



Annual report and audited financial statements

iSHARES IV PLC

For the financial year ended 31 May 2017

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This annual report and audited financial statements (the “Report and Accounts”) may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Report and Accounts. To the extent that there is any inconsistency between the English language Report and Accounts and the Report and Accounts in another language, the English language Report and Accounts 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 Report and Accounts in a language other than English, the language of the Report and Accounts on which such action is based shall prevail. Any disputes as to the terms of the Report and Accounts, regardless of the language of the Report and Accounts, shall be governed by and construed in accordance with the laws of Ireland.

General information

Board of Directors¹

Paul McNaughton (Chairman) (Irish)
Paul McGowan (Irish)
Barry O'Dwyer (Irish)
Karen Prooth (British)
Teresa O'Flynn (Irish)

Audit Committee Members

Paul McGowan (Chairman)
Paul McNaughton

Nomination Committee Members

Paul McNaughton (Chairman)
Paul McGowan
Barry O'Dwyer

Manager

BlackRock Asset Management Ireland Limited
J.P. Morgan House
International Financial Services Centre
Dublin 1
Ireland

Administrator

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Registrar

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Company Secretary

Sanne
Fourth Floor
76 Lower Baggot Street
Dublin 2
Ireland

Investment Manager, Promoter and Securities Lending Agent

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

Sub-Investment Managers²

BlackRock Financial Management Inc.
40 East 52nd Street
New York
NY 10022
United States

BlackRock (Singapore) Limited
20 Anson Road
#18-01
Singapore 079912
Singapore

Depository

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

PRC Sub-Custodian³

The Hong Kong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong
China

RQFII Custodian³

HSBC Bank (China) Co Ltd
33th Floor, HSBC Building
Shanghai IFC
8 Century Avenue
Pudong
Shanghai
China 200120

Registered office of the Company

J.P. Morgan House
International Financial Services Centre
Dublin 1
Ireland

Legal Advisors to the Company

William Fry
2 Grand Canal Square
Dublin 2
Ireland

¹ All Directors are non-executive Directors.

² The Investment Manager has sub-delegated the investment decision making in respect of iShares \$ Short Duration Corp Bond UCITS ETF, iShares \$ Short Duration High Yield Corp Bond UCITS ETF, iShares \$ Treasury Bond 20+yr UCITS ETF, iShares \$ Ultrashort Bond UCITS ETF, iShares £ Ultrashort Bond UCITS ETF, iShares € Govt Bond 20yr Target Duration UCITS ETF, iShares € Ultrashort Bond UCITS ETF, iShares Fallen Angels High Yield Corp Bond UCITS ETF, iShares iBonds Sep 2018 \$ Corp UCITS ETF and iShares US Mortgage Backed Securities UCITS ETF.

³ PRC Sub-Custodian and RQFII Custodian relate to iShares MSCI China A UCITS ETF only.

General information (continued)

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Paying Agent

Citibank N.A., London Branch
Citigroup Centre
25 Canada Square
Canary Wharf
London E14 5LB
England

Representative in Switzerland

BlackRock Asset Management Schweiz AG
Bahnhofstrasse 39
8001 Zurich
Switzerland

Paying Agent in Switzerland

State Street Bank International GmbH
Munich
Zurich Branch
Beethovenstrasse 19
CH-8027 Zurich
Switzerland

German Paying and Information Agent

Commerzbank AG
Theodor-Heuss-Allee 50
60486 Frankfurt am Main
Germany

Austrian Paying and Information Agent

UniCredit Bank Austria AG
Attn: 8398/Custody
Julius Tandler Platz 3
1090 Vienna
Austria

The Company is duly registered with the Comisión Nacional del Mercado de Valores in Spain under number 1042.

Background

iShares IV public limited company (the “Company”) is organised as an open-ended investment company with variable capital. The Company was incorporated in Ireland on 3 July 2009 with limited liability and segregated liability between its Funds and is organised under the laws of Ireland as a Public Limited Company (“plc”) pursuant to the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “UCITS Regulations”) and is regulated by the Central Bank of Ireland (the “CBI”).

The term “Fund” shall be deemed to mean either a Fund of the Company, or if the context so requires, the Manager or its delegate acting for the account of the relevant Fund. The term “BlackRock” is used to represent BlackRock Advisors (UK) Limited. The investment objectives and policies of each Fund are set out in the prospectus and the relevant supplemental prospectus.

The Company is structured as an umbrella Fund and comprises separate Funds (“Funds”) of the Company. 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.

On 2 November 2016, the Board of Directors of the Company notified shareholders of their intention to launch currency hedged share classes within most of the existing Funds of the Company. A currency hedged share class is a share class of a Fund which allows the use of hedging transactions to reduce the effect of exchange rate fluctuations. Unhedged share classes are also available to investors. The Company may issue currency hedged share classes in Funds that are not currency hedged Funds. Currency hedged Funds are identified on the Fund details table on page 8.

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, 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. The financial instruments and risks section of the financial statements provides more details on the management of foreign currency risk in relation to the 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) 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.

The transactions, costs and related liabilities and benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular currency hedged share classes shall be attributed only to the relevant currency hedged share classes.

Changes to the Company

During the financial year, the Company launched the following Funds:

Fund	Launch date
iShares Fallen Angels High Yield Corp Bond UCITS ETF	22 June 2016
iShares MSCI USA SRI UCITS ETF	12 July 2016
iShares MSCI EM SRI UCITS ETF	12 July 2016
iShares Automation & Robotics UCITS ETF	12 September 2016
iShares Ageing Population UCITS ETF	12 September 2016
iShares Digitalisation UCITS ETF	12 September 2016
iShares Healthcare Innovation UCITS ETF	12 September 2016
iShares Edge MSCI USA Momentum Factor UCITS ETF	17 October 2016
iShares Edge MSCI USA Quality Factor UCITS ETF	17 October 2016
iShares Edge MSCI USA Size Factor UCITS ETF	17 October 2016
iShares Edge MSCI USA Value Factor UCITS ETF	17 October 2016
iShares OMX Stockholm Capped UCITS ETF	16 December 2016
iShares MSCI Japan SRI UCITS ETF	6 March 2017

Background (continued)

Changes to the Company (continued)

In response to the CBI publishing the Central Bank (Supervision and Enforcement) Act, 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the “Investor Money Regulations” or “IMR”) in March 2015 (effective from 1 July 2016), the Manager undertook, together with State Street Custodial Services (Ireland) Limited, a review of the way in which subscription, distribution and redemption monies are channelled to and from the Company.

As a result of this review, subscription and redemption monies will, be channelled through an umbrella cash collection account in the name of the Company, and in respect of any Funds considered to be highly leveraged, Fund cash collection accounts in the name of the relevant Fund(s). Pending issue of the Shares and /or payment of subscription proceeds to an account in the name of the Company or the relevant Fund(s), and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it. An Addendum issued on 4 July 2016 includes this change. For the avoidance of doubt, none of the Funds of the Company are considered highly leveraged.

On 14 September 2016, the Brazilian Tax Authorities issued Normative Instruction 1658/16 amending the list of countries considered to be ‘low tax jurisdictions’ to include Curacao, Saint Martin and Ireland and exclude the Netherlands Antilles and Saint Kitts and Nevis. The changes are effective from 1 October 2016 onwards. As a consequence, Brazilian Capital Gains Tax (“CGT”) and increased income withholding tax (“WHT”) rates on interest on capital distributions will apply to the Brazilian securities held in the following Funds, iShares MSCI EM SRI UCITS ETF, iShares Automation & Robotics UCITS ETF, iShares Ageing Population UCITS ETF, and iShares Digitalisation UCITS ETF.

The following name changes to the Funds and changes to benchmark index names as detailed below were effective from 22 November 2016.

Existing Fund Name	New Fund Name
iShares \$ Short Duration Corporate Bond UCITS ETF	iShares \$ Short Duration Corp Bond UCITS ETF
iShares \$ Short Duration High Yield Corporate Bond UCITS ETF	iShares \$ Short Duration High Yield Corp Bond UCITS ETF
iShares Euro Government Bond 20yr Target Duration UCITS ETF	iShares € Govt Bond 20yr Target Duration UCITS ETF
iShares Euro Ultrashort Bond UCITS ETF	iShares € Ultrashort Bond UCITS ETF
iShares Fallen Angels High Yield Corporate Bond UCITS ETF	iShares Fallen Angels High Yield Corp Bond UCITS ETF
iShares iBonds Sep 2018 USD Corporate UCITS ETF	iShares iBonds Sep 2018 \$ Corp UCITS ETF
iShares Sustainable MSCI Emerging Markets SRI UCITS ETF	iShares MSCI EM SRI UCITS ETF
iShares Sustainable MSCI Japan SRI EUR Hedged UCITS ETF	iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)
iShares Sustainable MSCI USA SRI UCITS ETF	iShares MSCI USA SRI UCITS ETF

Fund	Benchmark Name	Updated Benchmark Name
iShares Fallen Angels High Yield Corp Bond UCITS ETF	Barclays Global Corporate ex EM Fallen Angels 3% Issuer Capped Index	Bloomberg Barclays Global Corporate ex EM Fallen Angels 3% Issuer Capped Index
iShares iBonds Sep 2018 \$ Corp UCITS ETF	Barclays September 2018 Maturity US Corporate Index	Bloomberg Barclays September 2018 Maturity US Corporate Index
iShares US Mortgage Backed Securities UCITS ETF	Barclays US Mortgage Backed Securities Index	Bloomberg Barclays US Mortgage Backed Securities Index

The prospectus previously stated that the TERs of iShares \$ Ultrashort Bond UCITS ETF, iShares € Ultrashort Bond UCITS ETF and iShares £ Ultrashort Bond UCITS ETF were reduced temporarily. This change has been made permanent from 22 November 2016 and the TERs remain at 0.09%. On 22 November 2016, a revised prospectus was issued to reflect the changes listed above.

Background (continued)

Changes to the Company (continued)

As of 18 November 2016, the Company Secretary address changed from Taney Hill, Eglinton Terrace, Dundrum, Dublin 14 to Fourth Floor, 76 Lower Baggot Street, Dublin 2.

Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) ("SFTR") came into force on 12 January 2016 and, amongst other requirements, introduces new disclosure requirements in the Funds' annual and half-yearly reports published after 13 January 2017 detailing the Funds' use of securities financing transactions and total return swaps ("TRS"). As a result, additional disclosures have been included in the Supplementary Information section to the Annual Report. The information contained within the Supplementary Information should be read in conjunction with the financial instruments and risks section of the financial statements.

As of 9 February 2017, iShares TA-25 Israel UCITS ETF changed its name to iShares TA-35 Israel UCITS ETF. The benchmark index was also expanded to increase the number of constituents from 25 to 35. A new prospectus was issued 4 May 2017 to reflect these changes.

Potential Implication of Brexit

In a referendum held on 23 June 2016, the electorate of the United Kingdom ("UK") resolved to leave the European Union ("EU"). The result has led to political instability and economic uncertainty, volatility in the financial markets of the United Kingdom and more broadly across Europe and a decline in the value of the Sterling.

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.

The potential currency volatility resulting from this uncertainty may mean that the returns of a Fund and its investments are adversely affected by market movements. 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.

Renminbi qualified foreign institutional investor

Under current law of the Peoples Republic of China ("PRC") and subject to minor exceptions, investors based in certain jurisdictions outside the PRC may apply to the China Securities Regulatory Commission ("CSRC") for status as a Renminbi Qualified Foreign Institutional Investor ("RQFII"). Once an entity is licensed as a RQFII, it will be allocated a certain amount of RQFII Quota (investment quota issued by China's State Administration of Foreign Exchange ("SAFE") to invest directly in China A Shares).

The Investment Manager has been licensed as a RQFII and as at 11 March 2015 has been granted an allocation of RQFII Quota for allocation across multiple Funds under its management.

The capacity of iShares MSCI China A UCITS ETF to make investments in China A shares depends on several factors, including sufficient RQFII Quota being granted by SAFE to the Investment Manager (including any additional RQFII Quota when needed) and allocated by the Investment Manager for use by the Fund, as well as the ability of the Investment Manager to maintain its RQFII Licence. The Investment Manager has the flexibility to allocate its RQFII Quota across multiple Funds under its management from time to time. As such, the Fund will not have exclusive use of a specified amount of RQFII Quota and will rely on the Investment Manager's management and allocation of such quota between different Funds.

Background (continued)

Fund details

There were 40 Funds in operation at 31 May 2017. The investment objective of the Funds is to provide investors with a total return, taking into account the capital and income returns, which reflect the total returns of the respective benchmark listed in the table below:

