum and gas, aircraft leasing, and bloodstock. Ms. O'Flynn began her career at Arthur Andersen in 1998. Ms. O'Flynn earned a BComm Degree, with first class honors and distinction, from University College Galway, Ireland in 1998. She is also a qualified Chartered Accountant (ACA), Tax Consultant (AITI) and a member of the Irish Taxation Institute.

**Karen Prooth (British):** Ms Prooth is a managing director at BlackRock and is the Chief Operating Officer ("COO") of iShares in EMEA, BlackRock's Exchange Traded Funds (ETF) business. She has over twenty years' experience in the asset management industry. Ms Prooth joined Barclays Global Investors ("BGI" now Blackrock) in 2007. Prior to joining BGI, Ms Prooth spent 17 years at JP Morgan Asset Management ("JP Morgan") where she was a managing director in a number of roles including COO of the International Equity and Balanced business and Head of Risk for EMEA. She was also a Trustee Director of the JP Morgan Chase Pension Plan and a member of the Pension Plan Investment Committee. Prior to her time at JP Morgan, she was a quantitative analyst at Prudential Portfolio Managers. Ms Prooth graduated from the University of Leeds with first class honours in Mathematics and Operational Research in 1986.

### **The Manager**

The Company has appointed BlackRock Asset Management Ireland Limited as its manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and the distribution of the Shares, subject to the overall supervision and control of the Directors.

The Remuneration Policy of the Manager sets out the policies and practices that are consistent with and promote sound and effective risk management. It includes a description as to how remuneration and benefits are calculated and identifies those individuals responsible for awarding remuneration and benefits including the composition of the remuneration committee, should one be established. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company and does not impair

compliance with the Manager's duty to act in the best interest of the investors of the Company. The Remuneration Policy includes fixed and variable components of salaries and discretionary pension benefits. The Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profile of the Company. The Remuneration Policy is available on the individual Fund pages at [www.blackrock.com](http://www.blackrock.com) (select the relevant Fund in the "Product" section and then select "All Documents") or a paper copy is available upon request and free of charge from the registered office of the Manager.

The board of directors of the Manager is as follows:

**William Roberts** (*Chairman*), (*British nationality, Irish resident*): Mr Roberts was admitted as a lawyer in Scotland, Hong Kong, Bermuda and the Cayman Islands. From 1990 to 1999, he was Senior Assistant (1990-1994) and then Partner (1994-1999) with W.S. Walker & Company where he concentrated on collective investment vehicle formation and provided ongoing vehicle advice with particular focus on hedge and private equity funds. From 1996 to 1999 he served as a director of the Cayman Islands Stock Exchange. Between 1998 and 2000, he was Secretary to the International Bar Associations' sub-committee on specialised investment funds. Currently Mr Roberts serves as a director to a number of investment companies and investment management companies domiciled in Ireland and the Cayman Islands.

**Graham Bamping** (*British*): Mr Bamping currently serves as Non-Executive Director on the boards of BlackRock UCITS/Non-UCITS and AIF management companies, with more than 13 years' experience in such roles. Until the end of 2015, Mr Bamping was a Managing Director of BlackRock and a member of its EMEA Regional Executive team. In addition to his role as a Director on management company boards, he served as chairman / member of several BlackRock internal governance committees. Until June 2012, he served as the Retail Investment Director for BlackRock EMEA, establishing and monitoring investment expectations for all BlackRock's Retail Funds in the EMEA region. Mr Bamping serves as Chairman of the BlackRock Fund Managers Ltd board in the UK and as a Director of BlackRock Investment Management Ireland Ltd, BlackRock (Luxembourg) SA, BlackRock Fund Management Company SA and BlackRock Channel Islands Ltd, each of which has responsibility as management company for either UCITS/Non-UCITS/AIFM mutual funds, or a combination of such fund types. Mr Bamping has over 37 years' investment experience. His service with BlackRock dated back to 1999, including his years with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006. He joined MLIM as Director of Investment Communications, and assumed the role of Retail Investment Director in December 2001. Prior to joining MLIM, his career spanned more than 20 years at Morgan Grenfell Asset Management (Deutsche Asset Management). Over this period, his responsibilities covered a number of areas, including equity portfolio management, client relationship development, sales, marketing and product development. Mr Bamping has extensive experience of international mutual funds, not only as a portfolio manager, but also in various business management, product development and marketing/sales roles. Mr Bamping holds an MA in Economics from Cambridge University.

**Paul Freeman** (*British*): Mr Freeman currently serves as a director on the boards of a number of BlackRock Group companies and investment funds. He was until December 2015 a Managing Director of BlackRock, which he had joined in August 2005 (which then was Merrill Lynch Investment Managers). Up until July 2011 Mr Freeman was the Head of Product Development and Range Management for the EMEA region with responsibility for the development and ongoing product management of all funds domiciled in EMEA and distributed on a cross-border basis by BlackRock. Between July 2011 and December 2015 Mr Freeman worked closely with BlackRock's Government affairs team and served on various internal governance committees and on the boards of a number of group subsidiaries and managed funds. Mr Freeman has worked in the financial services industry for over 35 years and, prior to BlackRock, has held senior management positions at Schroders, Rothschild Asset Management, Henderson Investors and GT Management (now part of Invesco). Mr Freeman is a Chartered Accountant.

**Justin Mealy** (*Irish*): Mr. Mealy is the Investment Director for the Manager with responsibility for the day-to-day oversight, monitoring and control of investment policy, strategies and performance of funds domiciled within Ireland. Before joining BlackRock, Mr. Mealy was Managing Director at Geneva Trading in Dublin for 8 years where, as Global Head of Risk and Head of European Offices, he was responsible for the risk and performance management of the firm's trading groups at locations in Europe, North America and Asia, engaged in a variety of strategies across major asset classes. Mr. Mealy is a graduate of Business & Law at University College Dublin, 1997.

**Desmond Murray** (*Irish*): Mr Murray is a company Director and business consultant based in Dublin. Mr Murray was educated at University College, Dublin, graduating with a Bachelor of Commerce degree in 1976. He is a Fellow of the Irish Institute of Chartered Accountants and the Hong Kong Society of Accountants. Mr Murray was an Audit Partner in PricewaterhouseCoopers Hong Kong from 1987 until June 2000, initially specialising in Financial Services, and he was the lead Partner of the firm's Internal Audit and Corporate Governance practice until the same date. Mr Murray previously worked with Price Waterhouse in Dublin from 1976 to 1984. Mr Murray is a Director of a number of other investment funds domiciled in Ireland and the Cayman Islands. He is also a Director of a number of Irish domiciled companies and one Hong Kong listed company in which he acts as chairman of their audit committees and as an independent non-executive Director.

**Barry O'Dwyer (Irish):** Mr O'Dwyer is a managing director of BlackRock and is responsible for oversight of Corporate Governance for BlackRock's European open-ended fund range. He is the Chief Operating Officer for BlackRock's Irish business and serves as a Director on a number of BlackRock corporate, fund, and management companies in Ireland, Luxembourg, and Germany and on BlackRock's UK Life company. He is a governing council member of the Irish Funds Industry Association and a Board Director of Financial Services Ireland. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from City University Business School.

**Adele Spillane (Irish):** Ms Spillane is a Managing Director at BlackRock. She is a member of BlackRock's Institutional Client Business and is Head of BlackRock's Irish Institutional business. Ms. Spillane's service with the firm dates back to 1995, including her years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. Prior to her current role she worked as a senior client director in the Strategic Accounts team for the UK Institutional Business, where she had overall responsibility for 20 large institutional UK Pension Schemes with total scheme assets ranging from £500 million to £5 billion. Before that, she was in the Large Institutional Client team, also as a client director, which she joined in 2004. Prior to her client director role, Ms. Spillane was the head of the Pooled Funds Group in the UK. Ms. Spillane worked within the Client Relationship Group in BGI's San Francisco office. In 1999 she formed and headed up the BGI US ClientConnect Team. Ms. Spillane earned a degree, with honours, in commerce from University College Dublin in 1993. She is a CFA charterholder and holds the Investment Management Certificate.

The Manager has delegated the performance of the investment management functions in respect of the Company to BlackRock Advisors (UK) Limited, the administrative functions, transfer agency and registrar services to State Street Fund Services (Ireland) Limited.

The Manager is a private company limited by shares and was incorporated in Ireland on 19 January 1995. It is ultimately a wholly owned subsidiary of BlackRock, Inc.. The Manager has an authorised share capital of Stg£1 million and an issued and fully paid up share capital of Stg£125,000. The Manager's main business is the provision of fund management and administration services to collective investment schemes such as the Company. The Manager is also the manager of a number of other funds including: iShares plc, iShares III plc, iShares IV plc, iShares V plc, iShares VI plc, iShares VII plc, Institutional Cash Series plc, BlackRock Index Selection Fund, BlackRock Fixed Income Dublin Funds plc, [The names of collective investments schemes which are not approved for distribution to non qualified investors in or from Switzerland have been deleted].

Under the terms of the Management Agreement between the Company and the Manager, in the absence of breach of contract, fraud, bad faith, wilful misconduct or negligence in the performance by the Manager of its obligations, the Manager will not be under any liability to the Company or any investor in the Company on account of anything done or suffered by the Manager in pursuance of rendering the services under the agreement or any request or advice of the Company. The Management Agreement may be terminated by either party giving to the other not less than one hundred and eighty days' notice in writing, although in certain circumstances, the agreement can be terminated forthwith by notice in writing by the Company or the Manager to the other.

The secretary of the Manager is Sanne.

### **The Investment Manager**

The Manager has delegated responsibility for the investment and re-investment of the Company's assets to BlackRock Advisors (UK) Limited pursuant to the Investment Management Agreement. The Investment Manager is also the promoter and sponsor of the Company.

The Investment Manager will be responsible to the Manager and the Company with regard to the investment management of the assets of the Funds in accordance with the investment objectives and policies described in the Prospectus (as it may be amended or supplemented from time to time) subject always to the supervision and direction of the Directors. The Investment Manager may delegate responsibility for all or part of the day-to-day conduct of its trading activity in respect of any Fund to an Affiliate. The Investment Manager (subject to prior consent of the Manager and the Central Bank) also has the discretion to delegate the investment decision making to other investment managers (which may be Affiliates) provided such investments are made in accordance with the investment objectives and policies described in this Prospectus. The Investment Manager will discharge the fees and expenses of any such investment managers. Information relating to any other investment managers to whom the investment decision making may be delegated will be provided to holders of Shares on request and details of any such investment managers will be disclosed in the Company's annual reports and audited financial statements and semi-annual reports and unaudited financial statements.

The Investment Manager is a subsidiary of BlackRock, Inc. The Investment Manager as investment manager is regulated by the Financial Conduct Authority to carry on regulated activities in the UK and is subject to the rules of the Financial Conduct Authority. The Investment Manager was incorporated under the laws of England and Wales on 18 March 1964. As of 30 June 2016, the BlackRock Group had US\$4.89 trillion of assets under management and is represented in 27 countries.

Under the terms of the Investment Management Agreement, in the absence of fraud, bad faith, wilful default or negligence on the part of the Investment Manager, the Investment Manager will not be liable for any loss sustained by reason of the adoption of any investment policy as set out in the Prospectus or the purchase, sale or retention of any security on the recommendation of the Investment Manager. The Investment Management Agreement may be terminated by either party giving to the other not less than one hundred and eighty days' notice in writing or immediately by either party for the following reasons:

- in the event that the other party goes into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the first mentioned party) or is unable to pay its debts or commits an act of bankruptcy or a receiver is appointed over the assets of the other party or some event having equivalent effect occurs;
- an examiner, administrator or similar person is appointed to the other party;
- the other party commits a material breach of the agreement and fails to remedy a breach of the agreement (if capable of remedy) within thirty days of being requested to do so; or
- the Investment Manager ceases to be permitted to act as such under any applicable laws or regulations.

### **The Securities Lending Agent**

The Investment Manager may be appointed as the lending agent of the Funds of the Company under the terms of a written agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Funds' securities lending activities and is entitled to receive a fee which is in addition to its fee as investment manager. The income earned from securities lending will be allocated between the Funds of the Company and the Investment Manager and paid on a percentage basis to the Investment Manager at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Funds of the Company, including fees paid, will be included in the Company's annual reports and audited financial statements and semi-annual reports and unaudited financial statements. The Manager will, at least annually, review the securities lending arrangements and associated costs.