Fund	Benchmark Index	Investment Management Approach*
iShares \$ Short Duration Corp Bond UCITS ETF	Markit iBoxx USD Liquid Investment Grade 0-5 Index	Non-replicating
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	Markit iBoxx USD Liquid High Yield 0-5 Capped Index	Non-replicating
iShares \$ Treasury Bond 20+yr UCITS ETF	ICE U.S. Treasury 20+ Years Bond Index	Non-replicating
iShares \$ Ultrashort Bond UCITS ETF	Markit iBoxx USD Liquid Investment Grade Ultrashort Index	Non-replicating
iShares € Govt Bond 20yr Target Duration UCITS ETF	Markit iBoxx EUR Eurozone 20yr Target Duration Index	Non-replicating
iShares € Ultrashort Bond UCITS ETF	Markit iBoxx EUR Liquid Investment Grade Ultrashort Index	Non-replicating
iShares £ Ultrashort Bond UCITS ETF	Markit iBoxx GBP Liquid Investment Grade Ultrashort Index	Non-replicating
iShares Ageing Population UCITS ETF	iSTOXX® FactSet Ageing Population Index	Non-replicating
iShares Automation & Robotics UCITS ETF	iSTOXX® FactSet Automation & Robotics Index	Non-replicating
iShares Digitalisation UCITS ETF	iSTOXX® FactSet Digitalisation Index	Non-replicating
iShares Edge MSCI Europe Momentum Factor UCITS ETF	MSCI Europe Momentum Index	Non-replicating
iShares Edge MSCI Europe Multifactor UCITS ETF	MSCI Europe Diversified Multiple-Factor Index	Non-replicating
iShares Edge MSCI Europe Quality Factor UCITS ETF	MSCI Europe Sector Neutral Quality Index	Non-replicating
iShares Edge MSCI Europe Size Factor UCITS ETF	MSCI Europe Mid-Cap Equal Weighted Index	Non-replicating
iShares Edge MSCI Europe Value Factor UCITS ETF	MSCI Europe Enhanced Value Index	Non-replicating
iShares Edge MSCI USA Momentum Factor UCITS ETF	MSCI USA Momentum Index	Non-replicating
iShares Edge MSCI USA Multifactor UCITS ETF	MSCI USA Diversified Multiple-Factor Index	Non-replicating
iShares Edge MSCI USA Quality Factor UCITS ETF	MSCI USA Sector Neutral Quality Index	Non-replicating
iShares Edge MSCI USA Size Factor UCITS ETF	MSCI USA Mid-Cap Equal Weighted Index	Non-replicating
iShares Edge MSCI USA Value Factor UCITS ETF	MSCI USA Enhanced Value Index	Non-replicating
iShares Edge MSCI World Momentum Factor UCITS ETF	MSCI World Momentum Index	Non-replicating
iShares Edge MSCI World Multifactor UCITS ETF	MSCI World Diversified Multiple-Factor Index	Non-replicating
iShares Edge MSCI World Quality Factor UCITS ETF	MSCI World Sector Neutral Quality Index	Non-replicating
iShares Edge MSCI World Size Factor UCITS ETF	MSCI World Mid-Cap Equally Weighted Index	Non-replicating
iShares Edge MSCI World Value Factor UCITS ETF	MSCI World Enhanced Value Index	Non-replicating
iShares Fallen Angels High Yield Corp Bond UCITS ETF**	Bloomberg Barclays Global Corporate ex EM Fallen Angels 3% Issuer Capped Index	Non-replicating
iShares Healthcare Innovation UCITS ETF	iSTOXX® FactSet Breakthrough Healthcare Index	Non-replicating
iShares iBonds Sep 2018 \$ Corp UCITS ETF**	Bloomberg Barclays September 2018 Maturity US Corporate Index	Non-replicating
iShares MSCI China A UCITS ETF	MSCI China A International Index	Non-replicating
iShares MSCI EM SRI UCITS ETF	MSCI EM SRI Index	Replicating
iShares MSCI EMU Large Cap UCITS ETF	MSCI EMU Large Cap Index	Replicating
iShares MSCI EMU Mid Cap UCITS ETF	MSCI EMU Mid Cap Index	Replicating
iShares MSCI France UCITS ETF	MSCI France Index	Replicating
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)^	MSCI Japan SRI 100% Hedged to EUR Index	Replicating
iShares MSCI Japan SRI UCITS ETF	MSCI Japan SRI Index	Replicating
iShares MSCI USA SRI UCITS ETF	MSCI USA SRI Index	Replicating
iShares OMX Stockholm Capped UCITS ETF	OMX Stockholm Benchmark Cap™	Replicating
iShares TA-35 Israel UCITS ETF	TA-35 Net USD Index	Replicating
iShares US Equity Buyback Achievers UCITS ETF	Nasdaq US Buyback Achievers™ Select Index	Non-replicating
iShares US Mortgage Backed Securities UCITS ETF**	Bloomberg Barclays US Mortgage Backed Securities Index	Non-replicating

^ Currency hedged Fund.

* Please refer to the Investment Manager's report for further information on the meaning of replicating and non-replicating Funds.

** Benchmark index name changed during the financial year.

All figures relating to each Fund are shown in the relevant functional currency. The financial statements of the Company are presented in British Pounds. These Funds are Exchange Traded Funds ("ETFs"), which provide the flexibility of a share with the diversification of a Fund. They can be bought and sold like any other share listed on a stock exchange, but provide instant exposure to many companies or various financial instruments relevant to the Fund and its benchmark index.

Background (continued)

Stock exchange listings

The Company maintained a primary listing on the London Stock Exchange ("LSE").

As of 31 May 2017, the Funds are traded on the following exchanges:

Fund	Base Currency*	London Stock Exchange	Borsa Italiana	Deutsche Börse**	NYSE Euronext Amsterdam	SIX Swiss Exchange
iShares \$ Short Duration Corp Bond UCITS ETF	\$	✓	-	✓	✓	✓
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$	✓	✓	✓	✓	✓
iShares \$ Treasury Bond 20+yr UCITS ETF	\$	✓	✓	✓	-	✓
iShares \$ Ultrashort Bond UCITS ETF	\$	✓	-	✓	✓	✓
iShares € Govt Bond 20yr Target Duration UCITS ETF	€	✓	-	✓	-	✓
iShares € Ultrashort Bond UCITS ETF	€	✓	✓	✓	✓	✓
iShares £ Ultrashort Bond UCITS ETF	£	✓	-	-	-	-
iShares Ageing Population UCITS ETF	\$	✓	✓	✓	-	✓
iShares Automation & Robotics UCITS ETF	\$	✓	✓	✓	-	✓
iShares Digitalisation UCITS ETF	\$	✓	✓	✓	-	✓
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€	✓	✓	✓	-	✓
iShares Edge MSCI Europe Multifactor UCITS ETF	€	✓	✓	✓	-	✓
iShares Edge MSCI Europe Quality Factor UCITS ETF	€	✓	✓	✓	-	✓
iShares Edge MSCI Europe Size Factor UCITS ETF	€	✓	✓	✓	-	✓
iShares Edge MSCI Europe Value Factor UCITS ETF	€	✓	✓	✓	-	✓
iShares Edge MSCI USA Momentum Factor UCITS ETF	\$	✓	-	✓	-	✓
iShares Edge MSCI USA Multifactor UCITS ETF	\$	✓	✓	✓	-	✓
iShares Edge MSCI USA Quality Factor UCITS ETF	\$	✓	-	✓	-	✓
iShares Edge MSCI USA Size Factor UCITS ETF	\$	✓	-	✓	-	✓
iShares Edge MSCI USA Value Factor UCITS ETF	\$	✓	-	✓	-	✓
iShares Edge MSCI World Momentum Factor UCITS ETF	\$	✓	✓	✓	-	✓
iShares Edge MSCI World Multifactor UCITS ETF	\$	✓	✓	✓	-	✓
iShares Edge MSCI World Quality Factor UCITS ETF	\$	✓	✓	✓	-	✓
iShares Edge MSCI World Size Factor UCITS ETF	\$	✓	✓	✓	-	✓
iShares Edge MSCI World Value Factor UCITS ETF	\$	✓	✓	✓	-	✓
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$	✓	✓	✓	-	✓
iShares Healthcare Innovation UCITS ETF	\$	✓	✓	✓	-	✓
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$	✓	-	-	-	-
iShares MSCI China A UCITS ETF	\$	✓	-	✓	-	✓
iShares MSCI EM SRI UCITS ETF	\$	✓	-	✓	-	✓
iShares MSCI EMU Large Cap UCITS ETF	€	✓	✓	✓	-	✓
iShares MSCI EMU Mid Cap UCITS ETF	€	✓	✓	✓	-	✓
iShares MSCI France UCITS ETF	€	✓	-	✓	-	✓
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	€	✓	-	✓	-	-
iShares MSCI Japan SRI UCITS ETF	\$	✓	-	✓	-	-
iShares MSCI USA SRI UCITS ETF	\$	✓	-	✓	-	✓
iShares OMX Stockholm Capped UCITS ETF	Kr	✓	-	✓	-	-
iShares TA-35 Israel UCITS ETF	\$	✓	-	✓	-	✓
iShares US Equity Buyback Achievers UCITS ETF	\$	✓	-	✓	-	✓
iShares US Mortgage Backed Securities UCITS ETF	\$	✓	-	✓	-	✓

* All \$, £, Kr and € base currency Funds are denominated in United States Dollar, British Pound, Swedish Krona and Euro respectively.

** Funds trade on the Deutsche Börse Xetra XTF Funds Platform of the Frankfurt Stock Exchange.

Background (continued)

Transactions with connected parties

In accordance with the requirements of the CBI, the Manager shall ensure that any transactions carried out between the Funds and the Manager or Depositary to the Funds, the delegates or sub-delegates of the Manager or Depositary (excluding any non-group company sub-custodians appointed by a Depositary) and any associated or group company of the Manager, Depositary, delegate or sub-delegate ("Connected Parties") must be conducted at arm's length and in the best interests of the shareholders.

The board of directors of the Manager are satisfied that there are arrangements in place, as evidenced by written procedures, to ensure that the obligations set out above are applied to all transactions with Connected Parties and that transactions with Connected Parties entered into during the financial year complied with this obligation.

Total expense ratio

The total expense ratio ("TER") shown below expresses the sum of all fees, operating costs and expenses, with the exception of direct trading costs, charged to each Fund's or share class assets as a percentage of the daily Fund assets based on a twelve month financial year ended 31 May 2017.

Fund [†]	TER(%) Currency hedged share classes**	TER (%) Unhedged share classes
iShares \$ Short Duration Corp Bond UCITS ETF - USD (Dist) Class	-	0.20
iShares \$ Short Duration Corp Bond UCITS ETF - USD (Acc) Class	-	0.20
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	-	0.45
iShares \$ Treasury Bond 20+yr UCITS ETF	-	0.20
iShares \$ Ultrashort Bond UCITS ETF	-	0.09
iShares € Govt Bond 20yr Target Duration UCITS ETF	-	0.15
iShares € Ultrashort Bond UCITS ETF	-	0.09
iShares £ Ultrashort Bond UCITS ETF	-	0.09
iShares Ageing Population UCITS ETF*	-	0.40
iShares Automation & Robotics UCITS ETF*	-	0.40
iShares Digitalisation UCITS ETF*	-	0.40
iShares Edge MSCI Europe Momentum Factor UCITS ETF	-	0.25
iShares Edge MSCI Europe Multifactor UCITS ETF	-	0.45
iShares Edge MSCI Europe Quality Factor UCITS ETF	-	0.25
iShares Edge MSCI Europe Size Factor UCITS ETF	-	0.25
iShares Edge MSCI Europe Value Factor UCITS ETF	-	0.25
iShares Edge MSCI USA Momentum Factor UCITS ETF*	-	0.20
iShares Edge MSCI USA Multifactor UCITS ETF	-	0.35
iShares Edge MSCI USA Quality Factor UCITS ETF*	-	0.20
iShares Edge MSCI USA Size Factor UCITS ETF*	-	0.20
iShares Edge MSCI USA Value Factor UCITS ETF*	-	0.20
iShares Edge MSCI World Momentum Factor UCITS ETF	-	0.30
iShares Edge MSCI World Multifactor UCITS ETF - USD (Acc) Class	0.55%	0.50
iShares Edge MSCI World Quality Factor UCITS ETF	-	0.30
iShares Edge MSCI World Size Factor UCITS ETF	-	0.30
iShares Edge MSCI World Value Factor UCITS ETF	-	0.30
iShares Fallen Angels High Yield Corp Bond UCITS ETF*	-	0.50
iShares Healthcare Innovation UCITS ETF*	-	0.40
iShares iBonds Sep 2018 \$ Corp UCITS ETF	-	0.10
iShares MSCI China A UCITS ETF	-	0.65
iShares MSCI EM SRI UCITS ETF*	-	0.35

[†] 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.

** As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

*** This charge can be up to 1.00%. Any increase in this charge will be subject to prior shareholder approval.

Background (continued)

Total expense ratio (continued)

Fund [†]	TER(%)	TER (%)
	Currency hedged share classes**	Unhedged share classes
iShares MSCI EMU Large Cap UCITS ETF	-	0.49
iShares MSCI EMU Mid Cap UCITS ETF	-	0.49
iShares MSCI France UCITS ETF	-	0.25
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	-	0.35
iShares MSCI Japan SRI UCITS ETF*	-	0.30
iShares MSCI USA SRI UCITS ETF*	-	0.30
iShares OMX Stockholm Capped UCITS ETF*	-	0.10
iShares TA-35 Israel UCITS ETF	-	0.60
iShares US Equity Buyback Achievers UCITS ETF	-	0.55
iShares US Mortgage Backed Securities UCITS ETF - USD (Dist) Class	-	0.28
iShares US Mortgage Backed Securities UCITS ETF - USD (Acc) Class	-	0.28

[†] 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.

* As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

** This charge can be up to 1.00%. Any increase in this charge will be subject to prior shareholder approval.

Investment Manager's report

INVESTMENT OBJECTIVE

The investment objective of the Funds is to provide investors with a total return, taking into account the capital and income returns, which reflect the total returns of the respective benchmark listed in the Background section.

FUND PERFORMANCE*

The performance of the Funds for the financial year under review is shown below:

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Fund return for the financial year ended 31/05/2016 %	Benchmark return for the financial year ended 31/05/2016 %
iShares \$ Short Duration Corp Bond UCITS ETF	1.89	2.08	1.59	1.77
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	9.78	10.26	(1.41)	(0.89)
iShares \$ Treasury Bond 20+yr UCITS ETF	(2.15)	(2.01)	8.13	8.34
iShares \$ Ultrashort Bond UCITS ETF	1.22	1.35	0.76	0.89
iShares € Govt Bond 20yr Target Duration UCITS ETF	(2.37)	(2.34)	5.48	5.42
iShares € Ultrashort Bond UCITS ETF	0.08	0.08	0.16	0.14
iShares £ Ultrashort Bond UCITS ETF	0.86	0.90	0.74	0.74
iShares Ageing Population UCITS ETF***	8.37	8.40	N/A	N/A
iShares Automation & Robotics UCITS ETF***	24.43	24.31	N/A	N/A
iShares Digitalisation UCITS ETF***	7.00	7.07	N/A	N/A
iShares Edge MSCI Europe Momentum Factor UCITS ETF	14.10	14.68	(6.44)	(6.21)
iShares Edge MSCI Europe Multifactor UCITS ETF**	13.17	13.32	3.89	4.36
iShares Edge MSCI Europe Quality Factor UCITS ETF	10.42	10.45	(5.70)	(5.45)
iShares Edge MSCI Europe Size Factor UCITS ETF	16.87	16.98	(7.78)	(7.60)
iShares Edge MSCI Europe Value Factor UCITS ETF	17.87	17.75	(15.14)	(15.32)
iShares Edge MSCI USA Momentum Factor UCITS ETF***	17.55	17.55	N/A	N/A
iShares Edge MSCI USA Multifactor UCITS ETF**	19.38	19.42	5.61	5.68
iShares Edge MSCI USA Quality Factor UCITS ETF***	12.65	12.61	N/A	N/A
iShares Edge MSCI USA Size Factor UCITS ETF***	11.95	11.97	N/A	N/A
iShares Edge MSCI USA Value Factor UCITS ETF***	14.46	14.36	N/A	N/A
iShares Edge MSCI World Momentum Factor UCITS ETF	17.43	17.61	(0.51)	(0.40)
iShares Edge MSCI World Multifactor UCITS ETF**	16.07	16.39	5.27	5.55
iShares Edge MSCI World Quality Factor UCITS ETF	13.91	13.91	(0.45)	(0.40)
iShares Edge MSCI World Size Factor UCITS ETF	15.93	16.17	(3.65)	(3.73)
iShares Edge MSCI World Value Factor UCITS ETF	16.26	16.27	(10.90)	(11.00)
iShares Fallen Angels High Yield Corp Bond UCITS ETF***	10.97	11.70	N/A	N/A
iShares Healthcare Innovation UCITS ETF***	2.78	2.98	N/A	N/A
iShares iBonds Sep 2018 \$ Corp UCITS ETF	1.58	1.76	1.35	1.46
iShares MSCI China A UCITS ETF	6.92	6.92	(41.70)	(40.81)
iShares MSCI EM SRI UCITS ETF***	16.31	16.67	N/A	N/A
iShares MSCI EMU Large Cap UCITS ETF	20.06	19.91	(10.48)	(10.64)
iShares MSCI EMU Mid Cap UCITS ETF	22.31	22.42	(6.14)	(5.91)
iShares MSCI France UCITS ETF	21.85	21.01	(6.43)	(7.20)

* Fund performance is shown net of fees and expenses (TER).

** As this Fund launched during the prior financial year, performance figures are shown from launch date to 31 May 2016.

*** As this Fund launched during the financial year, performance figures are shown from launch date to 31 May 2017.

Investment Manager's report (continued)

FUND PERFORMANCE* (continued)

The performance of the Funds for the financial year under review is shown below:

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Fund return for the financial year ended 31/05/2016 %	Benchmark return for the financial year ended 31/05/2016 %
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)**	8.30	8.57	3.75	3.73
Shares MSCI Japan SRI UCITS ETF***	2.71	2.74	N/A	N/A
iShares MSCI USA SRI UCITS ETF***	15.20	15.21	N/A	N/A
iShares OMX Stockholm Capped UCITS ETF***	12.39	11.50	N/A	N/A
iShares TA-35 Israel UCITS ETF**	6.11	5.74	1.47	1.59
iShares US Equity Buyback Achievers UCITS ETF	17.26	17.69	(5.97)	(5.65)
iShares US Mortgage Backed Securities UCITS ETF**	1.03	1.16	0.18	0.07

* Fund performance is shown net of fees and expenses (TER).

** As this Fund launched during the prior financial year, performance figures are shown from launch date to 31 May 2016.

*** As this Fund launched during the financial year, performance figures are shown from launch date to 31 May 2017.

The Fund return figures are the aggregated net monthly returns and are based on the average published pricing NAV for the financial year under review. Due to accounting policy requirements under Irish accounting standards which apply to the financial statements, there may be slight differences between the NAV per share as recorded in the financial statements and the published pricing NAV per share. The returns are net of management fees.

Past performance may not necessarily be repeated and future performance may vary.

The performance returns are for the primary share class for each Fund, which has been selected as a representative share class. Performance returns for other share classes are available at www.ishares.com.

TRACKING DIFFERENCE

Tracking difference is defined as the difference in returns between a Fund and its benchmark index.

For physically replicating Funds, the investment management approach is to buy a portfolio of securities that as far as practicable consist of the securities that make up the benchmark index, in similar proportion to the weights represented in the benchmark index.

For non-replicating Funds, the investment management approach aims to match the main risk characteristics of the benchmark index by investing in a portfolio that is primarily made up of securities that represent the benchmark index. The objective is to generate a return which is as close as practicable to the total return of the index net of transaction costs and gross of fees and other costs.

Cash management and efficient portfolio management techniques including securities lending, transaction costs from rebalancing and currency hedging can have an impact on tracking difference. Importantly, these impacts can be either positive or negative depending on the underlying circumstances.

Each Fund's TER is accrued on a daily basis throughout the financial period, which can impact the measurement of a tracking difference in a positive or negative manner depending on the performance in the market and the TER rate applied. The extent and magnitude of this effect on performance measurement is subject to the timing of the market performance relative to the performance period and can be greater than the headline TER in a positive market and lower than the TER in a negative market.

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

The table overleaf compares the realised Fund performance against the performance of the relevant benchmark index during the financial year ended 31 May 2017. An explanation for the difference gross of TER is provided.

Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Tracking difference net of TER %	TER %	Tracking difference gross of TER %	Explanation of the tracking difference
iShares \$ Short Duration Corp Bond UCITS ETF	1.89	2.08	(0.19)	0.20	0.01	The Fund performed in line with the index before costs (TER).
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	9.78	10.26	(0.48)	0.45	(0.03)	The Fund performed in line with the index before costs (TER).
iShares \$ Treasury Bond 20+yr UCITS ETF	(2.15)	(2.01)	(0.14)	0.20	0.06	The Fund performed in line with the index before costs (TER).
iShares \$ Ultrashort Bond UCITS ETF	1.22	1.35	(0.13)	0.09	(0.04)	The Fund performed in line with the index before costs (TER).
iShares £ Ultrashort Bond UCITS ETF	0.86	0.90	(0.04)	0.09	0.05	The Fund performed in line with the index before costs (TER).
iShares € Govt Bond 20yr Target Duration UCITS ETF	(2.37)	(2.34)	(0.03)	0.15	0.12	The outperformance of the Fund was due to sampling techniques employed.
iShares € Ultrashort Bond UCITS ETF	0.08	0.08	0.00	0.09	0.09	The outperformance of the Fund was due to securities lending revenue and sampling techniques employed.
iShares Ageing Population UCITS ETF*	8.37	8.40	(0.03)	0.29	0.26	The outperformance of the Fund was due to sampling techniques employed
iShares Automation & Robotics UCITS ETF*	24.43	24.31	0.12	0.29	0.41	The outperformance of the Fund was due to sampling techniques employed.
iShares Digitalisation UCITS ETF*	7.00	7.07	(0.07)	0.29	0.22	The outperformance of the Fund was due to sampling techniques employed
iShares Edge MSCI Europe Momentum Factor UCITS ETF	14.10	14.68	(0.58)	0.25	(0.33)	The underperformance of the Fund was due to transaction costs, including stamp duty, associated with the rebalancing of the Fund to the index composition and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI Europe Multifactor UCITS ETF	13.17	13.32	(0.15)	0.45	0.30	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI Europe Quality Factor UCITS ETF	10.42	10.45	(0.03)	0.25	0.22	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.

Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Tracking difference net of TER %	TER %	Tracking difference gross of TER %	Explanation of the tracking difference
iShares Edge MSCI Europe Size Factor UCITS ETF	16.87	16.98	(0.11)	0.25	0.14	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI Europe Value Factor UCITS ETF	17.87	17.75	0.12	0.25	0.37	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI USA Momentum Factor UCITS ETF*	17.55	17.55	0.00	0.12	0.12	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI USA Multifactor UCITS ETF	19.38	19.42	(0.04)	0.35	0.31	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI USA Quality Factor UCITS ETF*	12.65	12.61	0.04	0.12	0.16	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI USA Size Factor UCITS ETF*	11.95	11.97	(0.02)	0.12	0.10	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.

* As this Fund launched during the financial year, the TER is the effective TER from launch date to financial year end date.

Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Tracking difference net of TER %	TER %	Tracking difference gross of TER %	Explanation of the tracking difference
iShares Edge MSCI USA Value Factor UCITS ETF*	14.46	14.36	0.10	0.12	0.22	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI World Momentum Factor UCITS ETF	17.43	17.61	(0.18)	0.30	0.12	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI World Multifactor UCITS ETF	16.07	16.39	(0.32)	0.50	0.18	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares Edge MSCI World Quality Factor UCITS ETF	13.91	13.91	0.00	0.30	0.30	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Edge MSCI World Size Factor UCITS ETF	15.93	16.17	(0.24)	0.30	0.06	The Fund performed in line with the index before costs (TER).
iShares Edge MSCI World Value Factor UCITS ETF	16.26	16.27	(0.01)	0.30	0.29	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares Fallen Angels High Yield Corp Bond UCITS ETF*	10.97	11.70	(0.73)	0.47	(0.26)	The underperformance of the Fund was due to sampling techniques employed.
iShares Healthcare Innovation UCITS ETF*	2.78	2.98	(0.20)	0.29	0.09	The outperformance of the Fund was due to sampling techniques employed.
iShares iBonds Sep 2018 \$ Corp UCITS ETF	1.58	1.76	(0.18)	0.10	(0.08)	The underperformance of the Fund was due to sampling techniques employed.
iShares MSCI China A UCITS ETF	6.92	6.92	0.00	0.65	0.65	The outperformance of the Fund was due to sampling techniques employed and also due to differing index treatment in the Fair Valuing pricing of suspended stocks, as well as securities lending activity
iShares MSCI EM SRI UCITS ETF*	16.31	16.67	(0.36)	0.31	(0.05)	The Fund performed in line with the index before costs (TER).

* As this Fund launched during the financial year, the TER is the effective TER from launch date to financial year end date.

Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Tracking difference net of TER %	TER %	Tracking difference gross of TER %	Explanation of the tracking difference
iShares MSCI EMU Large Cap UCITS ETF	20.06	19.91	0.15	0.49	0.64	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares MSCI EMU Mid Cap UCITS ETF	22.31	22.42	(0.11)	0.49	0.38	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares MSCI France UCITS ETF	21.85	21.01	0.84	0.25	1.09	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	8.30	8.57	(0.27)	0.35	0.08	The outperformance of the Fund was due to the different performance between the benchmark and index futures held for efficient portfolio management.
Shares MSCI Japan SRI UCITS ETF*	2.71	2.74	(0.03)	0.30	0.27	The outperformance of the Fund was due to sampling techniques employed and also due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares MSCI USA SRI UCITS ETF*	15.20	15.21	(0.01)	0.27	0.26	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares OMX Stockholm Capped UCITS ETF*	12.39	11.50	0.89	0.05	0.94	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares TA-35 Israel UCITS ETF	6.11	5.74	0.37	0.60	0.97	The outperformance of the Fund was due to the difference in the calculation of the benchmark as calculated by the index provider versus the Fund. With the Israeli market being closed on a Friday and open on a Sunday, there is a mismatch in valuation points between the benchmark and the Fund.

* As this Fund launched during the financial year, the TER is the effective TER from launch date to financial year end date.

Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the financial year ended 31/05/2017 %	Benchmark return for the financial year ended 31/05/2017 %	Tracking difference net of TER %	TER %	Tracking difference gross of TER %	Explanation of the tracking difference
iShares US Equity Buyback Achievers UCITS ETF	17.26	17.69	(0.43)	0.55	0.12	The outperformance of the Fund was due to difference in tax rate applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to the different performance between the benchmark and index futures held for efficient portfolio management.
iShares US Mortgage Backed Securities UCITS ETF	1.03	1.16	(0.13)	0.28	0.15	The outperformance of the Fund was due to sampling techniques employed.

The returns are for the primary share class for each Fund, which has been selected as a representative share class. Performance returns for other share classes are available on request.

TRACKING ERROR

Realised tracking error is the annualised standard deviation of the difference in monthly returns between a Fund and its benchmark index. Tracking error shows the consistency of the returns relative to the benchmark index over a defined period of time.

Anticipated tracking error is based on the expected volatility of differences between the returns of a Fund and the returns of its benchmark index.

Cash management, efficient portfolio management techniques including securities lending, transaction costs from rebalancing and currency hedging can have an impact on tracking error as well as the return differential between a Fund and its benchmark index. Importantly, these impacts can be either positive or negative depending on the underlying circumstances.

Each Fund's TER is accrued on a daily basis throughout the financial period, which can impact the measurement of a tracking error in a positive or negative manner depending on the performance in the market and the TER rate applied. The extent and magnitude of this effect on performance measurement is subject to the timing of the market performance relative to the performance period and can be greater than the headline TER in a positive market and lower than the TER in a negative market.

In addition to the above, the Funds may also have a tracking error due to withholding tax suffered by the Funds 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 on behalf of the Funds with various tax authorities, any benefits obtained by the Funds under a tax treaty or any securities lending activities carried out by the Funds.

The table below compares the anticipated tracking error of the Funds (disclosed in the prospectus on an ex ante basis) against the actual realised tracking error of the Funds as at 31 May 2017. An explanation of the difference is provided. The realised tracking error is annualised and calculated using data from the preceding 36 month observation period. Where a Fund has not been trading for 36 months, the annualised tracking error since inception has been presented.

Fund	Anticipated tracking error %	Realised tracking error %	Explanation for difference
iShares \$ Short Duration Corp Bond UCITS ETF	Up to 0.30	0.07	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	Up to 0.45	0.17	The Fund has tracked its benchmark index within its anticipated tracking error.

Investment Manager's report (continued)

TRACKING ERROR (continued)

Fund	Anticipated tracking error %	Realised tracking error %	Explanation for difference
iShares \$ Treasury Bond 20+yr UCITS ETF*	Up to 0.10	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares \$ Ultrashort Bond UCITS ETF	Up to 0.10	0.04	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares € Govt Bond 20yr Target Duration UCITS ETF*	Up to 0.20	0.06	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares € Ultrashort Bond UCITS ETF	Up to 0.10	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares £ Ultrashort Bond UCITS ETF	Up to 0.10	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Ageing Population UCITS ETF*	Up to 0.45	0.14	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Automation & Robotics UCITS ETF*	Up to 0.40	0.23	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Digitalisation UCITS ETF*	Up to 0.50	0.09	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI Europe Momentum Factor UCITS ETF*	Up to 0.20	0.24	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares Edge MSCI Europe Multifactor UCITS ETF*	Up to 0.25	0.27	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares Edge MSCI Europe Quality Factor UCITS ETF*	Up to 0.20	0.18	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI Europe Size Factor UCITS ETF*	Up to 0.20	0.20	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI Europe Value Factor UCITS ETF*	Up to 0.20	0.22	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares Edge MSCI USA Momentum Factor UCITS ETF*	Up to 0.15	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI USA Multifactor UCITS ETF*	Up to 0.25	0.04	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI USA Quality Factor UCITS ETF*	Up to 0.15	0.04	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI USA Size Factor UCITS ETF*	Up to 0.15	0.09	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI USA Value Factor UCITS ETF*	Up to 0.15	0.16	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares Edge MSCI World Momentum Factor UCITS ETF*	Up to 0.20	0.11	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI World Multifactor UCITS ETF*	Up to 0.25	0.08	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.

* The realised tracking error is normally computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.

Investment Manager's report (continued)

TRACKING ERROR (continued)

Fund	Anticipated tracking error %	Realised tracking error %	Explanation for difference
iShares Edge MSCI World Quality Factor UCITS ETF*	Up to 0.20	0.11	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Edge MSCI World Size Factor UCITS ETF*	Up to 0.20	0.21	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares Edge MSCI World Value Factor UCITS ETF*	Up to 0.20	0.11	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Fallen Angels High Yield Corp Bond UCITS ETF*	Up to 0.25	0.11	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Healthcare Innovation UCITS ETF*	Up to 0.60	0.15	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares iBonds Sep 2018 \$ Corp UCITS ETF*	Up to 0.40	0.14	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI China A UCITS ETF*	Up to 2.50	1.81	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI EM SRI UCITS ETF*	Up to 0.50	0.16	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI EMU Large Cap UCITS ETF	Up to 0.25	0.25	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI EMU Mid Cap UCITS ETF	Up to 0.30	0.26	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI France UCITS ETF*	Up to 0.40	0.44	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)*	Up to 0.20	0.07	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI Japan SRI UCITS ETF	Up to 0.15	0.07	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI USA SRI UCITS ETF*	Up to 0.10	0.02	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares OMX Stockholm Capped UCITS ETF*	Up to 0.30	0.58	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares TA-35 Israel UCITS ETF*	Up to 1.50	2.28	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.
iShares US Equity Buyback Achievers UCITS ETF*	Up to 0.15	0.11	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares US Mortgage Backed Securities UCITS ETF*	Up to 0.30	0.25	The realised tracking error is computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.