### **The Administrator**

The Manager has delegated its responsibilities as administrator, registrar and transfer agent to State Street Fund Services (Ireland) Limited pursuant to the Administration Agreement. The Administrator will have the responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value, processing Account Opening Forms and dealing requests from the Primary Market and preparation of the accounts of the Company, subject to the overall supervision of the Directors and the Manager.

The Administrator is a limited liability company incorporated in Ireland on 23 March, 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of the Administrator is Stg£5,000,000 with an issued and paid up capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by the Manager, giving to the Administrator not less than 6 months' written notice or the Administrator giving to the Manager not less than 12 months' notice (which shall not take effect until 7 years following such commencement date as agreed between the parties), although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The agreement also provides for certain indemnities in favour of the Administrator otherwise than due to the fraud, bad faith, breach of contract, breach of applicable law, negligence, recklessness or wilful default of the Administrator or its directors, officers, employees, delegates, agents or subcontractors, in the performance of its obligations under the agreement.

### **The Paying Agent**

The Manager has appointed a Paying Agent for Shares in the Funds. In such capacity, the Paying Agent will be responsible for, among other things, ensuring that payments received by the Paying Agent from the Company are duly paid; maintaining independent records of securities, dividend payment amounts; and communicating information to the relevant International Central Securities Depository. Payment in respect of the Shares will be made through the relevant International Central Securities Depository in accordance with the standard practices of the applicable International Central Securities Depository. The Manager may vary or terminate the appointment of the Paying Agent or appoint additional or other registrars or paying agents or approve any change in the office through which any registrar or paying agent acts. Citibank N.A., London Branch is currently appointed by the Manager as Paying Agent.

### **The Depository**

The Company has appointed State Street Custodial Services (Ireland) Limited as depository of its assets pursuant to the Depository Agreement. The Depository provides safe custody of the Company's assets pursuant to the Regulations.



The Depositary is a limited liability company incorporated in Ireland on 22 May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. As at 30 June 2012 the Depositary held funds under custody in excess of US\$384 billion. The Depositary is a subsidiary of State Street Bank and Trust Company ("SSBT") and the liabilities of the Depositary are guaranteed by SSBT. The Depositary, SSBT and the Administrator are ultimately owned by State Street Corporation. The Depositary's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

#### The Duties of the Depositary

The Depositary acts as the depositary of the Funds for the purposes of the Regulations and, in doing so, shall comply with the provisions of the Regulations. In this capacity, the Depositary's duties include, amongst others, the following:

- ensuring that each Fund's cash flows are properly monitored, and that all payments made by or on behalf of investors upon the subscription of Shares of the Funds have been received;
- safekeeping the assets of the Funds, which includes (a) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verifying the ownership by the Company of such assets and the maintenance of a record accordingly (the "Safekeeping Function");
- ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares of each Fund are carried out in accordance with the Regulations and the Articles;
- ensuring that the value of the Shares of each Fund is calculated in accordance with the Regulations and the Articles;
- carrying out the instructions of the Manager and the Company unless such instructions conflict with the Regulations or the Articles;
- ensuring that in transactions involving each Fund's assets any consideration is remitted to the relevant Fund within the usual time limits; and
- ensuring that the Funds' income is applied in accordance with the Regulations and the Articles.

Apart from cash (which shall be held and maintained in accordance with the terms of the Regulations), all other assets of the Funds shall be segregated from the assets of the Depositary, its sub-custodians and from assets held as a fiduciary, custodian or otherwise by the Depositary or sub-custodians or both for other customers. The Depositary shall maintain its records which relate to the assets attributable to each Fund so as to ensure that it is readily apparent that the assets are held solely on behalf of and belong to the Fund and do not belong to the Depositary or any of its affiliates, sub-custodians or delegates or any of their affiliates.

The Depositary has appointed its parent company, SSBT, as its global sub-custodian ("Global Depositary") in respect of the performance of its Safekeeping Function. The Global Depositary has in turn entered into sub-custody agreements delegating the performance of its Safekeeping Function in certain agreed markets to the sub-custodians as set out in Schedule VI. The liability of the Depositary will not be affected by the fact that it has entrusted the Safekeeping Function to a third party.

The Depositary must ensure that the sub-custodians:

- have adequate structures and expertise;
- in circumstances where custody of financial instruments is delegated to them, are subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction concerned, as well as an external periodic audit to ensure that the financial instruments are in their possession;
- segregate the assets of the Depositary's clients from their own assets and assets of the Depositary in such a way that such assets can, at any time, be clearly identified as belonging to the Depositary's clients;
- ensure that in the event of their insolvency, assets of the Company held by the sub-custodians are unavailable for distribution among, or realisation for the benefit of, creditors of the sub-custodians; and
- are appointed by way of a written contract and comply with the general obligations and prohibitions in relation to the Safekeeping Function, reuse of assets and conflicts of interest.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and no local entities are subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, the Company may instruct the Depositary to delegate its functions to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the aforementioned regulation, capital and supervision requirements. In the event that custody is delegated to such local entities, prior Shareholder notice will be provided advising of the risks involved in such delegation.

Please refer to the section of this Prospectus entitled 'Conflicts of Interest' for details of potential conflicts that may arise involving the Depositary.

The Depositary must ensure that the assets of the Funds held in custody by the Depositary shall not be reused by the Depositary, or by any third party to whom the custody function has been delegated, for their own account. Reuse comprises any transaction of assets of the Funds held in custody including, but not limited to, transferring, pledging, selling and lending. Reuse of the assets of a Fund held in custody is only allowed where:

- the reuse of the assets is carried out for the account of the Fund;
- the Depositary is carrying out the instructions of the Manager on behalf of the Fund;
- the reuse is for the benefit of the Fund and the interest of the investors in the Fund; and
- the transaction is covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of the reused assets plus a premium.

The Depositary is liable to the Funds for the loss of financial instruments of the Funds which are held in custody as part of the Depositary's Safekeeping Function (irrespective of whether or not the Depositary has delegated its Safekeeping Function in respect of such financial instruments) unless it can prove that the loss of financial instruments held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability only applies to assets capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian and assets capable of being physically delivered to the Depositary. The Depositary shall also be liable to the Funds for all other losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations.

The Depositary Agreement provides that the Company will be liable to the Depositary for any losses that may be imposed on, suffered by or asserted against the Depositary in connection with or arising out of the Depositary's proper performance of its obligations and that the Company will indemnify the Depositary against, and hold it harmless from, any losses arising from third party claims that may be suffered by or asserted against the Depositary in connection with or arising out of the Depositary's proper performance of its obligations.

Under the Depositary Agreement, the Company has also provided a power of sale under relevant Irish legislation to the Depositary in the event that the Company fails to pay or discharge any of its obligations to repay the Depositary and its affiliates for credit facilities, including contractual settlement, made available to the Company by the Depositary or its affiliates. Prior to exercising such security interest, the Depositary must provide at least 3 working days' prior notice to the Company and the Manager, save that the Depositary shall not be required to provide the notice detailed above or delay exercising its power of sale if the Depositary in its discretion (acting reasonably) considers that to do so would materially prejudice its ability to obtain payment in full. In such circumstances, the Depositary shall only be required to give such prior notice as is reasonably practicable. The Depositary Agreement also provides that the Depositary has a contractual right of set-off to cover any outstanding fees which may be owed to the Depositary. This right may be exercised by the Depositary only against the property of the relevant Fund in relation to which the default on the payment obligation occurred.

The Depositary Agreement provides that the appointment of the Depositary may be terminated by the Company giving to the Depositary 6 months' notice (or such shorter period as the Depositary may agree to accept) or the Depositary giving to the Company 12 months' notice (or such shorter period as the Company may agree to accept) (which shall not take effect until 7 years following such commencement date as agreed between the parties), although in certain circumstances, the agreement can be terminated forthwith by notice in writing by the Company or Depositary to the other parties.

Up-to-date information regarding the Depositary including the duties of the Depositary, the delegation arrangements and any conflicts of interest that may arise shall be made available to investors upon request to the Manager.

## **CURRENCY HEDGING**

State Street Europe Limited has been appointed by the Investment Manager to provide currency hedging services for the Currency Hedged Fund and all the Currency Hedged Share Classes pursuant to the Currency Hedging Agreement. State Street Europe Limited will be responsible for carrying out foreign exchange transactions for the Currency Hedged Fund and the Currency Hedged Share Classes according to guidelines determined by the Investment Manager. State Street Europe Limited will employ a hedging methodology which reflects the methodology of the relevant Funds and Share Classes (see "The Benchmark Indices" and "Investment Techniques" above).

State Street Europe Limited is a limited liability company incorporated in England on 1 August 1997 and is ultimately a wholly-owned subsidiary of the State Street Corporation.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

## **CONFLICTS OF INTEREST**

### **General**

Due to the widespread operations undertaken by the Directors, the Manager, the Depositary and the delegates or sub-delegates of the Manager or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and the associated or group companies of the Manager, the Depositary or such delegates or sub-delegates (each an "Interested Party") conflicts of interest may arise. Subject to the provisions below the Interested Parties may effect transactions where those conflicts arise and shall not (subject as below) be liable to account for any profit, commission or other remuneration arising.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

In addition, the following conflicts of interest may arise.

- (i) An Interested Party may acquire or dispose of any Investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company.
  - (ii) An Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm's length basis and such Investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the holders of Shares.
  - (iii) An Interested Party may deal with the Company as principal or as agent, provided that:-
    - A. there is obtained a certified valuation of the transaction by a person approved by the Depositary (or the Directors in the case of a transaction with the Depositary) as independent and competent; or
    - B. the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
    - C. where A and B are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction with the Depositary) is satisfied conforms with the principle that the transaction is in the best interest of the holders of Shares and is carried out as if effected on normal commercial terms negotiated at arm's length.
  - (iv) Certain of the Directors of the Company are or may in the future be connected with BlackRock, Inc. and its affiliates. For the avoidance of doubt, the Directors shall not be liable to account to the Company in respect of such conflict for example as a result of receiving remuneration as directors or employees of the Investment Manager.
- The Investment Manager's fee is based on a percentage of the Net Asset Value of each Fund. The Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to a Fund's Investments. This may result in a conflict of interest as the Investment Manager's fee will increase as the value of the Funds increase.
  - The Administrator's fee is based on a percentage of the Net Asset Value of each Fund. The Administrator may provide valuation services to the Company in relation to Investments. This may result in a conflict of interest as the Administrator's fee will increase as the Net Asset Value of a Fund increases.
  - The Company may invest in other collective investment schemes (which may be operated and/or managed by an Interested Party). Where a commission is received by the Investment Manager by virtue of an investment by the Company in the units/shares of any collective investment scheme, such commission will be paid into the property of the relevant Fund.
  - The Company may purchase or hold an Investment the issuer of which is an Interested Party or where an Interested Party is its adviser or banker.
  - The Investment Manager may earn additional fees for acting as lending agent in the form of a percentage of gross lending revenue (commonly referred to as a "fee split"). The Investment Manager is responsible for all transactional costs related to securities lending. The net lending fee income is detailed in the Company's financial statements.

## **Depositary**

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with a Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- may provide the same or similar services to other clients including competitors of the Company;
- may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate of the Depositary being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Manager may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request.

#### **Relationships within the BlackRock Group and with the PNC Group**

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA. PNC Bank N.A. is a substantial shareholder in BlackRock, Inc..

Subject to any policies established by the Manager, when arranging investment transactions for the Funds, the Investment Manager will seek to obtain the best net results for the Funds, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm involved and the firm's risk in positioning a block of securities. Therefore, whilst the Investment Manager generally seeks reasonably competitive commission rates, the Funds do not necessarily pay the lowest commission or spread available. In a number of developing markets, commissions are fixed pursuant to local law or regulation and, therefore, are not subject to negotiation.

When arranging transactions in securities for the Funds, companies in the PNC Group may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom. Commissions will be paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts or cash commissions rebates provided by brokers or agents will be passed on to the Funds. The services of the PNC Group companies may be used by the Investment Manager where it is considered appropriate to do so provided that (a) their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and (b) this is consistent with the above policy of obtaining best net results. Consistent with the above policies, it is anticipated that a proportion of the Funds' investment transactions will be executed through the PNC Group broker dealers and that they will be amongst a relatively small group of global firms which may each be assigned a larger proportion of transactions than the proportion assigned to any other firm.

Subject to the foregoing, and to any restrictions adopted by the Manager or set forth in the Memorandum and Articles, the Investment Manager and any other BlackRock Group company or PNC Group company, and any directors of the foregoing, may (a) have an interest in the Company or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their respective duties to the Manager, and (b) deal with or otherwise use the services of the PNC Group companies, the Investment Manager or any other BlackRock Group company in connection with the performance of such duties; and none of them will be liable to account for any profit or remuneration derived from so doing.

For example, such potential conflicts may arise because the relevant BlackRock Group company or PNC Group company:

- (a) undertakes business for other clients;

- (b) has directors or employees who are directors of, hold or deal in securities of, or are otherwise interested in, any company the securities of which are held by or dealt in on behalf of a Fund;
- (c) may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a Fund in relation to a transaction in investment;
- (d) may act as agent for a Fund in relation to transactions in which it is also acting as agent for the account of other clients of itself;
- (e) may deal in Investments and/or currencies as principal with a Fund or any of a Fund's holders of Shares;
- (f) transacts in units or shares of a collective investment scheme or any company of which any BlackRock Group company or PNC Group company is the manager, operator, banker, adviser or trustee; and/or
- (g) may effect transactions for a Fund involving placings and/or new issues with another of its group companies which may be acting as principal or receiving agent's commission.

As described above, securities may be held by, or be an appropriate Investment for, a Fund as well as by or for other clients of the Investment Manager or other BlackRock Group companies. Because of different objectives or other factors, a particular security may be bought for one or more such clients, when other clients are selling the same security. If purchases or sales of securities for a Fund or such clients arise for consideration at or about the same time, such transactions will be made, insofar as feasible, for the relevant clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of securities for one or more BlackRock Group clients have an adverse effect on other BlackRock Group clients.

Establishing, holding or unwinding opposite positions (i.e. long and short) in the same security at the same time for different clients may prejudice the interests of clients on one side or the other and may pose a conflict of interest for BlackRock Group as well, particularly if BlackRock Group or the portfolio managers involved may earn higher compensation from one activity than from the other. This activity may occur as a result of different portfolio management teams taking different views of a particular security or in the course of implementing risk management strategies, and special policies and procedures are not generally utilised in these situations.

This activity may also occur within the same portfolio management team as a result of the team having both long only mandates and long-short or short only mandates or in the course of implementing risk management strategies. Where the same portfolio management team has such mandates, shorting a security in some portfolios that is held long in other portfolios or establishing a long position in a security in some portfolios that is held short in other portfolios may be done only in accordance with established policies and procedures designed to ensure the presence of an appropriate fiduciary rationale and to achieve execution of opposing transactions in a manner that does not systematically advantage or disadvantage any particular set of clients. BlackRock Group's compliance group monitors compliance with these policies and procedures and may require modification or termination of certain activities to minimise conflicts. Exceptions to these policies and procedures must be approved by the compliance group.

Among the fiduciary rationales that may justify taking opposite positions in the same security at the same time would be differing views as to the short-term and long-term performance of a security, as a result of which it may be inappropriate for long only accounts to sell the security but may be appropriate for short-term oriented accounts that have a shorting mandate to short the security over the near term. Another rationale may be to seek to neutralise the effect of the performance of a particular segment of one company's business by taking the opposite position in another company whose business is substantially similar to that of the segment in question.

In certain cases BlackRock Group's efforts to effectively manage these conflicts may result in a loss of investment opportunity for its clients or may cause it to trade in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.

With respect to the Funds (or portion of a Fund) for which they provide investment management and advice, companies within the BlackRock Group may select brokers (including, without limitation, brokers who are affiliated with BlackRock Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in BlackRock Group's view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the Funds' performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions were used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that the BlackRock Group uses its clients' commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

Each BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process. Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that BlackRock Group company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

The investment activities of the BlackRock Group for its own account and for other accounts managed by it or by a PNC Group company may limit the investment strategies that can be conducted on behalf of the Funds by the Manager and/or Investment Manager as a result of aggregation limits. For example, the definition of corporate and regulatory ownership of regulated industries in certain markets may impose limits on the aggregate amount of investment by affiliated investors that may not be exceeded. Exceeding these limits without the grant of a license or other regulatory or corporate consent may cause the BlackRock Group and the Funds to suffer disadvantages or business restrictions. If such aggregate ownership limits are reached, the ability of the Funds to purchase or dispose of Investments or exercise rights may be restricted by regulation or otherwise impaired. As a result the Manager and/or Investment Manager on behalf of the Funds may limit purchases, sell existing Investments or otherwise restrict or limit the exercise of rights (including voting rights) in light of potential regulatory restrictions on ownership or other restriction resulting from reaching investment thresholds. As a consequence, a Fund's ability to provide returns which reflect the performance of the relevant Benchmark Index may be affected.

BlackRock or its Affiliates own or have an ownership interest in certain trading, portfolio management, operations and/or information systems used by Fund service providers. These systems are, or may be, used by a Fund service provider in connection with the provision of services to accounts managed by BlackRock and funds managed and sponsored by BlackRock, including the Funds, that engage the service provider (typically the Depository). A Fund's service provider remunerates BlackRock or its Affiliates for the use of the systems. A Fund service provider's payments to BlackRock or its Affiliates for the use of these systems may enhance the profitability of BlackRock and its Affiliates. BlackRock's or its Affiliates' receipt of fees from a service provider in connection with the use of systems provided by BlackRock or its Affiliates may create an incentive for BlackRock to recommend that a Fund enter into or renew an arrangement with the service provider.

BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to BlackRock Group clients, to the extent permitted by applicable law.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

## STATUTORY AND GENERAL INFORMATION

- **Authorised share capital**

On incorporation the authorised share capital of the Company was Stg£40,000 divided into 40,000 Subscriber Shares of a par value of Stg£1 each and 500,000,000,000 Shares of no par value. There are 7 Subscriber Shares currently in issue which are held by the Manager and nominees of the Manager. All Subscriber Shares were issued for cash at par value. The Subscriber Shares do not form part of the share capital of any Fund of the Company.

These Subscriber Shares may be repurchased by the Company at any time. The repurchase price will be Stg£1 per Subscriber Share.

- To the best of the Directors' knowledge and belief, as of the date of this Prospectus, no capital of the Company is under option or is agreed, conditionally or unconditionally to be put under option.
- Neither the Subscriber Shares nor the Shares carry pre-emption rights.

- **Share Rights**

- Subscriber Shares

The holders of the Subscriber Shares shall:

- (i) on a poll, be entitled to one vote per Subscriber Share;
- (ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and

(iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

- **Shares**

The holders of Shares shall:

- (i) on a poll, be entitled to one vote per whole Share;
- (ii) be entitled to such dividends as the Directors may from time to time declare; and
- (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

Please see the section entitled "General Information on Dealings in the Company" for information on exercising voting rights by investors in the Funds.

- **Voting Rights**

This is dealt with under the rights attaching to the Subscriber Shares and Shares respectively referred to at 2 above. Shareholders (i.e. investors who have their names entered on the share register) who are individuals may attend and vote at general meetings in person or by proxy. Shareholders (i.e. investors who have their names entered on the share register) who are corporations may attend and vote at general meetings by appointing a representative or by proxy. Investors who hold Shares through a broker/dealer/other intermediary, who are not entered on the register, for example for clearing purposes, may not be entitled to vote at general meetings. This will depend upon the arrangements agreed with the relevant broker/dealer/other intermediary.

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a poll every such holder of Shares present in person or by proxy shall have one vote for every Share held.

To be passed, ordinary resolutions of the Company in general meeting will require a simple majority of the votes cast by the holders of Shares voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the holders of Shares present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

Please see the section entitled "General Information on Dealings in the Company" for information on exercising voting rights by investors in the Funds.

- **Meetings and Votes of Shareholders**

Shareholders (i.e. investors who have their names entered on the share register of the Company) will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will be held in Ireland normally within six months of the end of each financial year of the Company. Notices convening each annual general meeting will be sent to registered shareholders together with the annual report and audited financial statements not less than twenty-one days before the date fixed for the meeting.

Please see the section entitled "General Information on Dealings in the Company" for information on delivery of notices and exercising voting rights by investors in the Funds.

- **Accounts and Information**

The Company's accounting period will end on 31 October in each year.

The Company will prepare an annual report and audited financial statements for the year ending on 31 October in each year. The annual report and audited financial statements will be published within four months following the year end date. In addition, the Company will prepare a semi-annual report and unaudited financial statements (made up to 30 April) and this will be published within two months following this period end. The Company will supply copies of the annual reports and semi-annual reports to holders of Shares free of charge on request.

Copies of this Prospectus, the Supplements (if any) and annual and semi-annual reports of the Company may be obtained from the Administrator at the address given under "Directory".

- **Distribution of assets on a liquidation**

- (a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Act, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:-
  - (i) firstly, in the payment to the holders of the Shares of each class of each Fund a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not (save as provided in the Act) to the assets comprised within any of the Funds;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the holders of each class of Shares of any asset remaining in the relevant Fund of any balance being made in proportion to the number of Shares held; and
  - (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the number of Shares held in each class.
- The Company will sell the assets if requested by a Shareholder and the cost of such sale shall be charged to the redeeming Shareholder.
- A Fund may be wound up in accordance with the Act and in such event the provisions of paragraph (b)(i) and Article 126 of the Articles will apply with the relevant changes being applied in respect of that Fund.

- **Circumstances of a Winding Up**

The Company shall be wound up in the following circumstances:

- (a) by the passing of a special resolution for a winding-up;
- (b) where the Company does not commence business within a year of being incorporated or where it suspends its business for a year;
- (c) where the number of members falls below the statutory minimum (currently 2);
- (d) where the Company is unable to pay its debts and a liquidator has been appointed;
- (e) where the appropriate court in Ireland is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to members;
- (f) the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

- **Directors' and Other Interests**

- (a) As at the date of this Prospectus, none of the Directors, nor any other connected person has any material interest in the Shares of the Company or any options in respect of such Shares.
- (b) For the purposes of this paragraph "connected person" means in respect of any Director:
  - (i) his spouse, child or step-child;
  - (ii) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or step-children or any body corporate which he controls;
  - (iii) a partner of the Director; or



(iv) a company controlled by that Director.

The Directors are entitled to such annual fees as may be agreed. The BlackRock Group employees serving as Directors are not entitled to receive Directors' fees. The Articles provide that each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve, provided that no Director may be paid in excess of a figure set out in the Prospectus without the approval of the Board of Directors. These fees are paid out of the Total Expense Ratio.

- (c) Save for the contracts listed in section entitled "Management of the Company", no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (d) Mr O'Dwyer, Ms O'Flynn and Ms Prooth are employees of the BlackRock Group (of which the Manager and Investment Manager are part). Mr O'Dwyer is also a director of the Manager.
- (e) No loan or guarantee has been provided by the Company to any Director.
- (f) Members of the BlackRock Group (i.e. BlackRock, Inc. and its subsidiaries and affiliates) may hold Shares for their own account and on behalf of discretionary clients. The Directors are satisfied that in the nature of the Company's business such holdings will not prejudice its independent operation. All relations between the Company and members of the BlackRock Group will be conducted at arms' length on a normal commercial basis.
- (g) No Director:
  - (i) has any unspent convictions;
  - (ii) has become bankrupt or entered into any voluntary arrangement;
  - (iii) has been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
  - (iv) has owned an asset or been a partner of a partnership owning an asset over which a receiver has been appointed at that time or within twelve months after his ceasing to be a partner; or
  - (v) has had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.

- **Litigation**

Save as disclosed in the Company's annual report and audited financial statements, the Company is not and has not been engaged in any litigation or arbitration proceedings as a defendant and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation, where such litigation, arbitration proceedings or claim may have a significant effect on the Company's financial position or profitability. Where appropriate, the Company has participated in certain shareholder class actions brought against the underlying companies in which it invests. Such shareholder class actions are funded by third party funders and the Company does not act as the lead claimant.

- **Miscellaneous**

- (a) The Company does not have as at the date of this Prospectus any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.
- (b) The Company does not have, nor has it had since its incorporation, any employees.
- (c) Save as disclosed in paragraph 8 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.

- (d) The Company has not and does not intend to purchase or acquire nor agree to purchase or acquire any real property.
- (e) The name "iShares" is a trademark of BlackRock, Inc. or its subsidiaries. On termination of the Management Agreement, the Company has undertaken (inter alia) to call a general meeting of the Company to change the name of the Company to a name not resembling or including "iShares".