* The realised tracking error is normally computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.

The tracking error is for the primary share class for each Fund, which has been selected as a representative share class. Performance returns for other share classes are available on request.

Investment Manager's report (continued)

CALENDAR YEAR PERFORMANCE

The performance of the Funds, on a calendar year basis, is shown below:

Fund	Launch Date	2017 01/01/2017 to 31/05/2017		2016 01/01/2016 to 31/12/2016		2015 01/01/2015 to 31/12/2015		2014 01/01/2014 to 31/12/2014	
		Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
iShares \$ Short Duration Corp Bond UCITS ETF	Oct-13	1.47	1.57	1.89	2.08	1.03	1.17	1.33	1.59
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	Oct-13	3.40	3.50	11.69	12.46	(3.76)	(3.48)	0.19	0.32
iShares \$ Treasury Bond 20+yr UCITS ETF*	Jan-15	5.07	5.15	1.23	1.41	(7.91)	(7.77)	N/A	N/A
iShares \$ Ultrashort Bond UCITS ETF	Oct-13	0.58	0.64	1.17	1.35	0.48	0.57	0.23	0.46
iShares € Govt Bond 20yr Target Duration UCITS ETF*	Jan-15	(2.36)	(2.33)	12.59	12.62	(6.30)	(6.31)	N/A	N/A
iShares € Ultrashort Bond UCITS ETF	Oct-13	0.03	0.04	0.20	0.19	0.15	0.17	0.55	0.68
iShares £ Ultrashort Bond UCITS ETF	Oct-13	0.26	0.27	0.90	0.94	0.66	0.67	0.71	0.88
iShares Ageing Population UCITS ETF*	Sep-16	9.21	9.28	(0.77)	(0.80)	N/A	N/A	N/A	N/A
iShares Automation & Robotics UCITS ETF*	Sep-16	20.31	20.44	3.42	3.21	N/A	N/A	N/A	N/A
iShares Digitalisation UCITS ETF*	Sep-16	15.11	15.07	(7.04)	(6.96)	N/A	N/A	N/A	N/A
iShares Edge MSCI Europe Momentum Factor UCITS ETF*	Jan-15	9.12	9.09	2.67	3.14	8.74	8.89	N/A	N/A
iShares Edge MSCI Europe Multifactor UCITS ETF*	Sep-15	9.69	9.61	0.44	0.79	6.72	7.04	N/A	N/A
iShares Edge MSCI Europe Quality Factor UCITS ETF*	Jan-15	10.20	10.09	(1.30)	(1.16)	11.53	11.67	N/A	N/A
iShares Edge MSCI Europe Size Factor UCITS ETF*	Jan-15	11.99	11.91	1.94	2.10	11.25	11.24	N/A	N/A
iShares Edge MSCI Europe Value Factor UCITS ETF*	Jan-15	7.51	7.28	5.83	5.70	1.22	1.06	N/A	N/A
iShares Edge MSCI USA Momentum Factor UCITS ETF*	Oct-16	17.42	17.43	0.12	0.10	N/A	N/A	N/A	N/A
iShares Edge MSCI USA Multifactor UCITS ETF*	Sep-15	7.63	7.62	12.87	12.96	3.78	3.82	N/A	N/A
iShares Edge MSCI USA Quality Factor UCITS ETF*	Oct-16	8.00	7.98	4.31	4.29	N/A	N/A	N/A	N/A
iShares Edge MSCI USA Size Factor UCITS ETF*	Oct-16	6.02	5.99	5.59	5.64	N/A	N/A	N/A	N/A
iShares Edge MSCI USA Value Factor UCITS ETF*	Oct-16	4.68	4.62	9.34	9.31	N/A	N/A	N/A	N/A
iShares Edge MSCI World Momentum Factor UCITS ETF*	Oct-14	14.93	14.99	4.05	4.19	3.83	4.06	3.98	4.01
iShares Edge MSCI World Multifactor UCITS ETF*	Sep-15	10.74	10.82	4.97	5.33	5.11	5.25	N/A	N/A
iShares Edge MSCI World Quality Factor UCITS ETF*	Oct-14	11.23	11.20	5.03	5.05	2.48	2.63	2.59	2.69
iShares Edge MSCI World Size Factor UCITS ETF*	Oct-14	11.12	11.07	8.25	8.67	(0.08)	(0.26)	1.98	2.04

* Where a Fund's launch date is within a performance period, figures are shown from the launch to the financial year end.

Investment Manager's report (continued)

CALENDAR YEAR PERFORMANCE (continued)

Fund	Launch Date	2017 01/01/2017 to 31/05/2017		2016 01/01/2016 to 31/12/2016		2015 01/01/2015 to 31/12/2015		2014 01/01/2014 to 31/12/2014	
		Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
iShares Edge MSCI World Value Factor UCITS ETF*	Oct-14	6.52	6.45	8.14	8.13	(3.27)	(3.28)	0.80	0.86
iShares Fallen Angels High Yield Corp Bond UCITS ETF*	Jun-16	6.64	6.91	4.06	4.48	N/A	N/A	N/A	N/A
iShares Healthcare Innovation UCITS ETF*	Sep-16	14.64	14.81	(10.34)	(10.30)	N/A	N/A	N/A	N/A
iShares iBonds Sep 2018 \$ Corp UCITS ETF*	Mar-15	0.76	0.82	2.37	2.58	0.58	0.66	N/A	N/A
iShares MSCI China A UCITS ETF*	Apr-15	6.06	6.04	(17.88)	(17.76)	(18.74)	(17.09)	N/A	N/A
iShares MSCI EM SRI UCITS ETF*	Jul-16	16.03	16.18	0.24	0.42	N/A	N/A	N/A	N/A
iShares MSCI EMU Large Cap UCITS ETF	Sep-13	10.91	10.69	4.65	4.42	8.31	8.26	4.44	4.42
iShares MSCI EMU Mid Cap UCITS ETF	Sep-13	14.13	14.01	3.80	4.02	17.08	17.10	3.63	3.86
iShares MSCI France UCITS ETF*	Sep-14	11.81	11.24	8.90	8.02	11.98	11.27	(3.53)	(3.72)
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)*	May-16	1.75	1.84	10.43	10.58	N/A	N/A	N/A	N/A
Shares MSCI Japan SRI UCITS ETF*	Mar-17	2.71	2.74	N/A	N/A	N/A	N/A	N/A	N/A
iShares MSCI USA SRI UCITS ETF*	Jul-16	8.09	8.10	6.58	6.58	N/A	N/A	N/A	N/A
iShares OMX Stockholm Capped UCITS ETF*	Dec-16	13.13	12.24	(0.65)	(0.66)	N/A	N/A	N/A	N/A
iShares TA-35 Israel UCITS ETF*	Jan-16	4.62	3.99	2.92	3.30	N/A	N/A	N/A	N/A
iShares US Equity Buyback Achievers UCITS ETF*	Feb-15	1.58	1.77	19.34	19.72	(5.47)	(5.17)	N/A	N/A
iShares US Mortgage Backed Securities UCITS ETF*	May-16	1.74	1.76	(0.53)	(0.51)	N/A	N/A	N/A	N/A

* Where a Fund's launch date is within a performance period, figures are shown from the launch to the financial year end.

The Fund return figures are the aggregated net monthly returns and are based on the average published pricing NAV for the financial period under review. Due to accounting policy requirements under Irish accounting standards which apply to the financial statements, there may be slight differences between the NAV per share as recorded in the financial statements and the published pricing NAV per share. The returns are net of management fees.

Past performance may not necessarily be repeated and future performance may vary.

The performance returns are for the primary share class for each Fund, which has been selected as a representative share class. Performance returns for other share classes are available at www.ishares.com.

Investment Manager's report (continued)

MARKET REVIEW

Equities

Global equities

This market review summary covers iShares Edge MSCI World Momentum Factor UCITS ETF, iShares Edge MSCI World Multifactor UCITS ETF, iShares Edge MSCI World Quality Factor UCITS ETF, iShares Edge MSCI World Size Factor UCITS ETF and iShares Edge MSCI World Value Factor UCITS ETF.

Global equities posted strong returns over the Company's review year. Central bank support reassured investors during volatile market conditions following United Kingdom's ("UK") surprise vote to leave the European Union ("EU"), with global equities subsequently rallying strongly, buoyed by improving economic data and some optimism over US President Trump's proposed policies.

Global stock markets began the review year on an uncertain note in the run up to the UK's 23 June referendum. Despite some concerns that the UK's surprise decision to leave the EU ("Brexit") could derail the Eurozone's nascent economic recovery and embolden anti-euro parties, global equities rallied sharply in the aftermath of the 'Leave' vote as investors concluded that central banks would maintain, or even extend, their support measures. Global equity markets' firm tone extended deep into the third quarter of 2016; following the Bank of England's ("BoE") August decision to cut interest rates, the US Federal Reserve ("Fed") cited Brexit related uncertainty as a factor behind the decision to refrain from raising interest rates, despite signs that the US economic recovery was gathering momentum. Although uncertainties ahead of the November 2016 US Presidential election briefly dragged markets lower, US stocks led their global counterparts higher following Donald Trump's victory as investors concluded that the new administration would implement pro-growth policies. Supported by growing confidence that the Chinese economy's prospects were improving and higher global energy prices in response to a surprise Organisation of the Petroleum Exporting Countries ("OPEC") deal to cut production, global equities extended their gains into December 2016. Given the more favourable economic outlook, the Fed raised interest rates and signaled that borrowing costs could rise more steeply in 2017 and 2018 than investors had been expecting.

Global equities extended their strong run into the first quarter of 2017. With Eurozone economic data striking a much more optimistic note, speculation grew that the European Central Bank ("ECB") could soon begin to consider how to gradually wind down its support for the economy, despite recently signaling that Quantitative Easing ("QE") would be extended until at least December 2017. Meanwhile, notwithstanding some softening in US economic data, the Fed raised interest rates in March 2017. Subsequently, global equities suffered a brief setback amid doubts over President Trump's ability to push through his pro-growth policy agenda after meeting political resistance to his efforts to reform healthcare programmes introduced by President Obama. Nevertheless, despite some political uncertainty in Europe after the UK triggered the formal process of leaving the EU and Prime Minister ("PM") Theresa May called a surprise general election, Dutch and French voters' choice of pro-EU leaders raised hopes that the anti-EU populist surge that Brexit kick started last year had been repelled. Against this backdrop, a stream of positive economic reports, particularly from the Eurozone and China, helped global equities to end the review year on a very strong note.

Although iShares Edge MSCI World Size Factor UCITS and iShares Edge MSCI World Multifactor UCITS ETF equities performed broadly in line with their wider market counterparts over the review year, iShares Edge MSCI World Value Factor UCITS ETF equities underperformed, weighed by low relative exposure to some outperforming IT stocks and greater relative exposure to some underperforming consumer staples companies. iShares Edge MSCI World Quality Factor UCITS ETF equities posted solid returns but slightly underperformed compared to broader global index as limited exposure to some strongly performing individual stocks in sectors such as IT capped performance. However, iShares Edge MSCI World Momentum Factor UCITS ETF equities outperformed broad global equity indices, having benefitted from the strong upside performance of a range of specific IT and financial stocks, such as Apple and Bank of America.

European equities

This market review summary covers iShares Edge MSCI Europe Momentum Factor UCITS ETF, iShares Edge MSCI Europe Multifactor UCITS ETF, iShares Edge MSCI Europe Quality Factor UCITS ETF, iShares Edge MSCI Europe Size Factor UCITS ETF, iShares Edge MSCI Europe Value Factor UCITS ETF, iShares MSCI EMU Large Cap UCITS ETF, iShares MSCI EMU Mid Cap UCITS ETF and iShares MSCI France UCITS ETF.

Following a spell of disappointing returns in the aftermath of June 2016's Brexit vote, more encouraging economic and political developments subsequently helped European equities to recover very strongly to largely match the returns from broader global stock markets over the review year.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Equities (continued)

European equities (continued)

European bourses endured a bout of volatility early in the review year as investors grappled with the implications of the 23 June 2016 Brexit vote. Although European markets would subsequently rally as global equities gyrated higher on the basis that Brexit inspired economic uncertainties would persuade central banks to maintain or even extend their stimulus measures, European markets broadly lagged behind the wider rally. This underperformance reflected concerns that the Brexit vote could embolden anti-EU parties across Europe while economic uncertainties, notwithstanding ECB support, could hamper the region's anemic economic recovery. Some European financial stocks performed particularly poorly, with several Italian banks coming under scrutiny amid concern over their capitalisation levels. Although some sentiment based data raised optimism that the region's economic outlook could be brightening, hard data continued to underline the challenges facing the region; the Eurozone economy grew by just 0.30% during the third quarter of 2016, matching its performance three months earlier. Meanwhile, concerns that Brexit and Donald Trump's November 2016 election victory could fuel anti-establishment sentiment in Europe were partly vindicated in December 2016 as Italian PM Matteo Renzi lost a constitutional reform referendum, and was subsequently replaced by Paolo Gentiloni. However, despite the Fed's decision to lift interest rates in December 2016 and the backdrop of rising European inflation, a flurry of more encouraging sentiment based data from the Eurozone and news that the ECB was extending its QE programme until at least December 2017, bolstered sentiment towards European equities.

The much improved tone of European bourses extended throughout the first quarter of 2017, with more positive economic headlines, and strong returns from European energy companies as global oil prices rose, helping the region's stock markets to perform strongly relative to their international counterparts. Although the encouraging tone of business sentiment data supported the sense of optimism over the economic outlook, some political uncertainties mounted ahead of Dutch and French elections. However, the subsequent election of Mark Rutte and Emmanuel Macron in the Netherlands and France respectively prompted relief rallies across European equity markets. Against the backdrop of improving consumer sentiment surveys and news that the economy grew by 0.60% during the first quarter of 2017, the fastest growth since the first quarter of 2015, growing confidence that the Eurozone economic recovery was gathering further momentum helped the region's stock markets to end the review year on a firm note.