- **Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays), free of charge, at the registered offices of the Company in Dublin and at the offices of the Investment Manager in London and may be obtained, on request free of charge, from the Administrator:

- this Prospectus, any Supplement and any KIID;
- the Memorandum and Articles;
- (c) the latest annual and semi-annual reports of the Company.

- **UK Facilities Agent**

UK investors can contact the UK facilities agent (the Investment Manager) at BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL for details regarding pricing and redemption, making a complaint and for the inspection (free of charge) and for the obtaining of copies in English of scheme documentation listed in paragraph 11(a) and (b) above (free of charge) and documentation listed at paragraph 11 (c) above (at no more than a reasonable charge).

## TAXATION

### General

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.***

The following is a brief summary of certain aspects of Irish and United Kingdom taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect as at the date of this Prospectus, all of which are subject to change.

Dividends, interest and capital gains (if any) which the Company receives with respect to its Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. Therefore, such withholding taxes may be considered as generally irrecoverable as the Company itself is exempt from income tax. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing holders of Shares rateably at the time of the repayment.

This section does not cover the tax implications for anyone other than those who have a beneficial interest in the Shares. This section does not cover tax implications for UK resident individual investors that are not domiciled in the UK or any financial traders or any other investors that may hold Shares in the Company in the course of their trade or profession. It also does not cover taxation implications in respect of life companies and UK authorised investment funds investing in the Company.

### Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and its holders of Shares is as set out below.

#### **Definitions**

For the purposes of this section, the following definitions shall apply.

#### **"Courts Service"**

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

### **"Equivalent Measures"**

apply to an investment undertaking where the Irish Revenue have given the investment undertaking notice of approval in accordance with Section 739D (7B) of the Taxes Act and the approval has not been withdrawn.

**"Exempted Irish Investor"** means:

- an Intermediary (within the meaning of Section 739B of the Taxes Act);
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life assurance business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739(B)(1) of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a credit union within the meaning of Section 2 of the Credit Union Act;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the shares are assets of a PRSA;
- the National Pension Reserve Fund Commission or a Commission investment vehicle;
- a company that is within the charge to corporation tax in accordance with Section 739D(6)(k) of the Taxes Act, in respect of payments made to it by the Company, that has made a declaration to that effect and that has provided the Company with its tax reference;
- a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund;
- a qualifying management company within the meaning of Section 739B(1) of the Taxes Act;
- a specified company being a person referred to in Section 739D(6)(g) of the Taxes Act;
- the National Asset Management Agency being a person referred to in Section 739D(ka) of the Taxes Act;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company.

provided that a Relevant Declaration is in place.

**"Intermediary"** means a person who:-

- (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- (ii) holds shares in an investment undertaking on behalf of other persons.

**"Ireland"** means the Republic of Ireland/ the State.

**"Irish Ordinary Resident"**

- (i) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- (ii) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

The following definition has been issued by the Irish Revenue in relation to the ordinary residence of individuals:

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

For example, an individual who is resident in Ireland for the tax years:-

- 1 January 2010 to 31 December 2010;
- 1 January 2011 to 31 December 2011; and
- 1 January 2012 to 31 December 2012

will become Irish Ordinary Resident with effect from 1 January 2013.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2010 to 31 December 2010 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2013 to 31 December 2013.

**"Irish Resident"**

- (i) in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- (ii) in the case of a trust, means a trust that is resident in Ireland for tax purposes.

(iii) in the case of a company, means a company that is resident in Ireland for tax purposes.

#### *Residence – Individual*

An individual will be regarded as being resident in Ireland for a particular twelve month tax year if s/he:

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year.

Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

#### *Residence – Company*

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

Companies incorporated on or after 1 January 2015

Finance Act 2014 introduced changes to the above residency rules. From 1 January 2015, a company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

Companies incorporated prior to 1 January 2015 have until 1 January 2021 before the new corporate residency provisions take effect.

Companies incorporated prior to 1 January 2015

The Irish tax rules for companies incorporated prior to 1 January 2015 provides that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carried on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country;

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

#### *Residence – Trust*

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

**"Personal Portfolio Investment Undertaking"** means an investment undertaking, under the terms of which some or all of the property of the undertaking may be, or was, selected by, or the selection of some or all of the property may be, or was, influenced by –

- (i) the investor,
- (ii) a person acting on behalf of the investor,
- (iii) a person connected with the investor,
- (iv) a person connected with a person acting on behalf of the investor,
- (v) the investor and a person connected with the investor, or
- (vi) a person acting on behalf of both the investor and a person connected with the investor.

An investment undertaking is not a Personal Portfolio Investment Undertaking if the only property which may or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The

investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

**"Relevant Declaration"** means the declaration relevant to the holder of Shares as set out in Schedule 2B of the Taxes Act.

**"Relevant Period"** means a period of 8 years beginning with the acquisition of a Share by a holder of Shares and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

**"Taxes Act"**, The Taxes Consolidation Act, 1997 (of Ireland) as amended.

### **The Company**

The Company shall be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis, it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to holders of Shares or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. It also includes the ending of a Relevant Period.

No tax will arise on the Company in respect of chargeable events in respect of a holder of Shares who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

A chargeable event will not be deemed to arise if at the time of the chargeable event Equivalent Measures have been formally agreed with the Revenue Commissioners and the approval has not been withdrawn. In the absence of a Relevant Declaration or Equivalent Measures there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

Where a Relevant Declaration is required but is not provided to the Company by a holder of Shares or where approval is required in relation to appropriate Equivalent Measures but has not been received from the Irish Revenue Commissioners and tax is subsequently deducted by the Company on the occurrence of a chargeable event, Irish legislation provides for a refund of such tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

A chargeable event does not include:

- an exchange by a holder of Shares, effected by way of an arm's length bargain where no payment is made to the holder of Shares, of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a Recognised Clearing System;
- a transfer by a holder of Shares of the entitlement to a Share where the transfer is between spouses, former spouses, civil partners or former civil partners, subject to certain conditions;
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

Where the chargeable event is the ending of a Relevant Period, to the extent that any tax arises on such a deemed disposal, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares.

In the case of Shares held in a Recognised Clearing System, the holder of Shares will have to account for the appropriate tax arising on the end of a Relevant Period on a self-assessment basis.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the holder of Shares or such beneficial owner of the Shares as are required to meet the amount of tax. The relevant holder of Shares and beneficial owner of Shares shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Please see the section below dealing with the tax consequences for the Company and the holders of Shares of chargeable events in respect of: -

- (i) holders of Shares whose Shares are held in a Recognised Clearing System;
- (ii) holders of Shares who are neither Irish Residents nor Irish Ordinary Residents and their Shares are not held in a Recognised Clearing System; and
- (iii) holders of Shares who are either Irish Residents or Irish Ordinary Residents and their Shares are not held in a Recognised Clearing System.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is a collective investment scheme beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

**(i) Holders of Shares whose Shares are held in a Recognised Clearing System**

Where Shares are held in a Recognised Clearing System, the obligation falls on the holder of Shares (rather than the Company) to self-account for any tax arising on a taxable event. In the case of an individual, tax currently at the rate of 41% should be accounted for by the holder of Shares in respect of any distributions and gains arising to the individual holder of Shares on an encashment, redemption or transfer of Shares by a holder of Shares. Where the investment constitutes a personal portfolio investment undertaking ("PPIU"), tax at a rate of 60% should be accounted for by the holder of Shares. This rate applies where the individual holder of Shares has correctly included details of the income in a timely tax return.

Where the holder of Shares is a company, any payment will be treated as income chargeable to tax under Case IV of Schedule D of the Taxes Act.

The holder of Shares will not have to self-account for tax on the occasion of a taxable event if (a) the holder of Shares is neither Irish Resident nor Irish Ordinary Resident, or (b) the holder of Shares is an Exempted Irish Investor (as defined above).

It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures is not required to be made where the Shares, the subject of the application for subscription or registration of transfer on a transfer of Shares, are held in a Recognised Clearing System. It is the current intention of the Directors that all of the Shares will be held in a Recognised Clearing System.

If in the future, the Directors permit Shares to be held in certificated form outside a Recognised Clearing System, prospective investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the Company or being registered as a transferee of the Shares (as the case may be). A Relevant Declaration will not be required to be completed in this regard where the Company has received approval from the Irish Revenue Commissioners where appropriate equivalent measures have been put in place.

To the extent that any Shares are not held in a Recognised Clearing System, the following tax consequences will arise on a chargeable event.

**(ii) Holders of Shares who are neither Irish Residents nor Irish Ordinary Residents and their Shares are not held in a Recognised Clearing System**

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a holder of Shares if (a) the holder of Shares is neither Irish Resident nor Irish Ordinary Resident, and the holders of Shares has made a Relevant Declaration and the Company has no reason to believe that the Relevant Declaration is incorrect or (b) the Company has put in place appropriate Equivalent Measures to ensure that holders of Shares in the Company are neither Irish Resident nor Irish Ordinary Resident. In the absence of a Relevant Declaration or the approval from the Irish Revenue Commissioners referred to above tax will arise on the happening of a chargeable event in the Company regardless of the fact that a holder of Shares is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (iii) below.

To the extent that a holder of Shares is acting as an Intermediary on behalf of persons who are neither Irish Residents nor Irish Ordinary Residents no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or if the Company has received approval from the Irish Revenue Commissioners that appropriate Equivalent Measures are in place.

Holders of Shares who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate holder of Shares which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the holder of Shares, Irish legislation generally does not provide for a refund of tax. Refunds of tax will only be permitted in limited circumstances.

**(iii) Holders of Shares who are Irish Residents or Irish Ordinary Residents and their Shares are not held in a Recognised Clearing System**

Unless (a) a holder of Shares is an Exempted Irish Investor (as defined above), makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, or (b) if the Company has obtained approval from the Irish Revenue Commissioners that appropriate Equivalent Measures are in place, tax will be required to be deducted by the Company from any distributions and other chargeable events in relation to a holder of Shares who is Irish Resident or Irish Ordinary Resident.

Tax at the rate of 41% will have to be deducted by the Company on any distribution or gain arising to the holder of Shares (other than a company which has made the required declaration) on an encashment, redemption, or transfer of Shares by a holder of Shares who is Irish Resident or Irish Ordinary Resident. Tax will also have to be deducted at the rate of 41% in respect of Shares held at the end of a Relevant Period (in respect of any excess in value of the cost of the relevant Shares) to the extent that the holder of Shares (other than a company which has made the required declaration) is Irish Resident or Ordinary Resident and is not an Exempted Irish Investor who has made a Relevant Declaration or in respect of whom the Irish Revenue Commissioners have given approval that appropriate Equivalent Measures are in place. Tax at a rate of 25% will have to be deducted by the Company where the holder of Shares is a company which has made the required declaration.

However, the Company will be exempt from making tax deductions in respect of distributions and gains on redemptions, cancellations, transfers or encashments of Shares held by Irish Residents and Irish Ordinary Residents where the relevant Shares are held in a Recognised Clearing System.

In certain circumstances the Company may elect not to deduct tax on the happening of a chargeable event. Should the Company make this election the holder of Shares will be liable to account for the tax payable under the self assessment system of taxation.

Anti avoidance provisions apply where an investment undertaking is regarded as a PPIU and the holder of Shares is an individual. In such circumstances any payment to a holder of Shares will be taxed at a rate of 60%. It is a matter of fact whether or not the investor or a connected person has a right of selection as envisaged in the anti avoidance measures. Individual holders of Shares should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

Irish Resident corporate holders of Shares who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the 25% rate has been deducted. An Irish Resident corporate holder of Shares whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company.

In general, non-corporate holders of Shares who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a holder of Shares on the disposal of his/her Shares, such holder of Shares may be liable to Irish capital gains tax in the year of assessment in which the Shares are disposed of.

Any holder of Shares who is Irish Resident or Irish Ordinary Resident and receives a distribution or receives a gain on an encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted by the Company may be liable to income tax or corporation tax on the amount of such distribution or gain.

There is an obligation on the Company to periodically report information to the Irish Revenue Commissioners in relation to certain holders of Shares and the value of their investments in the Company. The obligation arises in relation to holders of Shares who are either Irish Resident or Irish Ordinary Resident (other than Exempted Irish Investors).

**(iv) Irish Courts Service**

Where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the Company, the Courts Service assumes, in respect of those Shares acquired, the responsibilities of the Company with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

In addition, the Courts Service must make, in respect of each year of assessment, on or before 28 February in the year following the year of assessment, a return to the Revenue Commissioners which:-

- i) specifies the total amount of gains arising to the investment undertaking in respect of the units acquired and
- ii) specifies in respect of each person who is or was beneficially entitled to those units-
  - a. where available, the name and address of the person,
  - b. the amount of total gains to which the person has beneficial entitlement, and
  - c. such other information as the Revenue Commissioners may require.

### **Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in kind transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stocks or marketable securities provided that the stocks or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is a collective investment scheme within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

No Stamp Duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the Taxes Act, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

### **Capital Acquisitions Tax**

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax) provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), and that: (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland; (b) at the date of the disposition, the holder of Shares disposing of the Shares is neither domiciled nor ordinarily resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the "valuation date" (as defined for Irish Capital Acquisitions Tax purposes).

### **FATCA and other cross-border reporting systems**

The US-Ireland Agreement to Improve International Tax Compliance and to Implement FATCA (the "US-Ireland IGA") was entered into with the intention of enabling the Irish implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA"), which impose a reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "foreign financial institution" or "FFI") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("reporting financial institutions") are required to provide certain information about their US accountholders to the Irish Revenue Commissioners (which information will in turn be provided to the US tax authority) pursuant to the US-Ireland IGA. It is expected that the Company will constitute a reporting financial institution for these purposes. The Company will not, however generally need to report any information to the Irish Revenue Commissioners in respect of US holders of Shares, on the basis that the Shares are expected to be treated as being regularly traded on an established securities market and should not, therefore, constitute financial accounts for FATCA purposes for so long as the Shares are listed on the London Stock Exchange or any other recognised stock exchange for Irish tax purposes. It may, however, still need to file a nil return with the Irish Revenue Commissioners. It is the intention of the Company and the Manager to procure that the Company is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-Ireland IGA. No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is not able to do so, a 30% withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its holders of Shares.

The Common Reporting Standard ("CRS") is a new, single global standard on Automatic Exchange Of Information ("AEOI"). It was approved by the Organisation for Economic Co-operation and Development ("OECD") in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non resident investors. The CRS was effective in Ireland from 1 January 2016. The Company will be required to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident holders of Shares (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive.

In light of the above, holders of Shares in the Company will be required to provide certain information to the Company (and/or broker, custodian or nominee through which an investor holds its shares in the Company) to



comply with the terms of the reporting systems. Please note that the Manager has determined that US Persons are not permitted to own Shares in the Funds.

### **United Kingdom Taxation**

It is the intention of the Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated there, the Company will not be subject to United Kingdom corporation tax on its income or chargeable gains.

Subject to their personal circumstances, holders of Shares resident in the United Kingdom for taxation purposes may be liable to United Kingdom income tax or corporation tax in respect of any dividends or other income distributions of any Share Class of the Company (including any dividends funded out of realised capital profits of the Company). In addition, UK holders of Shares holding Shares at the end of each 'reporting period' (as defined for United Kingdom tax purposes) will potentially be subject to United Kingdom income tax or corporation tax on their portion of a Share Class's 'reported income', to the extent that this amount exceeds dividends received. The terms 'reported income', 'reporting period' and their implications are discussed in further detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below. There is no withholding by the Company for Irish tax on dividends payable to United Kingdom investors on the basis that it is the current intention that all Shares will be held in a Recognised Clearing System (see previous section headed "Irish Taxation" for further details).

Where the Fund holds more than 60% of its assets in interest bearing (or similar) form, any distribution will be treated as interest in the hands of the UK individual investor. From 6 April 2016, there is no longer a notional 10% tax credit on dividend distributions. Instead, a £5,000 (2016/2017) tax free dividend allowance has been introduced for UK individuals. Dividends received in excess of this threshold will be subject to tax.

From 1 July 2009, following the enactment of Finance Act 2009, dividend distributions received by UK resident companies, including the Company, are likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-UK companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom corporation tax on dividends to the extent that the Shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

Shareholdings in the Company are likely to constitute interests in offshore funds, as defined in section 355 of the Taxation (International & other provisions) Act 2010 TIOPA 2010 for the purposes of the United Kingdom Finance Act 2008, with each Share Class of the Fund treated as a separate 'offshore fund' for these purposes.

The Offshore Funds (Tax) Regulations 2009 (SI2009/3001) provide that if an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income rather than a capital gain. Alternatively, where an investor resident or ordinarily resident in the United Kingdom holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to United Kingdom income tax or corporation tax on income (even where such profits are exempt from United Kingdom corporation tax).

Where an offshore fund may have been a non-reporting fund for part of the time during which the United Kingdom holders of Shares held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the holder of Shares in order to pro-rate any gain made upon disposal; the impact is that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits from the date of change in status of the fund in which they can be made.

It should be noted that a "disposal" for United Kingdom taxation purposes includes a switching between Funds and may include a switching between Share Classes of a Fund.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its holders of Shares. The Directors intend to manage the affairs of the Company and the Funds so that these upfront and annual duties are met and continue to be met on an ongoing basis for each Share Class within the Fund that intends to seek United Kingdom reporting fund status with effect from inception. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for United Kingdom tax purposes) on a per-Share basis to all relevant holders of Shares. UK holders of Shares who hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the excess (if any) of the reported income over any distributions paid in respect of the reporting period. The excess reported income will be deemed to arise to UK holders of Shares six months following the last day of the reporting period.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant Share Classes the status should continue to apply on an ongoing basis, provided the annual requirements are undertaken. It is also the

intention of the Company to maintain UK Reporting Fund status for these Share Classes for each accounting period thereafter.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, Shareholder reports are made available within six months of the end of the reporting period at [www.ishares.com/en/pc/about/tax](http://www.ishares.com/en/pc/about/tax). The intention of the Offshore Fund Reporting regulations is that reportable income data shall principally be made available on a website accessible to UK investors. Alternatively, the holders of Shares may if they so require, request a hard copy of the reporting fund data for any given year. Such requests must be made in writing to the following address:

Head of Product Tax, BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL.

Each such request must be received within three months of the end of the reporting period. Unless the Investment Manager is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

UK resident but non-UK domiciled investors who are subject to tax in the UK on the remittance basis should note that an investment in the 'reporting fund' unit classes is likely to constitute a mixed fund for their purposes. Further, there is no guarantee that the excess of reportable income over distributions paid in any given period will always be nil. Investors are encouraged to seek their own professional tax advice in this regard.

An individual holder of Shares domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom Inheritance Tax on their Shares in the event of death or on making certain categories of lifetime transfer.

The attention of individual holders of Shares ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of undistributed income of the Company on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate holders of Shares resident in the UK for taxation purposes should note that the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). "Control" is defined in Chapter 18, Part 9A of TIOPA 2010. A non-UK resident company is controlled by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the non-UK resident company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of these provisions could be to render such holders of Shares liable to UK corporation tax in respect of the income of the Company.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in the Company (whether as a holder of Shares or otherwise as a "participator" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 10%, or greater, if, at the same time, the Company is itself controlled in such matter that it would, were it to be resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Company (such as on a disposal of any of its Investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company (determined as mentioned above).

The attention of investors is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if investors are seeking to obtain tax advantages in prescribed conditions.

Under the corporate debt tax regime in the United Kingdom any corporate investor subject to United Kingdom corporation tax will be taxed on the increase in value of its holding on a fair value basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the Investments held by the offshore fund within which the investor invests, consist of more than 60% (by value) of "qualifying investments". Qualifying investments are broadly those, which yield a return directly or indirectly in the form of interest.

Transfer taxes may be payable by the Company in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of Investments. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer takes place in dematerialised form, stamp duty reserve tax at an equivalent rate) will be payable by the Company in the United Kingdom on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the Company's normal investment activity and on the acquisition of Investments from subscribers on subscription for Shares.

The Shares in the Company can be held in Individual Savings Accounts or Self-invested Personal Pensions or personalised portfolio bonds.

In the absence of an exemption applicable to a prospective holder of Shares (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective holders of Shares on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscription for Shares, and may arise on the transfer of Investments to holders of Shares on redemption.

Because the Company is not incorporated in the United Kingdom and the register of holders of Shares will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of Shares except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring Shares in the Company is executed and retained at all times outside the United Kingdom.

It is the intention of the Company that assets held by the Funds will generally be held for investment purposes and not for the purposes of trading. Even if Her Majesty's Revenue & Customs ("HMRC") successfully argued that a Fund is trading for UK tax purposes, it is expected that the conditions of the Investment Management Exemption ("IME") should be met, although no guarantee is given in this respect. Assuming that the requirements of the IME are satisfied, the Fund should not be subject to UK tax in respect of the profits / gains earned on its investments (except in respect of income for which every investor is inherently subject to UK tax). This is on the basis that the investments held by the Funds meet the definition of a "specified transaction" as defined in The Investment Manager (Specified Transactions) Regulations 2009. It is expected that the assets held by the Company should meet the definition of a "specified transaction", although no guarantee is given in this respect.

If the Company failed to satisfy the conditions of the IME or if any investments held are not considered to be a "specified transaction", this may lead to tax leakage within the Funds.

In addition to the above, if HMRC successfully argue that a Fund is trading for UK tax purposes, the returns earned by the Fund from its interest in the underlying assets may need to be included in the Fund's calculation of "income" for the purposes of computing the relevant amount to report to investors in order to meet the requirements for UK Reporting Fund status. However, it is considered that the investments held by the Funds should meet the definition of an "investment transaction" as defined by The Offshore Funds (Tax) Regulations 2009 ("the regulations") which came into force on 1 December 2009. Therefore, it is considered that these investments should be considered as "non-trading transactions" as outlined in the regulations. This assumption is on the basis that the Company meets both the "equivalence condition" and the "genuine diversity of ownership" condition as outlined in the regulations.

Investors who are insurance companies subject to United Kingdom taxation holding their Shares in a Fund for the purposes of their long-term business (other than their pensions business) will be deemed to dispose of and immediately reacquire those Shares at the end of each accounting period. In general terms, the chargeable gains and allowable losses arising under the annual deemed disposal rules are aggregated and one-seventh of the net amount thus emerging is chargeable (where there are net gains) or allowable (where there are net losses) at the end of the accounting period in which the deemed disposals have taken place.

### **Other jurisdictions**

The following sets out a summary of the tax status that Shares have obtained in various jurisdictions. Please note that this summary does not set out the tax implications for investors resident in such jurisdictions and the investors should refer to their tax advisors in relation to tax implications on investing in a Share Class.

#### **German Taxation**

It is the intention of the Company to seek German Tax Transparent status for all Share Classes.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

#### **Austrian Taxation**

It is the intention of the Company to seek Austrian Reporting Fund status for all Share Classes.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

Up to date listings of the various tax reporting statuses obtained by the Company are available on the "Tax Information" section of the iShares website at [www.ishares.com](http://www.ishares.com).