Domestically focused EMU mid-caps outperformed their larger peers over the review year, bolstered by growing confidence that the region's economic recovery is sustainable. French equities outperformed their broader European counterparts, boosted by optimism that the election of reform minded Emmanuel Macron can enhance the country's competitiveness and support corporate earnings growth over the long term. Since iShares OMX Stockholm Capped UCITS ETF was launched in December 2016, Swedish stocks marginally outperformed relative to wider European markets, boosted by strong returns from selected industrials, such as Atlas Copco.

iShares Edge MSCI Europe Size Factor UCITS ETF equities outperformed as optimism over the improving outlook for the domestic Eurozone economy lifted domestically focused smaller capitalisation companies. iShares Edge MSCI Europe Value Factor UCITS ETF equities performed relatively well, boosted by good returns from some individual exposures, such as industrial group Siemens. While iShares Edge MSCI Europe Momentum Factor UCITS ETF equities performed broadly in line with wider European indices, iShares Edge MSCI Europe Multifactor UCITS ETF and iShares Edge MSCI Europe Quality Factor UCITS ETF equities underperformed. Holdings in some underperforming financial stocks, such as real estate firm Unibail-Rodamco detracted from iShares Edge MSCI Europe Multifactor UCITS ETF equities' performance while exposure to some underperforming health care stocks weighed on iShares Edge MSCI Europe Quality Factor UCITS ETF equities' returns.

US equities

This market review summary covers iShares Edge MSCI USA Momentum Factor UCITS ETF, iShares Edge MSCI USA Multifactor UCITS, iShares Edge MSCI USA Quality Factor UCITS ETF, iShares Edge MSCI USA Size Factor UCITS ETF, iShares Edge MSCI USA Value Factor UCITS ETF, iShares MSCI USA SRI UCITS ETF and iShares US Equity Buyback Achievers UCITS ETF.

US stocks produced strong returns over the Company's review year, marginally outperforming relative to their wider global counterparts. Encouraging corporate earnings news and optimism that President Trump's growth friendly economic plans should leave the US economy well placed to absorb higher interest rates lent support to US markets over the review year.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Equities (continued)

US equities (continued)

US markets began the review year on a firm note. Notwithstanding some volatility as investors reacted to the Brexit vote, optimism that the associated uncertainties would convince Fed policymakers to delay raising interest rates helped US stocks, with the US's safe haven appeal giving the rally further impetus. News that the economy had grown by 1.40% on an annualised basis during the second quarter of 2016, compared to just 0.80% three months earlier, suggested that business activity was recovering from its earlier year end lull, with survey data pointing to a brighter outlook. Meanwhile, with global economic uncertainties centering on Europe, the Fed refrained from raising interest rates at the September and October 2016 meetings, citing Brexit related uncertainties and subdued inflation. Nevertheless, domestic political uncertainty ahead of November's Presidential elections, with opinion polls suggesting that maverick Republican candidate Donald Trump had narrowed the gap to experienced Democratic politician Hillary Clinton, saw US stocks hit a softer patch. However, US markets rallied sharply as the appeal of Donald Trump's anti-establishment rhetoric helped him clinch victory, with US stocks leading their global counterparts higher amid expectations that President elect Trump's pro-reform, 'America first' growth friendly agenda would boost the earnings prospects for US corporates. With US economic data remaining supportive, markets largely took the Fed's 0.25% December 2016 interest rate rise in their stride, despite a hint that borrowing costs could rise more steeply than markets were pricing in for 2017 and 2018.

Notwithstanding some reservations over the new administration's tough talk over North Korea and geopolitical tensions over Syria, US equities rallied strongly in January and February 2017. While the broad market's gains reflected optimism over the new government's proposals to boost infrastructure spending and reform taxes, financials performed particularly well, buoyed by President Trump's plans for deregulation in the banking sector. However, US markets suffered a setback in March 2017 as President Trump failed to win enough support in Congress to push through his proposed reforms of the 'Obamacare' health programme introduced by his predecessor, raising doubts over his ability to implement other elements of his agenda. Meanwhile, in keeping with earlier guidance over multiple moves this year, the Fed raised interest rates by 0.25% to 1.00% in March 2017, dismissing some softer economic signs as transitory factors. Although subsequent US economic data painted a mixed picture over the outlook for business activity, US markets followed their international peers higher in April and May 2017, buoyed by improving Chinese economic data and signs of political stability following the success of pro-EU parties in European elections. With US corporate trading updates remaining positive, US markets set a succession of new all time highs in May 2017.

The Buyback Achiever index outperformed the wider US market, helped by exposure to a range of stock level outperformers, including industrial firm Quanta Services.

Since iShares MSCI USA SRI UCITS ETF launch in July 2016, US SRI equities performed marginally behind the S&P 500 index as some outperforming financial stocks do not meet the SRI criteria. US Multifactor equities performed relatively well, boosted by several outperforming IT sector holdings, such as graphics chip specialist Nvidia. Following the other US Factor fund launches in early October 2016, US Momentum factor equities outperformed, thanks to relatively high exposure to selected outperforming financial and IT stocks, including Bank of America, Microsoft and Nvidia. While value factor stocks performed mainly in line with the broad markets, quality and size factor equities underperformed. Lack of exposure to a limited number of outperforming IT stocks weighed on quality factor equities' performance while Size factor equities, having performed well in late 2016, lagged behind the wider markets' advance as more domestically focused smaller companies performed relatively poorly as the US economy grew more slowly.

Japanese equities

This market review summary covers iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc) and iShares MSCI Japan SRI UCITS ETF.

Japanese equities posted healthy returns over the Company's review year but marginally underperformed relative to their international counterparts. Despite the firmness of the Japanese Yen dragging to some extent on returns early in the review year, the effect was subsequently largely reversed amid hopes that a more competitive currency and rising international demand would bolster exporters' fortunes.

Japanese equities broadly tracked their international peers' movements early in the review year, gyrating in the aftermath of the Brexit vote before rallying on optimism over extended central bank stimulus. Nevertheless, following a period of extended Japanese Yen strength during the first half of 2016, worries mounted over the effects on the country's exporters. However, the domestic economy painted a more reassuring picture, with the jobs market remaining robust.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Equities (continued)

Japanese equities (continued)

Meanwhile, data released early in the review year showed that the economy grew by a better than expected 0.50% during the first quarter of 2016, while improving economic data from China, the US and Europe raised hopes that higher international demand for Japanese goods and services could help to offset the impact of the firm Japanese currency. Nevertheless, amid growing concerns that private consumption was slowing despite the strength of the jobs market, investors drew comfort from the government's latest fiscal support package aimed at supporting low income workers and boosting infrastructure spending. Investors also drew confidence from the Bank of Japan's plan to revamp its stimulus programme to target 10 year bond yields at zero in an effort to underpin inflation. This, combined with news that economic growth picked up from 0.20% during the second quarter of 2016 to 0.50% during the July to September period, helped Japanese stocks to perform well towards the end of 2016.

Japanese stocks broadly tracked their global peers higher over the first quarter of 2017. Although financials broadly benefitted from improving global sentiment amid hopes that President Trump's pro-growth agenda and higher interest rates could boost earnings, some concerns persisted that Japanese exports could be among the victims of any potential new barriers to imports into the US. Meanwhile, despite tentative signs that Japanese consumers were gradually becoming more willing to spend, revised economic data raised concerns over the sustainability of the recovery after fourth quarter growth was revised down from 0.50% to 0.30%. Nevertheless, having underperformed their global peers for much of the first quarter of 2017, Japanese stocks narrowed the performance deficit during the final weeks of the review year, buoyed by news that improving private consumption, rising exports and higher capital expenditure had helped the economy to grow by a better than expected 0.50% during the first quarter of this year.

Japanese Socially Responsible Investment ("SRI") indices performed largely in line with mainstream Japanese equities over the review year. SRI indices benefitted from lack of exposure to several underperforming stocks in the energy sector, although this was offset by their relatively low weightings in some outperforming industrial stocks.

Israeli equities

This market review summary covers iShares TA-35 Israel UCITS ETF.

Israeli equities produced modest positive returns during the Company's review year, underperforming by a significant extent compared to their global counterparts, due largely to the heavy representation of underperforming health care stocks in the Israeli market.

Israeli stocks performed broadly in line with their international peers early in the review year. Although the market's relatively large health care sector, which accounts for approximately 24% of the TA-35 index, compared to the sector's 12% weighting in the MSCI World index, dragged on returns to a certain extent, the effect was largely offset by better returns from some Israel listed financials. The market also found some support from evidence that the domestic economy was performing strongly, with Gross Domestic Product rising by 1.30% and 1.20% during the second and third quarters of 2016. However, Israeli equities underperformed their global peers around the turn of the calendar year, a trend that would extend for much of the remainder of the review year. Ahead of November's US election, speculation intensified over the potential for greater political intervention in the pricing of pharmaceuticals, impacting on sentiment towards Israel listed health care companies such as generic & speciality pharmaceutical firms Mylan and Teva. Following Donald Trump's election, investors rotated away from some more defensive sectors, such as health care, into areas perceived as greater potential beneficiaries of faster economic growth and higher infrastructure spending, such as the materials sector. Although improved returns from Israel listed financials offset some of the effect, a pronounced dip in economic growth impacted on sentiment. Compared to 1.30% during the final quarter of 2016, data released in May showed that the economy grew by just 0.30% during the first quarter of 2017, with car sales declining sharply and business investment dropping amid concerns over the effect of the strong Israeli Shekel.

Emerging markets

This market review summary covers iShares MSCI China A UCITS ETF and iShares MSCI EM SRI UCITS ETF.

Emerging market equities generated exceptionally strong returns over the Company's review year, significantly outperforming relative to their developed market counterparts amid confidence that the improving global economic outlook is bolstering the earnings growth prospects for emerging market companies.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Equities (continued)

Emerging markets (continued)

Emerging market stocks began the review year on a confident note; despite some volatility in global markets as investors assessed the implications of the Brexit vote, more reassuring economic data from China lent support to emerging market equities. Although data would confirm that the Chinese economy grew at a seven year low of 6.70% on a year on year basis during the first and second quarters of 2016, some survey data from the manufacturing sector raised hopes that the country's long standing economic slowdown was in the process of bottoming out. Meanwhile, resource rich Latin American emerging markets found support from a recovery in commodity prices, with Brazilian stocks rising on hopes of greater political stability as the process that would ultimately lead to the impeachment of President Dilma Rousseff gathered pace. Emerging markets' strong relative performance extended into October 2016 as the Fed's decision to refrain from raising US interest rates underpinned global investors' appetite for risk. However, sentiment turned sharply lower in November 2016, with emerging markets hit by fears that Donald Trump's election victory could herald the introduction of protectionist policies, potentially involving the imposition of tariffs on imports into the key US market.

Nevertheless, having steadied into year end as a further round of encouraging economic news from leading emerging markets, notably China and Korea, was partly offset by the prospect of a relatively steep rise in US borrowing costs, emerging markets resumed their outperformance compared to their developed peers in early 2017. With President Trump seeking to find consensus with China in an effort to defuse the risk of conflict with North Korea, the President showed little public appetite to implement trade tariffs, while data showed that Chinese economic activity was picking up. Compared to 6.80% during the final quarter of 2016, growth rose to 6.90% during the first quarter of 2017. Meanwhile, despite corruption allegations against Brazil's President Temer and the impeachment of South Korea's President over corruption allegations, the latter's robust economic backdrop, and similar positive growth pictures in Taiwan and India, helped emerging market equities to end the review year on a very strong note.

Chinese equities performed relatively poorly; despite the country's improving economic growth data, concerns over a government led regulatory crackdown on what it has termed "disruptive trading behavior" weighed on sentiment towards some stocks trading at more optimistic earnings multiples. Since iShares MSCI EM SRI UCITS ETF launch in July 2016, EM SRI equities generally underperformed their broader market peers. Late in the review year relatively large exposure to Brazil list Banco Bradesco weighed on returns as bribery allegations surrounding the country's new President Michel Temer threatened a return of the economic and political crisis.

Fixed income

Government bonds

This market review summary covers iShares \$ Treasury Bond 20-yr UCITS ETF and iShares €Govt Bond 20yr Target Duration UCITS ETF.

Long dated government bond markets lost ground over the Company's review year, reflecting the diminishing appeal of low risk fixed income assets as global economic growth and inflation pushed higher. Long dated debt underperformed relative to bonds with shorter maturities as the stronger global economic outlook prompted a reversal in the 'lower for longer' mantra over the outlook for global interest rates.

Disappointing rates of economic growth in the Eurozone and comments from senior Fed officials suggesting that US policymakers were in no hurry to raise interest rates lent support to global bond markets for much of the third quarter of 2016. However, signs that the global growth outlook, particularly in the US and China, was improving increasingly put upward pressure on bond yields towards the end of the year. Worries over rising inflation also played on bond investors' minds; compared to just 0.20% in July 2016, Eurozone inflation climbed to 1.10% in December 2016, largely as a result of higher oil and other commodity prices, while rising US inflation heightened speculation that US interest rates would rise by the end of 2016. Following Donald Trump's November 2016 election victory, global government bond markets' weakness continued around the turn of the calendar year as investors priced in the effects of his pro-growth agenda, and the Fed hiked rates by 0.25%, while markets also reflected worries over higher energy prices following OPEC's surprise production cut agreement. Despite some forward looking survey data pointing to a brightening economic outlook for the Eurozone, the ECB reassured bond investors by confirming that QE would be extended until at least December 2017, albeit with the monthly bond target lowered from €80 billion to €60 billion.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Fixed income (continued)

Government bonds (continued)

Although Eurozone economic data continued to improve during the first quarter of 2017, US reports painted a more mixed picture. Nevertheless, having previously suggested that investors should expect multiple rate rises in 2017, the Fed duly looked beyond the economic soft patch, raising interest rates by 0.25% to 1.00% in March 2017 in anticipation of a further recovery in growth. Subsequently, long dated government bond markets rallied from their March lows, buoyed by optimism that inflation may have peaked, particularly as oil prices drifted lower during the final weeks of the review year amid signs of higher inventories in the US. Having touched 2.00% in February 2017, Eurozone inflation fell to 1.40% in May 2017, while US inflation fell from February's 2.70% peak to 2.20% in April 2017.

Corporate bonds

This market review summary covers iShares \$ Short Duration Corp Bond UCITS ETF, iShares \$ Short Duration High Yield Corp Bond UCITS ETF, iShares \$ Ultrashort Bond UCITS ETF, iShares £ Ultrashort Bond UCITS ETF, iShares € Ultrashort Bond UCITS ETF, iShares Fallen Angels High Yield Corp Bond UCITS ETF and iShares iBonds Sep 2018 \$ Corp UCITS ETF.

Short dated credit generated very modest positive returns over the Company's review year. After initially underperforming their longer dated peers, short dated bonds subsequently narrowed the performance deficit as global economic data improved and investors priced in the anticipated effects of President Trump's pro-growth policy agenda.