## SCHEDULE I

### The Regulated Markets

With the exception of permitted investment in unlisted securities and off-exchange FDI, investment in securities or FDI will be made only in securities or FDI which are listed or traded on stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof. The list is currently as follows:

### Recognised Investment Exchanges

- Recognised investment exchanges in any Member State, Australia, Canada, Hong Kong, Iceland, Japan, Norway, New Zealand, Switzerland or the United States.
- The following recognised investment exchanges:

<b>Argentina</b>	Bolsa de Comercio de Buenos Aires Mercado Abierto Electronico S.A.
<b>Bahrain</b>	Bahrain Bourse
<b>Bangladesh</b>	Dhaka Stock Exchange
<b>Brazil</b>	BM&F BOVESPA S.A.
<b>Chile</b>	Bolsa de Comercio de Santiago Bolsa Electronica de Chile
<b>China</b>	Shanghai Stock Exchange Shenzhen Stock Exchange
<b>Colombia</b>	Bolsa de Valores de Colombia
<b>Egypt</b>	Egyptian Stock Exchange
<b>India</b>	Bombay Stock Exchange, Ltd. National Stock Exchange
<b>Indonesia</b>	Indonesian Stock Exchange
<b>Israel</b>	Tel Aviv Stock Exchange
<b>Jordan</b>	Amman Stock Exchange
<b>The Republic of Korea</b>	Korea Exchange (Stock Market) Korea Exchange (KOSDAQ)
<b>Kenya</b>	Nairobi Securities Exchange
<b>Kuwait</b>	Kuwait Stock Exchange
<b>Malaysia</b>	Bursa Malaysia Securities Berhad Bursa Malaysia Derivatives Berhad
<b>Mauritius</b>	Stock Exchange of Mauritius
<b>Mexico</b>	Bolsa Mexicana de Valores
<b>Morocco</b>	Casablanca Stock Exchange
<b>Nigeria</b>	Nigeria Stock Exchange
<b>Oman</b>	Muscat Securities Market
<b>Pakistan</b>	Karachi Stock Exchange
<b>Peru</b>	Bolsa de Valores de Lima
<b>Philippines</b>	Philippines Stock Exchange
<b>Qatar</b>	Qatar Exchange
<b>Russia</b>	Open Joint Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)
<b>Saudi Arabia</b>	Tadawul Stock Exchange
<b>Singapore</b>	Singapore Exchange Limited
<b>South Africa</b>	JSE Limited
<b>Sri Lanka</b>	Colombo Stock Exchange
<b>Taiwan</b>	Taiwan Stock Exchange
<b>Thailand</b>	Stock Exchange of Thailand
<b>Turkey</b>	Istanbul Stock Exchange
<b>UAE - Abu Dhabi</b>	Abu Dhabi Securities Exchange
<b>UAE - Dubai</b>	Dubai Financial Market NASDAQ Dubai Limited
<b>Vietnam</b>	Ho Chi Minh Stock Exchange

## Markets

- The following regulated markets including regulated markets on which FDI may be traded:-
  - the markets organised by the International Capital Market Association;
  - the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)";
  - AIM – the Alternative Investment Market in the UK, regulated and operated by the LSE;
  - NASDAQ in the United States;
  - the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
  - the over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority;
  - the over-the-counter market in the United States regulated by MarketAxess;
  - the over-the-counter market in the United States regulated by National Association Of Securities Dealers (NASD);
  - the French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments);
  - The Korea Exchange (Futures Market);
  - the over-the-counter market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;
  - the China Interbank Bond Market;
  - any approved derivative market within the European Economic Area on which FDI are traded;
  - EUROTIX (Multilateral Trading Facility);
  - HI\_MTF (Multilateral Trading Facility);
  - NASDAQ OMX Europe (NEURO) (Multilateral Trading Facility);
  - EURO MTF for securities (Multilateral Trading Facility);
  - MTS Austria (Multilateral Trading Facility);
  - MTS Belgium (Multilateral Trading Facility);
  - MTS France (Multilateral Trading Facility);
  - MTS Ireland (Multilateral Trading Facility);
  - NYSE Bondmatch (Multilateral Trading Facility);
  - POWERNEXT (Multilateral Trading Facility);
  - Tradegate AG (Multilateral Trading Facility).

The above markets are listed in accordance with the requirements of the Central Bank, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

## SCHEDULE II

### **Investment Techniques and Instruments for Efficient Portfolio Management/Direct Investment Purposes**

#### **A. Investment in FDI**

The following provisions apply whenever a Fund proposes to engage in transactions in FDI including, but not limited to, futures, forwards, swaps, inflation swaps (which may be used to manage inflation risk), options, swaptions and warrants, where the transactions are for the purposes of the efficient portfolio management of any Fund or for direct investment purposes (and such intention is disclosed in the Fund's investment policy). Where it does intend to engage in transactions in relation to FDI, the Manager will employ a risk management process to enable it to manage, monitor and measure, on a continuous basis, the various risks associated with FDI and their contribution to the overall risk profile of a Fund's portfolio. Only FDI which have been included in the risk management process will be used. The Company will, on request, provide supplemental information to holders of

Shares relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

- Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
- A Fund may invest in FDI dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

**B. Efficient Portfolio Management - other techniques and instruments**

1. In addition to the investments in FDI noted above in Section A of this Schedule II, the Company may employ other techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes subject to the conditions imposed by the Central Bank such as repurchase/ reverse repurchase agreements, ("repo contracts") and securities lending. Techniques and instruments which relate to transferable securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDI which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- they are economically appropriate in that they are realised in a cost-effective way;
- they are entered into for one or more of the following specific aims:
  - reduction of risk;
  - reduction of cost;
  - generation of additional capital or income for a Fund with a level of risk which is consistent with the risk profile of a Fund and the risk diversification rules set out in the Central Bank UCITS Regulations;
- (c) their risks are adequately captured by the risk management process of a Fund; and
- (d) they cannot result in a change to a Fund's declared investment objectives or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

Techniques and instruments (other than FDI) may be used for efficient portfolio management purposes subject to the conditions set out below.

2. The following applies to repo contracts and securities lending arrangements, in particular, and reflects the requirements of the Central Bank:

- Repo contracts and securities lending may only be effected in accordance with normal market practice.
- The Company must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
- Repo contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
- Where the Company enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- Where the Company enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of a Fund's Net Asset Value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

- The Manager conducts credit assessments of counterparties to a repurchase/reverse repurchase agreement or securities lending arrangement. Where a counterparty is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process and where the counterparty is downgraded by the credit rating agency to A-2 or below (or comparable rating), a new credit assessment of the counterparty is conducted by the Manager without delay.

**C. Risks and potential conflicts of interest involved in efficient portfolio management techniques.**

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled "Conflicts of Interest" and "Risk Factors" and, in particular but without limitation, the risk factors relating to FDI risks, counterparty risk and counterparty risk to the Depositary and other depositaries. These risks may expose investors to an increased risk of loss.

**D. Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques**

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.*

- Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("Collateral"), such as repo contracts or securities lending arrangements, must comply with the following criteria:
  - liquidity: Collateral (other than cash) should be highly liquid and traded on a Regulated Market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should also comply with the provisions of Regulation 74 of the Regulations;
  - valuation: Collateral should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - issuer credit quality: Collateral should be of high quality. The Manager shall ensure that:
    - where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and
    - where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (A) this shall result in a new credit assessment being conducted of the issuer by the Manager without delay;
  - correlation: Collateral should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Manager to expect that such Collateral would not display a high correlation with the performance of the counterparty;
  - diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, as well as non-Member States and public international bodies set out in Schedule III, paragraph 2.12. Such a Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value; and
  - immediately available: Collateral should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- Subject to the above criteria, Collateral must be in the form of one of the following:
  - cash;
  - government or other public securities;
  - certificates of deposit issued by Relevant Institutions;

- bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
  - letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions; and
  - equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia, New Zealand, Taiwan, Singapore and Hong Kong.
- Until the expiry of the repo contract or securities lending arrangement, collateral obtained under such contracts or arrangements:
    - must be marked to market daily; and
    - is intended to equal or exceed the value of the amount invested or securities loaned plus a premium.
  - Collateral must be held by the Depository, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.
  - **Non-cash Collateral:**

Non- cash Collateral cannot be sold, re-invested or pledged.
  - **Cash Collateral:**

Cash as Collateral may only be:

    - placed on deposit with Relevant Institutions;
    - invested in high quality government bonds;
    - used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and
    - invested in short term money market funds.

Re-invested Cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral.
  - The Company has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Company that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.
  - The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set out in Schedule III, paragraph 2.8.

## SCHEDULE III

### Investment Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments, as prescribed in the Central Bank UCITS Regulations, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.



<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS as set out in the Central Bank's guidance entitled "UCITS Acceptable Investment in other Investment Funds".
<b>1.6</b>	Deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
<b>1.7</b>	FDI as prescribed in the Central Bank UCITS Regulations.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph <u>1</u> .
<b>2.2</b>	Each Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>• the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Subject to paragraph 2.4, each Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	Each Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution. <p>Deposits with any one credit institution, other than</p> <ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (a Member State, Norway, Iceland, Liechtenstein);</li> <li>• a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or</li> <li>• a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of its Net Asset Value.</li> </ul> <p>This limit may be raised to 20% in the case of deposits made with the trustee/custodian.</p>

<b>2.8</b>	<p>The risk exposure of a Fund to a counterparty to an OTC FDI may not exceed 5% of its Net Asset Value.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of a Fund's Net Asset Value:</p> <ul style="list-style-type: none"> <li>• investments in transferable securities or money market instruments;</li> <li>• deposits, and/or</li> </ul> <p>- counterparty risk exposures arising from OTC FDI transactions.</p>
<b>2.10</b>	<p>The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of a Fund's Net Asset Value.</p>
<b>2.11</b>	<p>Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of a Fund's Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.</p>
<b>2.12</b>	<p>Each Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of investment grade), Government of the People's Republic of China, Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.</p> <p>Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	<p>Subject to section 3.2, investments made by a Fund in units of other CIS may not exceed, in aggregate, 10% of the assets of the Fund.</p>
<b>3.2</b>	<p>Notwithstanding the provisions of section 3.1, where the investment policy of a Fund states in the Prospectus or a Supplement that it may invest more than 10% of its assets in other UCITS or collective investment schemes, the following restrictions shall apply instead of the restrictions set out at section 3.1 above:</p> <p>a. Each Fund may not invest more than 20% of its Net Asset Value in any one CIS.</p> <p>(b) Investments in non-UCITS CIS may not, in aggregate, exceed 30% of its Net Asset Value.</p>
<b>3.3</b>	<p>The CIS are prohibited from investing more than 10% of net assets in other CIS.</p>
<b>3.4</b>	<p>When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, switching or redemption fees on account of the Fund's investment in the units of such other CIS.</p>
<b>3.5</b>	<p>Where a commission (including a rebated commission) is received by the Fund's manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.</p>

<b>3.6</b>	<p>Where the investment policy of a Fund states that it may invest in other Funds of the Company, the following restrictions will apply:-</p> <ul style="list-style-type: none"> <li>• a Fund will not invest in another Fund of the Company which itself holds Shares in other Funds within the Company;</li> <li>• a Fund which invests in another Fund of the Company will not be subject to subscription, switching or redemption fees; and</li> <li>• the Manager will not charge a management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Company (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Company).</li> </ul>
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions, for example, market dominance. Market dominance exists where a particular constituent of a Benchmark Index has a dominant position in the particular market sector in which it operates and as such accounts for a large proportion of a Benchmark Index.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>• 10% of the non-voting shares of any single issuing body;</li> <li>• 10% of the debt securities of any single issuing body;</li> <li>• 25% of the units of any single CIS;</li> <li>• 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <p>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</p> <p>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</p> <p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its holders of Shares.
<b>5.7</b>	A Fund may not carry out uncovered sales of: <ul style="list-style-type: none"> <li>• transferable securities;</li> <li>• money market instruments;</li> <li>• units of CIS; or</li> <li>• FDI.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>FDI</b>
<b>6.1</b>	Any Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total Net Asset Value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
<b>6.3</b>	Any Fund may invest in FDI dealt OTC provided that <ul style="list-style-type: none"> <li>• The counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

### **Borrowing Restrictions**

The Regulations provide that the Company in respect of each Fund:

- may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Depositary may give a charge on the assets of the Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the Base Currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

### **Investment and Borrowing Restrictions in respect of the Shari'ah Funds**

In seeking to be a Shari'ah-compliant Fund, any general provisions or references to investment methods or techniques stated in the Prospectus to be available to all Funds will not be availed of by the Shari'ah Funds to the extent they are not Shari'ah compliant.

Shari'ah investment principles do not allow investment in companies which are directly active in, or derive more than 5% of their revenue (cumulatively) from, the following activities:

- alcohol: distillers, vintners and producers of alcoholic beverages, including producers of beer and malt liquors, owners and operators of bars and pubs;
- tobacco: cigarettes and other tobacco products manufacturers and retailers;
- pork related products: companies involved in the manufacture and retail of pork products;
- financial services: commercial banks involved in retail banking, corporate lending, investment banking; companies involved in mortgage and mortgage related services; providers of financial services, including insurance, capital markets and specialised finance; credit agencies; stock exchanges; specialty boutiques; consumer finance services, including personal credit, credit cards, lease financing, travel-related money services and pawn shops; financial institutions primarily engaged in investment management, related custody and securities fee-based services; companies operating mutual funds, closed-end funds and unit investment trusts; financial institutions primarily engaged in investment banking and brokerage services, including equity and debt underwriting, mergers and acquisitions;

- securities lending and advisory services institutions; and insurance and reinsurance brokerage firms, including companies providing property, casualty, life disability, indemnity or supplemental health insurance;
- defence/weapons: manufacturers of military aerospace and defence equipment, parts or products, including defence electronics and space equipment;
  - gambling/casino: owners and operators of casinos and gaming facilities, including companies providing lottery and betting services;
  - music: producers and distributors of music, owners and operators of radio broadcasting systems;
  - hotels: owners and operators of hotels;
  - cinema: companies engaged in the production, distribution and screening of movies and television shows, owners and operators of television broadcasting systems and providers of cable or satellite television services; and/or
  - adult entertainment: owners and operators of adult entertainment products and activities.

The Shari'ah Funds will also not invest in any company:

- having a ratio of interest-bearing debt to equity (book value of interest-bearing debt to market value of equity) of more than 33.33%;
- whose cash (including balances with banks) and interest-bearing securities is more than 33.33% of total market capitalisation;
- whose receivables are equal to or greater than 70% of total assets; and/or
- whose total assets are made up solely of cash, including balances with banks, non-tangible assets and/or accounts receivables.
- In addition, the Shari'ah Funds will not make use of any of the following financing methods and instruments:
  - (a) fixed income instruments such as bonds;
  - (b) interest-based instruments or accounts;
  - (c) derivatives;
  - (d) short selling; or
  - (e) securities lending.

## **SCHEDULE IV**

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## **SCHEDULE V**

### **US Persons**

- Pursuant to Regulation S of the 1933 Act, "US Person" means:
  - any natural person resident in the United States;
  - any partnership or corporation organised or incorporated under the laws of the United States;
  - any estate of which any executor or administrator is a US person;
  - any trust of which any trustee is a US person;
  - any agency or branch of a foreign entity located in the United States;
  - any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
  - any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - any partnership or corporation if:
    - organised or incorporated under the laws of any non-US jurisdiction; and
    - formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.

- Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person."
- Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a US Person if:
  - an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - the estate is governed by non-US law.
- Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
- Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a US Person.
- Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - the agency or branch operates for valid business reasons; and
  - the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons."
- The Directors may amend the above listed meanings without Shareholder notice as necessary in order to best reflect then-current application US law and regulation.

## SCHEDULE VI

The following third-party delegates have been appointed by the State Street Bank and Trust Company (the Depositary's global sub-custodian) in the referenced markets as sub-custodians. The list of markets below represents the global custody network of the Depositary's global sub-custodian whereas the assets of the Company will normally be listed or traded on Regulated Markets set out in Schedule I.

Market	Sub-Custodian
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited

<b>Austria</b>	Deutsche Bank AG UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Banco Itaú Chile S.A.
<b>People's Republic of China</b>	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited) China Construction Bank Corporation (for A-share market only) Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only) The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only) Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d. Zagrebacka Banka d.d.
<b>Cyprus</b>	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
<b>Czech Republic</b>	Československá obchodní banka, a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
<b>Egypt</b>	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Estonia</b>	AS SEB Pank
<b>Finland</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea

	Bank Finland Plc.) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
<b>France</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank GmbH Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services, S.C.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Hong Kong</b>	Standard Chartered Bank (Hong Kong) Limited
<b>Hungary</b>	Citibank Europe plc Magyarországi Fióktelepe UniCredit Bank Hungary Zrt.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A. Intesa Sanpaolo S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Jamaica</b>	Scotia Investments Jamaica Limited
<b>Japan</b>	Mizuho Bank, Limited The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lebanon</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Lithuania</b>	AB SEB bankas
<b>Luxembourg</b>	via the international central securities depository, Clearstream Banking S.A., Luxembourg
<b>Malawi</b>	Standard Bank Limited

<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A. Bank Polska Kasa Opieki S.A.
<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Puerto Rico</b>	Citibank N.A.
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	AO Citibank
<b>Saudi Arabia</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A. United Overseas Bank Limited
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited

<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Swaziland</b>	Standard Bank Swaziland Limited
<b>Sweden</b>	Nordea Bank AB (publ) Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse AG UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Deutsche Bank AG Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Union Internationale de Banques
<b>Turkey</b>	Citibank, A.Ş. Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirate – Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates - Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>United States</b>	State Street Bank and Trust Company
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

The Directors accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



# iShares II Public Limited Company

*(An umbrella investment company with variable capital and having segregated liability between its Funds incorporated with limited liability in Ireland under registration number 317171 and authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)*

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## FIRST ADDENDUM

**Dated 30 November 2016**

**This addendum (the "Addendum") forms part of, and should be read in the context of, and together with, the prospectus of the Company dated 18 November 2016 (the "Prospectus"), and any Supplements and addenda to the Prospectus. Distribution of this document is not authorised unless it is accompanied by a copy of the latest annual report and audited financial statements and, if published thereafter, the latest unaudited semi-annual report and unaudited financial statements. Such reports will form part of the Prospectus.**

If you are in any doubt about the action to be taken or the contents of this Addendum please consult your stockbroker, bank manager, lawyer, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

### **Amendments to the Prospectus**

With effect from 30 November 2016 the Prospectus is amended as follows:

#### **Fund Descriptions**

The investment objective, investment policy and benchmark index description for iShares MSCI EM Islamic UCITS ETF shall be substituted with the following:

#### **iShares MSCI EM Islamic UCITS ETF**

##### Investment Objective

The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Emerging Market Islamic Index.

##### Investment Policy

In order to achieve its investment objective, this Fund will invest, in a manner consistent with Shari'ah, in a portfolio of securities that so far as practicable and possible consists of the component securities of the MSCI Emerging Market Islamic Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to

their weightings in the Benchmark Index. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).**

For the sole purpose of gaining exposure to the component securities of the Benchmark Index, this Fund may from time to time invest in convertible investment grade sukuk (Shari'ah compliant bonds), ADRs, GDRs, GDNs and open-ended collective investment undertakings, provided that such action is done in a manner believed to be consistent with Shari'ah. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, this Fund may invest in other Funds of the Company, provided the other funds have been deemed compliant with Shari'ah.

The Shari'ah Panel appointed by the Investment Manager will be responsible for ascertaining the compliance of this Fund's operations with Shari'ah. Information relating to the specific services provided by the Shari'ah Panel can be found under "Shari'ah Panel".

The Fund may hold ancillary liquid assets (provided the investment in such assets complies with Shari'ah) subject to the limits set out in Schedule III.

The Base Currency of iShares MSCI EM Islamic UCITS ETF is US Dollar (US\$).

This Fund is designed for the Islamic investor; however, subscription is open to any other investor who is interested in investing in the Fund.

**It is intended that all the investments made by this Fund take place in conformity with Shari'ah. It is possible that the application of the Shari'ah may result in different outcomes for the Fund than in the case of funds with similar objectives that are not compliant with Shari'ah.**

#### Benchmark Index

The MSCI Emerging Market Islamic Index reflects Sharia investment principles and measures the performance of large and mid capitalisation stocks across Emerging Markets countries that are eligible investments for Islamic investors. The Benchmark Index applies stringent screens to exclude certain securities based on Sharia principles in agreement with the Sharia board appointed by the index provider. As at 30 June 2016, the Benchmark Index included eligible constituents from the following countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, South Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The list of countries may be subject to change over time. The Fund may invest directly in securities listed or traded on the Regulated Markets of Russia in accordance with the weighting attributed to such securities in the MSCI Emerging Markets Index. As at 30 June 2016, 3.0% of MSCI Emerging Market Islamic Index comprised such securities. Investment in Russian listed or traded securities shall be limited to those securities which are listed or traded on the Moscow Exchange MICEX-RTS. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>

#### **Investment Techniques**

The second paragraph of the section entitled "*Replicating Funds*" shall be updated to insert reference to iShares MSCI EM Islamic UCITS ETF.

The second paragraph of the section entitled "*Non-replicating Funds*" shall be updated to delete reference to iShares MSCI EM Islamic UCITS ETF.

The Prospectus shall otherwise remain unamended and in full force and effect.

Date: 30 November 2016

# INFORMATION FOR INVESTORS IN SWITZERLAND

DATED 13 DECEMBER 2016

**THIS INFORMATION FORMS PART OF AND SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS FOR ISHARES II PLC (THE "COMPANY") AS MAY BE AMENDED AND SUPPLEMENTED FROM TIME TO TIME.**

## **I. INFORMATION FOR INVESTORS IN SWITZERLAND**

### **1. Representative**

The representative in Switzerland is BlackRock Asset Management Schweiz AG, Bahnhofstrasse 39, 8001 Zurich.

### **2. Paying Agent**

From 1 February 2016, the paying agent in Switzerland is State Street Bank International GmbH, Munich, Zurich branch, Beethovenstrasse 19, CH-8027 Zurich. Until 31 January 2016, the paying agent in Switzerland is JPMorgan Chase Bank, National Association, Columbus, Zurich branch, Dreikönigstrasse 21, CH-8002 Zurich.

### **3. Place where the relevant Documents may be obtained**

The prospectus, the key investor information documents, articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

### **4. Publications**

- a) Publications concerning the foreign collective investment scheme are made in Switzerland on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).
- b) The issue and the redemption prices or the Net Asset Value per Share together with a reference stating "excluding commissions" are published daily on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

### **5. Payment of Retrocessions and Rebates**

- a) The Company and its agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of fund shares in Switzerland or from Switzerland.
- b) In respect of distribution in Switzerland or from Switzerland, the Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

### **6. Place of Performance and Jurisdiction**

In respect of the shares distributed in Switzerland and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.

## II. ADDITIONAL INFORMATION RELATING TO THE LISTING ON SIX SWISS EXCHANGE

The financial situation of the Company is presented in the most recent annual report and accounts and the most recent interim report and accounts. These two reports are incorporated by reference and form an integral part of the prospectus.

The present additional information relates to the listing of Shares of the Company on the SIX Swiss Exchange ("SIX"). Information provided by the Company in this additional listing information is limited to information not provided elsewhere in the Prospectus.

### 1. Listing in Switzerland

The Shares of the Funds authorised in Switzerland by the Swiss Financial Market Supervisory Authority (hereafter "FINMA") are listed on the SIX. The SIX Board of Admission has approved the Company's listing request.

### 2. Valoren Numbers, ISINs and SIX Trading Currency

Fund/Share Class	Valoren No.	ISIN	SIX Trading Currency
iShares Core UK Gilts UCITS ETF GBP (Dist)	2803931	IE00B1FZSB30	GBP
iShares MSCI EM Islamic UCITS ETF USD (Dist)	3616834	IE00B27YCP72	USD
iShares MSCI Europe SRI UCITS ETF EUR (Acc)	12592862	IE00B52VJ196	EUR
iShares Dow Jones Global Sustainability Screened UCITS ETF USD (Acc)	12592831	IE00B57X3V84	USD
iShares MSCI USA Islamic UCITS ETF USD (Dist)	3616849	IE00B296QM64	USD
iShares MSCI World Islamic UCITS ETF USD (Dist)	3616783	IE00B27YCN58	USD
iShares Global Timber & Forestry UCITS ETF USD (Dist)	3477082	IE00B27YCF74	USD
iShares EURO STOXX 50 UCITS ETF EUR (Dist)	1065278	IE0008471009	CHF
iShares STOXX Europe 50 UCITS ETF EUR (Dist)	1065255	IE0008470928	CHF
iShares Asia Property Yield UCITS ETF USD (Dist)	2758517	IE00B1FZS244	USD
iShares Developed Markets Property Yield UCITS ETF USD (Dist)	2758588	IE00B1FZS350	USD
iShares US Property Yield UCITS ETF USD (Dist)	2778490	IE00B1FZSF77	USD
iShares Global Infrastructure UCITS ETF USD (Dist)	2758574	IE00B1FZS467	USD
iShares MSCI Turkey UCITS ETF USD (Dist)	2778493	IE00B1FZS574	USD
iShares € Govt Bond 3-5yr UCITS ETF EUR (Dist)	2803883	IE00B1FZS681	CHF
iShares € Govt Bond 7-10yr UCITS ETF EUR (Dist)	2803943	IE00B1FZS806	CHF
iShares € Govt Bond 15-30yr UCITS ETF EUR (Dist)	2803854	IE00B1FZS913	CHF
iShares \$ Treasury Bond 7-10yr UCITS ETF USD (Dist)	2803820	IE00B1FZS798	USD
iShares \$ TIPS UCITS ETF USD (Acc)	2803924	IE00B1FZSC47	USD
iShares BRIC 50 UCITS ETF USD (Dist)	3067362	IE00B1W57M07	USD
iShares UK Property UCITS ETF GBP (Dist)	3007836	IE00B1TXLS18	CHF
iShares Global Water UCITS ETF USD (Dist)	3007848	IE00B1TXK627	USD
iShares Listed Private Equity UCITS ETF USD (Dist)	3007862	IE00B1TXHL60	USD
iShares MSCI Europe UCITS ETF EUR (Dist)	3246398	IE00B1YZSC51	EUR
iShares Global Clean Energy UCITS ETF USD (Dist)	3246465	IE00B1XNHC34	USD
iShares MSCI EM Latin America UCITS ETF USD (Dist)	3477137	IE00B27YCK28	USD
iShares EM Infrastructure UCITS ETF USD (Dist)	3801900	IE00B2NPL135	USD
iShares J.P. Morgan \$ EM Bond UCITS ETF USD (Dist)	3801845	IE00B2NPKV68	USD
iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF USD (Dist)	4218076	IE00B2QWDR12	USD
iShares FTSE MIB UCITS ETF EUR (Dist)	3246482	IE00B1XNH568	CHF
iShares \$ High Yield Corp Bond UCITS ETF USD (Dist)	13876308	IE00B4PY7Y77	CHF
iShares US Aggregate Bond UCITS ETF USD (Dist)	13876422	IE00B44CGS96	USD
iShares EURO STOXX 50 ex-Financials UCITS ETF EUR (Acc)	23090061	IE00BD5J2G21	CHF
iShares MSCI USA Dividend IQ UCITS ETF USD (Dist)	24210095	IE00BKM4H312	USD
iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)	27790155	IE00BQT3W831	EUR
iShares € Corp Bond Sustainability Screened 0-3yr UCITS ETF EUR (Dist)	30593752	IE00BYZTVV78	EUR

### 3. Market Makers

The listing on the SIX of the Shares in the Funds authorized in Switzerland allows investors not only to subscribe for or request repurchase of Shares directly with the Company, but also to purchase or sell the Shares of the Funds authorized in Switzerland on a liquid and regulated secondary market, i.e. via the SIX. The procedures relating to the subscription or repurchase of the Company's Shares are set out in the Prospectus.