Notwithstanding sporadic 'flight to safety' activity early in the review year as investors briefly switched from corporate bonds to ultra-low risk government debt, particularly in the wake of the Brexit vote, corporate debt markets continued to appeal to investors seeking attractive levels of yield in return for higher levels of risk. Credit spreads narrowed sharply during the final quarter of 2016, with investors anticipating that with the world's largest economy embarking on a pro-growth, low tax reform agenda with sharply higher levels of infrastructure spending, a greater allocation to risk based assets, rather than government bonds, was appropriate. Against this backdrop, credit markets significantly outperformed their government peers, as investors concluded that the more positive economic growth outlook would support corporate earnings growth, thereby helping corporate borrowers to service their debt burdens more comfortably. High yield debt was a particular beneficiary of investors' improving appetite for credit risk and a broad recovery in oil prices, particularly US high yield bonds given the relatively high representation of energy sector borrowers in the US high yield space.

While Sterling and US Dollar short dated credit markets produced modest positive gains over the review year, their Euro peers delivered largely flat returns, weighed by poor returns from underlying government bond markets as the Eurozone economic outlook improved. High yield debt, including US Dollar denominated short duration and Fallen Angels debt, outperformed investors grade bonds of similar maturities as the improving global economic outlook boosted investors' willingness to assume greater credit risk in return for more attractive levels in yields.

Mortgage debt

This market review summary covers iShares US Mortgage Backed Securities UCITS ETF.

US mortgage backed bond markets produced modest gains over the Company's review year, outperforming government bonds but underperforming credit with similar maturities.

Mortgage backed debt prices rallied broadly in line with medium dated US Dollar corporate bonds early in the review year, buoyed by optimism that the improving US economic environment, coupled with the prospect that the Fed would refrain from any near term interest rate increases, would lower the risk of mortgage defaults. However, mortgage backed assets fell sharply in value in November 2016, largely reflecting higher potential default risks given the prospect of higher interest rates as a result of the incoming US administration's spending plans. However, despite the sharp rise in long term mortgage rates in the wake of Donald Trump's election victory, and the Fed's 0.25% interest rate rises in December 2016 and March 2017, US mortgage backed debt markets rose modestly over the remainder of the Company's review year. Against the backdrop of a moderation in US inflation, mortgage rates ticked lower, reflecting some easing in underlying US Treasury bond yields and ongoing firmness in the labour market.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Fixed income (continued)

Other speciality funds

This market review summary covers iShares Ageing Population UCITS ETF.

Incepted on 8th September 2016, the Fund seeks to offer competitively priced and diversified access to companies that specifically provide products or services to the world's ageing population (defined as people aged 60 years or above).

Since inception, the Fund underperformed wider equity markets over the remainder of the Company's review year. Despite exposure to a number of outperforming US financial companies, relatively large exposure to the underperforming health care sector and low relative exposure to the outperforming information technology sector weighed on returns.

This market review summary covers iShares Automation & Robotics UCITS ETF.

Incepted on 8th September 2016, the Fund seeks to offer competitively priced and diversified access to companies that are developing technology in the fields of automation and robotics, across both developed and emerging markets.

Since inception, the Fund has generated very strong returns, outperforming wider global equity markets by a substantial margin over the remainder of the Company's review year. The Fund's holdings are concentrated across a range of listed companies with particular expertise in automation & robotic technologies in the information technology and industrials sectors, both of which performed strongly, particularly in the wake of Donald Trump's election victory.

This market review summary covers iShares Digitalisation UCITS ETF.

Incepted on 8th September 2016, the Fund seeks to offer competitively priced and diversified access to companies that offer digitally focused services across both developed and emerging markets.

Since inception, the Fund underperformed wider equity markets over the remainder of the Company's review year. Given the Fund's near 50% weighting in the US market, the underperformance largely reflected poor relative returns in the immediate aftermath of the US election amid a perceived lack of clarity over the incoming US government's policies towards the IT sector, particularly regarding the risk of trade barriers and access to international talent. However, strong returns over 2017 to date from leading holdings, such as online media companies IAC Interactive and Sina Corp, limited the underperformance over the review year as a whole.

This market review summary covers iShares Healthcare Innovation UCITS ETF.

Incepted on 8th September 2016, the Fund seeks to offer competitively priced and diversified access to companies across the world that are focused on innovation within global healthcare services, across both developed and emerging markets.

Since inception, the Fund underperformed wider equity markets over the remainder of the Company's review year. The majority of the underperformance occurred during the final quarter of 2016; in October, health related stocks struggled as the US presidential candidates signaled a more interventionist approach over pricing in parts of the healthcare sector. Subsequently, investors generally favoured traditional growth based sectors, such as materials, rather than more defensive areas, such as health care, amid expectations that President Trump would pursue growth friendly policies.

Chairman's Statement

The Board of Directors considers corporate governance matters and adherence to codes of best practice to be of the utmost importance. As Chairman of the Board, I believe that it has operated effectively throughout the financial year and that its role and its composition are well defined, appropriate and support the long term development of the Company.

Overview of the Company

iShares IV public limited company (the "Company") is organised as an open-ended umbrella investment company with variable capital (an "Investment Company"). The Company was incorporated in Ireland on 3 July 2009 with limited liability and segregated liability between its Funds and is organised under the laws of Ireland as a public limited company ("plc") pursuant to the Companies Act 2014 (the "Companies Act") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and is regulated by the CBI.

The Company is structured as an umbrella Fund and comprises separate Funds ("Funds") of the Company.

The term "Fund" shall be deemed to mean either a Fund of the Company, or if the context so requires, the Manager or its delegate acting for the account of the relevant Fund. The term "BlackRock" is used to represent BlackRock Advisors (UK) Limited. The investment objectives and policies of each Fund are set out in the prospectus and the relevant supplemental prospectus.

The Funds of the Company pursue strategies of either tracking or replicating the performance of a benchmark index in order to deliver the objectives of each Fund.

The Manager has delegated the administration of the Company and its Funds to State Street Fund Services (Ireland) Limited (the "Administrator") including the calculation of the daily net asset value, and the preparation of the financial statements of the Company subject to the overall supervision of the Directors and the Manager. State Street Fund Services (Ireland) Limited has also been appointed as the registrar of the Company. The Company has appointed State Street Custodial Services (Ireland) Limited (the "Depositary") as Depositary of the assets with responsibility for the safe keeping of such assets, pursuant to the UCITS Regulations. As part of its fiduciary responsibility to the Company the Depositary provides a certain level of ongoing oversight of the Company, as well as reporting on the conduct of the Company in each annual accounting period as set out in the Statement of the Depositary's Responsibilities.

In accordance with Guidance Note 4/07 on the Organisation of Management Companies issued by the CBI, the Board of the Manager has identified BlackRock group personnel who monitor and control the management functions as outlined therein. These BlackRock group personnel report to the Board of the Manager and the Company on a regular basis. The management functions delegated by the Manager are subject to appropriate reporting and ratification procedures, which are designed to ensure that the appropriate reports are received in a timely fashion such that the Manager and the Board can discharge their duties, as part of the governance framework put in place by the Manager and the Company. The Board reviews risk reporting on a regular basis together with an annual review of internal controls and risk management from the Manager.

Karen Prooth resigned as a Director effective 31 July 2017.

The Board

The Board comprises five Directors, two of whom are independent. The members of the Board were chosen for their range of skills and experience, Paul McGowan has extensive experience in the area of tax, financial services and corporate governance, Karen Prooth has over twenty years' experience in the asset management industry, Teresa O'Flynn has over eighteen years' experience in tax, corporate finance, project finance and the renewable energy infrastructure sector. Barry O'Dwyer has extensive knowledge and experience in corporate governance and I have over twenty-five years' experience in the banking and finance, fund management and securities processing industries.

Matters relating to the Company during the financial year

There were 40 Funds in operation at 31 May 2017. During the financial year there were 13 new fund launches. Details of these fund launches and changes to the Company can be found in the Background section.

It is the opinion of the Board that all Funds have performed in line with their objectives and that any tracking differences have been explained in the Investment Manager's report. Additional information on the Funds' performance can be found in the Investment Manager's report.

Paul McNaughton
Chairman

27 September 2017

Board of Directors

Paul McNaughton (Irish) Chairman of the Board, Independent non-executive Director, member of the Audit Committee and Chairman of the Nomination Committee (appointed 31 March 2013):

Mr McNaughton has over 25 years' experience in the Banking/Finance, Fund Management and 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. 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) – Chairman of the Audit Committee, Independent non-executive Director, Senior Independent Director and Member of the Nomination Committee (appointed 31 March 2013):

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 both 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 Epoch Investments Fund Plc. 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) Non-Executive Director and member of the Nomination Committee (appointed 3 July 2009):

Mr O'Dwyer is a Managing Director of BlackRock. He is the Head of Funds Governance for BlackRock's European open-ended fund range and is the Chief Operating Officer for BlackRock's Irish business. He serves as a Director on a number of BlackRock corporate, fund, and management companies in Ireland, Luxembourg, Switzerland and Germany and on BlackRock's UK Life company. He was the Chairman of the Irish Funds Industry Association 2014-2015, is a board director of Financial

Services Ireland and is a member of An Taoiseach's Financial Services Industry Advisory Committee. 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 a 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 London City University Business School.

Karen Prooth (British) Non-Executive Director (appointed 31 March 2013 and resigned on 31 July 2017):

Ms Prooth is a Managing Director and is the Global Head of Product Operating Platform for ETF and Index Investing. She is a member of the ETF EMEA Executive Committee and the EII Investments, Product and Markets Executive Committee. In addition she serves as a Director on all of the BlackRock Irish Fund companies (including the iShares companies). Ms Prooth's service with BlackRock dates back to 2007, including her time with Barclays Global Investors ("BGI") which merged with BlackRock in 2009. Prior to joining BGI Ms Prooth spent 17 years at JP Morgan Asset Management where she was a Managing Director in a number of roles including COO of the International Equity business and Head of Risk for EMEA as well as being a Director of the JPMC Pension Fund. Before this 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.

Teresa O'Flynn (Irish), Non-Executive Director (appointed 6 January 2016):

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 Portfolio Manager 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 Renewable Power Infrastructure 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.

Board of Directors (continued)

Teresa O'Flynn (Irish), Non-Executive Director (appointed 6 January 2016) (continued): 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.

Corporate Governance Statement

Introduction

The Board is committed to maintaining the highest standards of corporate governance and is accountable to shareholders for the governance of the Company's affairs. The Company is subject to the United Kingdom Listing Authority Listing Rules (the "UKLA Listing Rules") as they apply to overseas open-ended investment funds under Chapter 16 of the UKLA Listing Rules, and applicable chapters of the Financial Conduct Authority ("FCA") Disclosure and Transparency Rules; available at <http://www.fca.org.uk> (the "DTR Rules"). The Company is subject to the governance standards set out in the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in September 2014, which is applicable to accounting periods beginning on or after 1 October 2014.

The Company is also subject to corporate governance practices imposed by the UCITS Regulations which can be obtained from the Central Bank's website at <http://www.centralbank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx> and are available for inspection at the registered office of the Company.

The Board has considered the principles and recommendations of the Code and has put in place a framework for corporate governance which it believes both adheres to best practice and is appropriate for the Company, given the nature of its structure as an Investment Company.

The Code is published by the FRC and is available to download from <http://www.frc.org.uk>. The Company has also voluntarily adopted the Irish Funds Industry Association Corporate Governance Code for Collective Investment Schemes and Management Companies (Dec 2011) (the "IFIA Code") and, in addition, refers to this Code for the financial year under review. The IFIA Code can be obtained from the IFIA website at <http://www.irishfunds.ie/media-centre/news-archive/67-corporate-governance-code-and-faqs/>.

The sole objective of the Company is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Central Bank UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading. The Articles of Association of the Company provide that the Company may offer separate classes of shares, each representing interests in a Fund comprising a distinct portfolio of investments. The shares of each Fund are issued on different terms and conditions to those of the other Funds. The specific investment objectives and policies of each Fund are formulated by the Directors at the time of the creation of the Fund and any change to a Fund's investment objective and/or material change to the investment policy of a Fund is subject to the prior consent of Shareholders evidenced by either a majority vote at a meeting of Shareholders of a Fund or by written consent of all the Shareholders.

This statement summarises the corporate governance structure and processes in place for the Company for the financial year under review.

Compliance

The Board has made the appropriate disclosures in this report to ensure the Company meets its continuing obligations pursuant to the UKLA Listing Rules and the DTR Rules. The Company has no employees and the Directors are all non-executive. The Board recognises that the shareholders of the Company invest into a regulated Investment Company and considers that the governance structure and operational processes in place for the Company are suitable for an Investment Company.

The Board considers that the Company has complied with the relevant provisions contained within the Code throughout this accounting period except, as explained below, where departure from the Code is considered appropriate given the Company's position as an Investment Company. This Corporate Governance Statement, together with the Statement of Directors' Responsibilities, describes how the main principles of the Code are applied to the Company.

The Code includes provisions relating to:

- (i) the appointment and role of the Chief Executive;
- (ii) executive Directors' remuneration;
- (iii) the need for an internal audit function; and
- (iv) the need to establish a Remuneration Committee.

Due to the nature of its structure as an investment company, the Board does not consider these provisions appropriate to the Company. Therefore the Company was not compliant with these provisions during and post the financial year under review.

Corporate Governance Statement (continued)

Compliance (continued)

The Code also includes provisions for the re-election of Directors by shareholders with which the Company was in compliance during the financial year under review. Additionally the Articles of Association provide that retiring Directors are eligible for re-appointment by the other Directors every three years.

The Board considers that the Company has been in full compliance with the IFIA Code during the financial year under review.

Board composition

The Board currently consists of five non-executive Directors, two of whom are independent. The Board is committed to maintaining an appropriate balance of skills, experience, independence and knowledge amongst its members.

In accordance with the Code, the Board has carried out an assessment based on the independence requirements set out therein and has determined that, in its judgement the Chairman, Mr Paul McNaughton, and Mr Paul McGowan are independent within the meaning of those requirements. They are independent of the Manager, the Investment Manager and other third party service providers such as the Administrator and Depositary. The Board has also considered and is satisfied that the presence of two non-executive independent Directors (including the Chairman) is an appropriate balance for the Board. The Board has appointed Mr Paul McGowan as the Senior Independent Director.

The Directors' biographies, collectively demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership, oversight and proper governance of the Company.

Delegation of responsibilities

The Directors of the Company have delegated the following areas of responsibility:

Management and Administration

The Directors of the Company have delegated the investment management, distribution and administration of the Company and its Funds to the Manager. The Manager has delegated the management of the investment portfolio and distribution of the Company's shares to the Investment Manager. The Investment Manager operates under guidelines determined by the Manager and as detailed in the Company's prospectus and the various supplementary prospectuses relating to the Company's Funds. The Investment Manager has direct responsibility for the decisions relating to the day-to-day running of the Company's Funds and is accountable to the Board of the Manager and the Company for the investment performance of the Funds.