The complete and up-to-date list of the banking institution/s nominated by the Company in order to assume the functions as Market Maker for the trading of the Shares of the Funds listed on the SIX is available and free accessible on the website of the SIX: [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com).

The role of the Market Makers is to maintain a market for the Shares of the Funds listed on the SIX for which they have been appointed as Market Makers, and in this context, to introduce purchase and sale prices for the relevant Funds on the SIX trading system.

In accordance with the practice of the FINMA, each Market Maker is required to ensure that the difference between (i) the Intraday Net Asset Value per Share (calculated on the basis of the Net Asset Value per Share and adjusted to reflect price variations resulting from the trading of the underlying securities contained in the index of the relevant Fund (the "**Intraday Net Asset Value**" also referred to as "indicative NAV")) and (ii) the price at which investors may purchase and sell the Shares on the SIX is reduced to a reasonable level.

Under the terms of the Market Making Agreements between the SIX and each Market Maker, the Market Makers are required, subject to specific rules and under normal market conditions, to make a market on the SIX for Shares of Funds authorized in Switzerland and, as part of this obligation, to publish purchase and sale prices for these Shares on the SIX trading system with a spread as follows:

For Funds on underlying stocks, the spread may not exceed 2% (being 1% on either side of the indicative NAV) in cases where at least 50% of the constituent stocks can be traded on the primary market during the official SIX trading hours, and a spread of not more than 5% in cases where more than 50% of the constituent stocks cannot be traded on the primary market during the official SIX trading hours.

For Funds on underlying bonds of the category government bonds, "supranationals" and similar bonds with a maturity of less than 3 years, the spread may not exceed 0.5 % (+/- 0.25 % on either side of the indicative NAV where available).

For Funds on underlying bonds of the category government bonds, "supranationals" and similar bonds with a maturity of more than 3 years, as well as for investment-grade corporate bonds, the spread may not exceed 1.0 % (+/- 0.5 % on either side of the indicative NAV where available).

For Funds on underlying bonds of the category emerging market bonds and non-investment grade corporate bonds, the spread may not exceed 2% (+/-1% on either side of the indicative NAV where available).

This condition only applies in normal market conditions.

#### **4. Materialization**

In Switzerland, Shares are traded via the SIX. Investors who trade the Shares on the SIX will have their interests in Shares settled via SIX Securities Services. No certificates are issued specifically for interests in Shares that settle via SIX Securities Services.

The Funds use the International Central Securities Depositories ("**ICSD**") model. SIX Securities Services will be a participant in the ICSD. Please refer to the section titled "Global Clearing and Settlement" for more information. Shares traded in Switzerland are held in a SIX Securities Services account in the ICSD structure. SIX Securities Services will maintain a sub-register for Shares traded on SIX.

#### **5. Evolution of the Net Asset Value (NAV) during the last 3 Years (calculated in the Base Currency of the relevant Fund) \***

Fund/Share Class	2009				2010				2011			
	10.01	15.05	22.08	10.12	09.01	15.05	21.08	10.12	11.01	14.05	23.08	10.12
iShares EURO STOXX 50 UCITS ETF EUR (Dist)	24.946208	24.015051	27.49226	28.631332	30.263836	26.721754	26.674837	28.592922	28.165897	29.501616	22.077279	23.610388
iShares STOXX Europe 50 UCITS ETF EUR (Dist)	21.582023	20.664402	23.841026	24.750528	26.250067	24.36531	25.144931	26.120195	26.456182	26.422397	21.664066	23.304787
iShares Asia Property Yield UCITS ETF USD (Dist)	15.352734	15.134953	19.352407	21.24304	22.260702	20.741146	21.542062	24.550427	25.45549	25.039485	21.618599	20.433009
iShares Developed Markets Property Yield UCITS ETF USD (Dist)	12.397859	11.26455	14.666466	16.00752	16.837235	16.722659	16.952625	18.942185	19.393717	20.655351	18.584528	18.139209
iShares US Property Yield UCITS ETF USD (Dist)	12.397859	11.26455	14.666466	16.00752	16.837235	16.722659	16.952625	18.942185	18.446035	20.291753	18.772061	19.309252
iShares Global Infrastructure UCITS ETF USD (Dist)	21.138363	19.208579	21.677457	22.821195	23.50475	20.596728	21.045424	22.078301	22.172361	23.419877	21.036206	21.414584
iShares MSCI Turkey UCITS ETF USD (Dist)	17.6003	21.776913	32.406097	32.584318	36.281981	39.487178	37.945976	41.669762	40.672627	37.867398	29.591306	27.867231
iShares € Govt Bond 3-5yr UCITS ETF EUR (Dist)	144.886737	145.643295	146.932143	147.614473	147.839768	150.427155	152.093986	147.441439	147.708513	145.934825	150.802611	146.776189
iShares € Govt Bond 7-	154.34293	151.455557	154.600615	155.570674	154.715578	159.439663	165.912124	157.651558	158.097094	156.326641	167.377871	164.855971

10yr UCITS ETF EUR (Dist)												
iShares € Govt Bond 15-30yr UCITS ETF EUR (Dist)	155.495688	149.450703	157.838036	157.041599	156.011943	160.330378	172.00019	157.291461	155.33418	153.5556	160.994794	152.40444
iShares \$ Treasury Bond 7-10yr UCITS ETF USD (Dist)	180.74304	171.793986	167.393014	166.394239	165.239903	170.087703	182.676954	174.013008	174.490627	176.669943	193.268547	193.526697
iShares \$ TIPS UCITS ETF USD (Acc)	145.839776	150.348342	153.297849	159.176052	159.98243	164.787356	167.26112	167.055855	169.826753	176.021546	188.489207	190.800124
iShares BRIC 50 UCITS ETF USD (Dist)	16.656829	21.116588	25.429613	29.894549	30.997943	27.797886	28.189409	31.011823	32.056476	31.223841	26.99355	25.624703
iShares UK Property UCITS ETF GBP (Dist)	3.692286	2.747545	3.660813	3.585561	3.818515	3.413041	3.422159	3.789351	3.871554	4.234061	3.727085	3.492845
iShares Global Water UCITS ETF USD (Dist)	17.035584	17.087043	19.904655	21.346789	22.543305	20.497781	20.15725	23.766423	24.498245	25.549593	22.292791	22.338937
iShares Listed Private Equity UCITS ETF USD (Dist)	8.181056	8.86228	11.353937	11.574437	12.903002	12.549818	11.823756	14.754523	15.03068	15.467723	11.702292	11.736527
iShares MSCI Europe UCITS ETF EUR (Dist)	13.373078	13.105675	14.989143	15.584144	16.518843	15.905494	16.126166	17.534845	17.893158	17.89329	14.400307	15.341861
iShares Global Clean Energy UCITS ETF USD (Dist)	12.54662	12.390291	12.411298	12.436368	13.770814	9.240766	8.932662	9.097246	9.222368	9.848402	7.235442	5.165748
iShares MSCI EM Latin America UCITS ETF	14.152843	17.04887	21.872538	26.175441	27.526906	24.490745	25.602296	28.426184	29.428113	27.860617	25.374008	24.546357

USD (Dist)												
iShares EM Infrastructure UCITS ETF USD (Dist)	14.269865	16.344095	19.406247	21.128196	22.435468	20.268746	20.877576	22.757321	23.774533	24.590912	20.73116	19.475509
iShares J.P. Morgan \$ EM Bond UCITS ETF USD (Dist)	84.871335	90.71244	96.426812	100.418321	101.352571	102.225414	110.600337	106.960686	106.151215	106.946207	109.00805	107.49662
iShares MSCI AC Far East ex-Japan Small Cap UCITS ETF USD (Dist)	12.163935	17.838907	20.339223	23.405192	25.255547	24.810386	25.728279	29.110846	30.667305	30.814774	26.729548	23.388024
iShares FTSE MIB UCITS ETF EUR (Dist)	11.862605	11.517475	13.235355	13.36313	14.185539	11.779806	11.975834	12.260524	12.168459	13.009113	8.956925	9.249495
iShares \$ High Yield Corp Bond UCITS ETF USD (Dist)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	103.25701
<b>Fund/Share Class</b>	<b>2011</b>			<b>2012</b>				<b>2013</b>				<b>2014</b>
	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>	<b>31.03</b>	<b>30.06.</b>	<b>30.09.</b>	<b>31.12</b>	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>	<b>30.12</b>	<b>31.03</b>
iShares US Aggregate Bond UCITS ETF USD (Dist)	n/a	99.942109	101.227168	101.555643	102.667868	104.214304	103.421826	103.181449	100.048576	100.574667	99.728847	101.465894
iShares EURO STOXX 50 ex-Financials UCITS ETF EUR (Acc)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26.295722	26.757723
<b>Fund/Share Class</b>	<b>2012</b>			<b>2013</b>				<b>2014</b>				
	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>
iShares MSCI EM Islamic UCITS ETF USD (Dist)	19.919719	17.62929	19.025608	19.40536	18.223021	16.535326	17.619442	17.310643	17.1532	18.2898	17.3477	15.526487
iShares Core UK Gilts UCITS ETF	11.634734	11.926621	12.057444	11.867997	11.945674	11.3788	11.4265	11.1516	11.3843	11.3835	11.8032	12.4026



GBP (Dist)												
iShares MSCI USA Islamic UCITS ETF USD (Dist)	26.572062	25.583102	27.090312	26.645937	29.705726	29.7609	31.3929	34.0445	34.9105	36.4335	36.3331	37.0835
iShares MSCI Europe SRI UCITS ETF EUR (Acc)	23.736948	22.774635	24.821698	26.346177	27.623703	27.088	29.593	31.1999	32.3756	33.799	34.2685	33.823
iShares Global Timber & Forestry UCITS ETF USD (Dist)	15.654048	14.200414	15.413713	16.851502	18.702222	17.099301	18.875542	19.831106	19.4108	19.9599	18.6296	19.8061
iShares MSCI World Islamic UCITS ETF USD (Dist)	23.36305	21.968259	23.409388	23.462478	25.122168	24.646155	26.477996	28.159004	28.6919	30.0546	29.1443	28.492
iShares Dow Jones Global Sustainability Screened UCITS ETF USD (Acc)	24.367096	22.670976	24.210881	25.213499	26.740794	26.559992	28.830133	30.656144	31.4139	32.918	31.9365	31.3787
<b>Fund/Share Class</b>	<b>2012</b>			<b>2013</b>			<b>2014</b>			<b>2015</b>		
	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>	<b>31.12</b>	<b>31.03</b>
iShares JPX-Nikkei 400 EUR Hedged UCITS ETF (Acc)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.00

\* with regard to the start of the respective listing on the SIX Swiss Exchange

## **6. Responsibility for the Listing Prospectus**

The Company, iShares II plc with registered offices in Dublin, Ireland, and its Directors accept responsibility for the information contained in this Prospectus. To the best of their knowledge and belief, the information contained in this Prospectus is correct and no material fact or circumstances have been omitted.