The Board has established a Nominations Committee and an Audit Committee. The Directors of the Company have delegated certain functions to these committees. Please see the "Committees of the Board" section in this Corporate Governance Statement for further details.

Insurance

The Company has maintained appropriate Directors' and Officers' liability insurance cover throughout the financial year.

Board's responsibilities

The Board meets monthly and also on an ad hoc basis as required. All Directors are expected to attend each meeting and the attendance at board and committee meetings during the financial year is set out on page 36. Directors are provided with relevant papers in advance of each meeting. In addition, electronic copies of meeting papers and other relevant information are available to Directors. If a Director is unable to attend a meeting, they will still receive the supporting papers. During the financial year, ad hoc Board meetings were arranged at short notice and it was not always possible for all Directors to attend.

The Board reserves to itself decisions relating to the determination of investment policy and objectives, any change in investment strategy, the appointment and removal of the Company Secretary and entering into any material contracts. The Board also approves the prospectus, circulars to shareholders, listing particulars and other relevant legal documentation. A formal schedule of matters specifically reserved for decision by the Board is maintained.

Corporate Governance Statement (continued)

Board's responsibilities (continued)

Any Director who resigns his/her position is obliged to confirm to the Board and the CBI that the resignation is not connected with any issues with or claims against the Company. Furthermore, any Director who has concerns about the running of the Company or a proposed course of action may provide a written statement to the Chairman outlining his/her concerns for circulation to the Board or alternatively may have his/her concerns formally recorded in the minutes of a board meeting.

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act and relevant accounting standards. It is the Board's responsibility to present a balanced and understandable assessment of the Company's financial position, which extends to interim financial statements and other reports made available to shareholders and the public. The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps in the prevention and detection of fraud and other irregularities.

The Directors have access to the advice and services of the Company Secretary, external counsel and the resources of the Investment Manager should they be needed. Where necessary, in the furtherance of their duties, the Board and individual Directors may seek independent professional advice at the expense of the Manager.

Directors' induction and training

Prior to his/her appointment, each new Director receives a full and formal tailored induction incorporating relevant information regarding the Company and his/her duties and responsibilities as a Director. In addition, a new Director is required to spend some time with representatives of the Investment Manager so that the new Director will become familiar with the various processes which the Investment Manager considers necessary for the performance of his/her duties and responsibilities to the Company.

The Company's policy is to encourage Directors to keep up to date with developments relevant to the Company. The Directors have attended and will continue to attend updates and briefings run by the Investment Manager which are relevant to the Company. The Directors also receive regular briefings from, amongst others, PricewaterhouseCoopers Ireland (the "External Auditors"), investment strategists, depositaries and legal advisors regarding any proposed product developments or changes in laws or regulations that could affect the Company. The Board is supplied with information in a timely manner and in a form and of a quality appropriate to enable it to discharge its duties. The training needs of the Directors are evaluated as part of the annual performance evaluation of the Board. Further information in respect of performance evaluation is provided below.

Performance evaluation

The Board formally reviews its performance on an annual basis and an appraisal system has been implemented for the Board, its supporting Committees and the individual Directors, including the Chairman. This evaluation process assists in identifying individual Directors training and development needs. The Board is satisfied with the robustness of the appraisal system and considers the current review and evaluation process adequate. The Board evaluation for 2016 was completed on 27 February 2017.

Committees of the Board

Nominations Committee

The Board has established a Nominations Committee comprising a majority of independent Directors. The Nominations Committee comprises of Mr Paul McNaughton (Chairman), Mr Paul McGowan and Mr Barry O'Dwyer. The key objective of the Nominations Committee is to ensure the Board comprises individuals with the appropriate balance of skills, experience, independence and knowledge appropriate to the Company to ensure that it is effective in discharging its responsibilities and oversight of all matters relating to corporate governance.

Corporate Governance Statement (continued)

Committees of the Board (continued)

Nominations Committee (continued)

The Nominations Committee is responsible for evaluating and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. Before a proposal is made to the Board, the Committee members will ensure that the capabilities required for a particular appointment have been considered. They will also ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

The terms of reference of the Nominations Committee are available upon request.

The Nominations Committee met on 29 November 2016 in order to review the Committee's terms of reference and its own performance and to review the structure, size and composition of the Board. The Board has, subject to the approval of the CBI, the final decision on the appointment of new Directors.

Board Diversity

The Nominations Committee, together with the Board, acknowledges the importance of diversity to enhance its operation. During the selection process the Board and Nominations Committee are committed to selecting those with diversity of business skills, experience and gender and candidates for appointment are considered based on these attributes. They will ensure that all selection decisions are based on merit and that recruitment is fair and non-discriminatory. The Board has not set specific targets in respect of gender diversity but acknowledges its importance and currently has a female representation of 40%.

Audit Committee

The Company has established an Audit Committee which reports directly to the Board and meets regularly throughout the financial year in order to discharge its duties. Further information on how the Audit Committee carried out its duties during the financial year under review is contained in the Audit Committee report.

The Board considered that all of the members of the Audit Committee were suitably qualified and had sufficient experience to discharge their responsibilities effectively. Furthermore, Paul McGowan is a qualified accountant with relevant experience in financial matters as they pertain to investment companies.

The number of Board and Audit Committee meetings and their attendance by members are set out on the table below:

Attendance Record

	Board ¹ 1 June 2016 to 31 May 2017		Audit Committee ² of the Company 1 June 2016 to 31 May 2017		Nominations Committee of the Company 1 June 2016 to 31 May 2017	
	A*	B*	A*	B*	A*	B*
Barry O'Dwyer	14	13	N/A	N/A	1	1
Paul McNaughton	14	13	11	11	1	1
Paul McGowan	14	14	11	11	1	1
Karen Prooth	14	11	N/A	N/A	N/A	N/A
Teresa O'Flynn	14	12	N/A	N/A	N/A	N/A

* Column A indicates the number of meetings held during the financial year the Director was a member of the Board or Committee and was eligible to attend. Column B indicates the number of meetings attended.

¹ There were twelve scheduled and two ad-hoc Board meetings held during the financial year.

² There were eleven scheduled and no ad-hoc Audit Committee meetings held during the financial year.

Corporate Governance Statement (continued)

Internal Control and Risk Management

The Board is responsible for the risk management and internal controls of the Company and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of the Company. Particular responsibilities have been delegated to the Audit Committee as outlined in the Audit Committee report. The system is designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss and relies on the operating controls established by the service providers. The Board is also responsible for overseeing the management of the most significant risks through the regular review of risk exposures and related key controls.

The Board reviews the Company's principal risks and the control processes over the risks identified. The control processes cover financial, operational, compliance and risk management, and are embedded in the operations of the Manager, the Investment Manager and other third party service providers including the Administrator and the Depositary. There is a monitoring and reporting process to review these controls, which has been in place throughout the financial year under review and up to the date of this report. The Board can confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity, which are identified and explored in greater detail within the section 'Financial Instruments and Risks' which forms part of the financial statements. This section also explains how these risks are being managed and mitigated.

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. These procedures include appointing the Administrator to maintain the accounting records of the Company independently of the Investment Manager and the Depositary. The annual and half-yearly financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the CBI and the London Stock Exchange. The financial statements are prepared in accordance with accounting standards generally accepted in Ireland, the Companies Act and the UCITS Regulations. The accounting information given in the annual report is required to be audited. The External Auditors' report, including any qualifications, is reproduced in full in the annual report of the Company.

Monitoring and review activities

There are procedures designed for monitoring the system of internal control and risk management and to capture and evaluate any failings or weaknesses. Should a case be categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failings.

During the financial year under review the Depositary reported to the Board on a quarterly basis.

The Depositary and the Administrator provides an annual Service Organisational Control Reports outlining an overview of the controls environment adopted and applied by the Depositary and the Administrator to the Investment Manager. The Investment Manager reports annually on it to the Audit Committee of the Company. The Manager receives a report from the Administrator on the internal controls of the administrative operations of the Company and the Administrator reports to the Board on an annual basis.

Review of effectiveness

The Board has reviewed the effectiveness of the internal control and risk management systems (including financial, operational and compliance controls) in accordance with the Code for the financial year under review and up to the date of approval of the financial statements. The Board is not aware of any significant failings or weaknesses in internal control arising during this review. Had there been any such failings or weaknesses, the Board confirms that necessary action would have been taken to remedy them.

Going Concern and Viability Statement

The going concern and viability statements are set out in the Directors' Report.

Corporate Governance Statement (continued)

Remuneration

The Company is an Investment Company and has no employees or executive Directors. The Board believes that the principles of Section D of the Code relating to remuneration do not apply to the Company, except as outlined below, as the Company has no executive Directors. No Director past or present has any entitlement to pensions, and the Company has not awarded any share options or long-term performance incentives to any of them. No element of Directors' remuneration is performance-related.

Those Directors who are also employees of the BlackRock group are not entitled to receive a Director's fee. All other Directors have fees paid to them which are set out in service contracts with the Investment Manager. The Board believes that the level of remuneration for those Directors who take a fee properly reflects the time commitment and responsibilities of their roles. The maximum amount of remuneration payable to the Directors is determined by the Board and is set out in the prospectus of the Company.

The terms of the aforementioned service contracts are for one financial year and include an assessment of the time commitment expected of each Director. The Directors also have a continuing obligation to ensure they have sufficient time to discharge their duties. The detail of each Director's, including the Chairman's, other appointments and commitments are made available to the Board for inspection and all new appointments or significant commitments require the prior approval of the Investment Manager. The Directors, who are employees of the BlackRock group, have executed letters of appointment which include an assessment of the time commitment expected. Extracts of the service contracts as they relate to the Company and letters of appointment are available for inspection on request and at each Annual General Meeting ("AGM").

Communication with Shareholders

The Company is an Investment Company and the shareholders invest in its range of Funds in order to, inter alia, gain exposure to the expertise of the Investment Manager and its investment strategies. Given the nature of the Company, it is not necessary or desirable for the Chairman or any of the other Directors to discuss investment strategy with shareholders. Furthermore, the Manager has appointed the Investment Manager as distributor and it is this entity which is tasked with actively managing the relationship between the Company and its shareholders.

The Board reviews monthly reports on shareholder communications and in addition, the Board reviews reports from the Manager's compliance function which include updates on shareholder complaints.

The Board is responsible for convening the annual general meeting and all other general meetings of the Company. All shareholders have the opportunity to attend and vote at general meetings. Notice of general meetings is issued in accordance with the Companies Act and the Articles of Association of the Company and notice of the annual general meeting is sent out at least 20 working days in advance of the meeting and any item not of an entirely routine nature is explained in a covering circular. For all other general meetings the notice is sent at least 20 working days in advance. All substantive matters put before a general meeting are dealt with by way of separate resolution. Proxy voting figures are noted by the chairman of the general meeting and the results of each general meeting, including the number of votes withheld, will be announced and made available on the iShares website shortly after the meeting. When it is the opinion of the Board that a significant proportion of votes have been cast against a resolution at any general meeting, the Board will explain when announcing the results what actions it intends to take to investigate and understand the reasoning behind the result.

General meetings are managed and run by the Company Secretary. Strategic issues and all operational matters of a material nature are determined by the Board. If the shareholders wish to engage on matters relating to the management of the Company then invariably they will wish to discuss these matters or meet with the Investment Manager.

However, the Board will accept requests to make individual Directors available to shareholders. One of the independent Directors is always available to attend general meetings. The Chairman of the Audit and Nominations Committees will be available to attend general meetings and to answer questions, if required, while the Senior Independent Director will be also available to liaise with shareholders, where required. Every holder of participating shares present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of participating shares present in person or by proxy is entitled to one vote in respect of each share held by him. The poll may be demanded by the chairman of a general meeting or at least five members present in person or by proxy or by any holder or holders of shares present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting.

Audit Committee Report

The Board has established an Audit Committee whose roles and responsibilities are detailed below.

Roles and Responsibilities

The main responsibilities of the Audit Committee include considering and recommending to the Board for approval the contents of the interim and annual financial statements, and providing an opinion as to whether the annual financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Audit Committee also reviews related information presented within the financial statements, including statements concerning internal controls and risk management from its delegates. In addition, the Audit Committee is responsible for approving the audit fees of the External Auditor, conducting a review of the Independent Auditors' report on the annual financial statements and reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies, reviewing the requirement for an internal audit function and reviewing the Investment Manager's internal audit activities in so far as they relate to the Company and Manager.

There are formal terms of reference in place for the Audit Committee. The terms of reference of the Audit Committee are available to shareholders on request.

The Audit Committee has met 11 times during the reporting period. These meetings were to consider various items including updates in the regulatory environment as they relate to the financial statements of the Company, updates on the Company's accounting policies and progress reports on the audit. The significant issues considered by the Audit Committee in relation to the financial statements are discussed below and overleaf.

Financial Statements

The Audit Committee reviewed the interim financial statements, annual financial statements and the audit findings presentation from the External Auditors.

Significant issues considered in relation to the financial statements

During the financial year, the Audit Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified in the audit plan and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. Below sets out the key areas of risk identified and also explains how these were addressed by the Committee.

1. Valuation

The Board has in place a hierarchical structure for the pricing of every asset class of the Company which details the primary, secondary and tertiary pricing sources (the "Pricing Hierarchy"). The Administrator has been appointed for the purposes of valuing each asset class of the Company. The Administrator follows the Pricing Hierarchy in this regard. During the financial year under review, monthly reporting was provided by the Investment Manager in which any exceptions to this process were identified and investigated and referred to the Board. The Audit Committee considers that the procedures that the Board has in place to monitor the Administrator and Investment Manager are adequate and appropriate. The Audit Committee discussed with the external auditor the results of the financial year end audit procedures over the valuation of investments. No significant exceptions to valuation of the assets were noted during the financial year under review.

2. Existence

In order to gain comfort on the existence of the assets of the Company, a daily reconciliation of all asset classes is performed by the Administrator between their records and the separate records held by counterparties, the Depositary and the Investment Manager. During the financial year under review, any material exceptions identified by these reconciliations were reported on a monthly basis by the Investment Manager and quarterly by the Administrator and Depositary. The Depositary also provided a report in relation to the oversight of its global sub-custodian and global custody network and any exceptional items regarding existence of assets of the Company were referred for consideration by the Audit Committee.

Audit Committee Report (continued)

Roles and Responsibilities (continued)

Financial Statements (continued)

Significant issues considered in relation to the financial statements (continued)

2. Existence (continued)

The Audit Committee considers that the procedures that the Board has in place to monitor the Administrator and Investment Manager are adequate and appropriate. The Audit Committee discussed with the external auditor the results of the financial year end audit procedures over the existence of investments. No significant exceptions to the existence of the assets were noted during the financial year under review.

3. Risk of Management Override

The Depositary and Administrator provided reports to the Board on an annual basis on the controls in place to minimise the risk of management override. In addition to this, the Manager has reviewed the Statement on Service Organisational Control (the "SOC1") prepared by the Depositary and Administrator to further ensure that the relevant control procedures were in place to minimise the risk of management override. The SOC1 of the Investment Manager is also presented annually for review. Any exceptions noted were referred to the Audit Committee for further review. No significant exceptions in respect of the risk of management override were noted during the financial year under review.

4. Developments in Corporate Governance

In April 2016 the FRC revised the Code. The new Code applies the accounting period beginning on or after 17 June 2016. The new requirements will be considered and implemented in the financial statements for the financial year ended 31 May 2018.

Fair, Balanced and Understandable

The production and audit of the financial statements is a comprehensive process requiring input from a number of different contributors. Following the adoption of the Code by the Company, the Board requested that the Audit Committee advises on whether it believes the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In doing so the Audit Committee has given consideration to the following:

- ▶ The comprehensive reviews that are undertaken at different levels in the production process of the financial statements, by the Manager and the Administrator;
- ▶ The comprehensive review also undertaken during the production process by the Investment Manager;
- ▶ The comprehensive review undertaken by the Audit Committee that aimed to ensure consistency, overall balance and appropriate disclosure;
- ▶ The controls that are in place at the Investment Manager, the Administrator and Depositary, to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets;
- ▶ The existence of satisfactory SOC1 control reports reviewing the effectiveness of the internal controls of the Investment Manager, the Administrator and the Depositary; and
- ▶ The timely identification and resolution of any significant audit risks, process errors or control breaches that may have impacted the Company's Net Assets Value ("NAV") and accounting records and how successfully any issues in respect of areas of accounting judgement were identified and resolved.

As a result of the work performed, the Audit Committee has concluded that the financial statements for the financial year ended 31 May 2017, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Audit Committee has reported on these findings to the Board and recommended the approval of the financial statements to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities.

External Auditor

To assess the effectiveness of the external audit, members of the Audit Committee work closely with the Investment Manager and the Manager to obtain a good understanding of the progress and efficiency of the audit.

Feedback in relation to the audit process and the involvement of the Investment Manager and the Manager in performing their role is sought from relevant involved parties, notably the audit partner and audit team. The External Auditor is invited to attend the Audit Committee meetings at which the annual financial statements are considered.

Audit Committee Report (continued)

External Auditor (continued)

PricewaterhouseCoopers Ireland, in their capacity as statutory auditor, has acted as the External Auditor since the Company was incorporated in July 2009 and the lead audit partner rotates every five years to assure independence. To form a conclusion with regard to the independence of the External Auditor, the Audit Committee considers whether their skills and experience make them a suitable supplier of non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of such services. The audit and assurance services fees are disclosed in note 6 of the financial statements of the Company.

On an annual basis, the External Auditor reviews the independence of its relationship with the Company and reports this to the Board. The Audit Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's External Auditors, including information on the rotation of audit partners and staff, details of any relationships between the audit firm and its staff and the Company as well as an overall confirmation from the External Auditors of their independence and objectivity.

As a result of its review, the Audit Committee has concluded that PricewaterhouseCoopers Ireland, as External Auditor, is independent of the Company. The Audit Committee has conducted a review of independence of the External Auditor and has in place a pre-approval policy on the engagement of the External Auditor to supply non-audit services.

On 16 June 2014, the European parliament and council passed into law a new Audit Directive and Regulation ('Directive') which updated the EU regulatory framework on statutory audits. Member states had two years to implement legislation to transpose, adopt and publish the provisions to comply with the directive, and on 15 June 2016 a Statutory Instrument was signed in Ireland that gave effect to the Directive. Accordingly, such legislation will apply to the year-end commencing 1 June 2017, being the first financial year starting on or after 17 June 2016. The legislation covers mandatory audit firm rotation, additional restrictions on the provision of non-audit services, requirements relating to audit committee oversight of the performance of the audit, and new requirements regarding reporting by the Auditor.

In accordance with the transitional provisions under the new EU framework, the Company must change its external auditor no later than 2023. During 2015, the Audit Committee considered the impact of the EU framework and the recommendation of the Code being conscious of the need to facilitate a smooth transition, and to ensure the continuing quality and effectiveness of the external audit service. The Audit Committee is currently conducting a competitive tender process for the appointment of an external auditor in due course.

Internal Audit

The Board considers it appropriate for the Company not to have its own internal audit function as all of the management and administration of the Company is delegated to the Manager, Investment Manager, Administrator and Depositary. The internal audit report prepared by the Investment Manager is provided to the Audit Committee on a quarterly basis.

Whistleblowing Policy

The Investment Manager has a "Whistleblowing" policy under which its staff, in confidence, may raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company. As the Company does not have any employees, the Board review this policy on an annual basis and have adopted this policy as the Company's "Whistleblowing" policy.

Audit Committee Effectiveness

The performance of the Audit Committee is reviewed at least annually. The Audit Committee evaluation for 2016 was completed 27 February 2017.

Paul McGowan

Chairman of the Audit Committee

27 September 2017

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with Irish law and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations").

Irish law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year. Under that law the Directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- ▶ prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- ▶ correctly record and explain the transactions of the Company;
- ▶ enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- ▶ enable the Directors to ensure that the financial statements comply with the Companies Act and enable those financial statements to be audited.

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the appointment of the Administrator for the purpose of maintaining adequate accounting records. Accordingly, the accounting records are kept at the following address on behalf of the Administrator:

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have entrusted the assets of the Company to the Depositary for safekeeping in accordance with the Memorandum and Articles of Association of the Company. In this regard the Directors have appointed State Street Custodial Services (Ireland) Limited as Depositary pursuant to the terms of the Depositary Agreement. The address at which this business is conducted is as follows:

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Statement of Directors' Responsibilities (continued)

Under applicable law and regulations, the Directors are also responsible for preparing a corporate governance statement that complies with that law and those regulations.

The financial statements are published on the www.iShares.com website. The Directors, together with the Manager and the Investment Manager are responsible for the maintenance and integrity of the financial information included in this website. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm to the best of their knowledge, that:

- ▶ The annual report and financial statements are prepared in accordance with accounting standards generally accepted in Ireland, the Companies Act and the UCITS Regulations and disclose with reasonable accuracy the financial position of the Company and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and Funds for the financial year;
- ▶ The annual report and financial statements include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

The Code also requires Directors to ensure that the annual report and financial statements are fair, balanced and understandable and provide the information necessary for shareholder to assess the Company's position and performance, business model and strategy. In order to reach a conclusion on this matter, the Board of Directors have requested that the Audit Committee advise on whether they consider that the financial statements fulfil these requirements. The process by which the Audit Committee has reached these conclusions is set out in the Audit Committee report. As a result, the Directors have concluded that the financial statements for the financial year ended 31 May 2017, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholder to assess the Company's performance, business model and strategy.

Directors' Compliance Statement

In accordance with Section 225 of the Companies Act 2014, the Directors are required to acknowledge that the Company is in compliance with its relevant obligations. The Directors further confirm that, based on the procedures implemented and review process established, they have used all reasonable endeavors to secure the Company's compliance with the following obligations and requirements:

1. A compliance policy has been prepared setting out the Company's procedures (that, in the Directors' opinion, are appropriate to the Company) for ensuring compliance by the Company with its relevant obligations;
2. An adequate structure is in place, that in the Directors' opinion, is designed to secure material compliance with the Company's relevant obligations; and
3. An annual review procedure has been put in place to review the Company's relevant obligation and ensure a structure is in place to comply with these obligations.

On behalf of the Board of Directors

Paul McNaughton
Director

Paul McGowan
Director

Date: 27 September 2017

Date: 27 September 2017

Directors' Report

The Directors present the financial statements for the financial year from 1 June 2016 to 31 May 2017.

Review of Business and Future Developments

The financial statements have been prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland and comply with the Irish Companies Act 2014 and the UCITS Regulations.

The specific investment objectives and policies, as set out in the Investment Manager's report, of each Fund are formulated by Directors at the time of the creation of the Fund. 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. A description of the Funds, market review and market outlook can be found in the Background section and the Investment Manager's report. Market review encompasses tracking error and tracking difference disclosures which are key metrics as to how well the Funds have been managed against their benchmark indices.

Risk management objectives and policies

The financial instruments and risks facing the Company are set out on pages 59 to 92. The Company's corporate governance statement is set out on pages 33 to 38.

Results and Dividends

The results and dividends for the financial year are set out in the income statement on page 93.

Subsequent Events

The subsequent events which have occurred since the balance sheet date are set out in note 20 of the notes to the financial statements of the Company.

Directors' and Company Secretary's Interests and Related Party Transactions

The Directors and Company Secretary had no interest in the shares of the Company during the financial year ended 31 May 2017 other than those disclosed in the related party transactions note of the financial statements of the Company.

No Director had at any time during the financial year, a material interest in any contract of significance, during or at the end of the financial year in relation to the business of the Company.

All related party transactions are set out in note 18 of the notes to the financial statements of the Company.

Board of Directors

The Board of Directors of the Company and their biographies are set out on pages 31 and 32.

Statement of Directors' Responsibilities

The Statement of Directors' Responsibilities in respect of the financial statements is set out on pages 42 and 43.

Going Concern

The financial statements of the Company have been prepared on a going concern basis. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Funds are reviewed on a regular basis throughout the financial year. Therefore the Directors believe that the Company will continue in operational existence for the foreseeable future and is financially sound. The Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of the Company.

Directors' Report (continued)

Viability Statement

The updated Code includes a proposal for companies to include a "Viability Statement" addressed to shareholders with the intention of providing an improved and broader assessment of long term solvency and liquidity. The Code does not define "long term" but expects the period to be longer than 12 months with individual companies choosing a period appropriate to the nature of their own business. The Board conducted this review for the period up to the AGM in 2019, being a three year period from the date that this annual report will be approved by Shareholders. The reason the Directors consider three years to be an appropriate period to review is that they do not expect there to be any significant change in the Company's current principal risks and adequacy of the mitigating controls during that period. Furthermore, the Directors do not envisage any change in the objective of the Company, as disclosed in the Background section of the annual report and audited financial statements, or any other events that would prevent the Company from continuing to operate over that period as the Company's assets are sufficiently liquid and the Company intends to continue to operate as an investment company. This period has been chosen, as a period longer than three years creates a level of future uncertainty for which a Viability Statement cannot, in the Directors' view, be made meaningfully. In making this assessment the Board has considered the following factors:

- ▶ the Company's principal risks as set out, in the Financial Instruments and Risks section of the financial statements;
- ▶ the ongoing relevance of the Company's objective in the current environment; and
- ▶ the level of investor demand for the Funds offered by the Company.

The Board has also considered a number of financial metrics in its assessment, including:

- ▶ the level of ongoing charges, both current and historic;
- ▶ the level of capital activity, both current and historic;
- ▶ the level of income generated; and
- ▶ the liquidity, tracking error and tracking difference of each Fund.

The Board has concluded that the Company would be able to meet its ongoing operating costs as they fall due as a consequence of:

- ▶ a diverse product offering that meets the needs of investors;
- ▶ overheads which comprise a small percentage of net assets.

Based on the results of their analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Independent Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors recommend the re-appointment of the auditors, PricewaterhouseCoopers Ireland, in accordance with section 383 of the Companies Act 2014.

On behalf of the Board of Directors

Paul McNaughton
Director

Paul McGowan
Director

Date: 27 September 2017

Date: 27 September 2017

Statement of the Depositary's Responsibilities

As outlined in Part 5 of the UCITS Regulations, the Depositary is required to:

1. Ensure that the sale, issue, repurchase, redemption and cancellation of shares effected by or on behalf of the Company are carried out in accordance with the conditions imposed by the Central Bank of Ireland and in accordance with the Articles of Association;
2. Ensure that the value of shares is calculated in accordance with the Articles of Association;
3. Carry out the instructions of the Company unless they conflict with the Memorandum and Articles of Association;
4. Ensure that in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
5. Ensure that the Company's income is applied in accordance with the Articles of Association; and
6. Enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders. The Depositary's report shall be delivered to the Company in good time to enable the Company to include a copy of the report in its Annual Report. The Depositary's report shall state whether, in the Depositary's opinion, the Company has been managed in that period:
 - i) In accordance with the limitations imposed on the investment and borrowing powers of the Company and the Depositary by the Memorandum and Articles of Association and by the CBI; and
 - ii) Otherwise in accordance with the provisions of the Memorandum and Articles of Association.

If the Company does not comply with (i) or (ii) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

7. Notify the CBI promptly of any material breach of the UCITS Regulations, conditions imposed by the CBI or provisions of the prospectus with regard to the Company.

The duties provided for above may not be delegated by the Depositary to a third party. These duties must be carried out in the State.

Depository's report to the shareholders

We have enquired into the conduct of iShares IV plc ('the Company') for the financial year ended 31 May 2017, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that financial period in accordance with the provisions of the Company's Constitution (the "Constitution") and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

- (i) In accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations; and
- (ii) Otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the financial year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations'); and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

For and on behalf of

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

27 September 2017



Independent Auditors' report to the members of iShares IV plc (the "Company")

Report on the financial statements

Our opinion

In our opinion iShares IV plc's financial statements (the "financial statements"):

- ▶ give a true and fair view of the Company's and Funds' (as detailed on pages 1 and 2) assets, liabilities and financial position as at 31 May 2017 and of their results for the financial year then ended;
- ▶ have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- ▶ have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

What we have audited

The financial statements, included within the Annual Report and Audited Financial Statements, comprise:

- ▶ the Company and Funds' Balance sheets as at 31 May 2017;
- ▶ the Company and Funds' Income statements for the financial year then ended;
- ▶ the Company and Funds' Statements of changes in net assets attributable to redeemable participating shareholders for the financial year then ended;
- ▶ the Schedule of investments for each of the Funds as at 31 May 2017;
- ▶ the Financial instruments and risks which are presented separately and are an integral part of the notes to the financial statements;
- ▶ the Basis of preparation, and Accounting policies; and
- ▶ the Notes to the financial statements for the Company and for each of its Funds which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Our audit approach

Overview



Materiality

- ▶ Overall materiality: 50 basis points of Net Asset Value ("NAV") at 31 May 2017 for each of the Company's Funds.

Audit scope

- ▶ The Company is an open-ended investment company with variable capital and engages BlackRock Asset Management Ireland Limited (the "Manager") to manage certain duties and responsibilities with regards to the day-to-day management of the Company.
- ▶ We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to overleaf, the accounting processes and controls, and the industry in which the Company operates. We look at each Fund at an individual level.

Areas of focus

- ▶ Existence of financial assets at fair value through profit or loss.
- ▶ Valuation of financial assets at fair value through profit or loss.



Independent Auditors' report to the members of iShares IV plc (the "Company") (continued)

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that may represent a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
<i>Existence of financial assets at fair value through profit or loss</i> The financial assets at fair value through profit or loss included in the Balance Sheet of each Fund are held in the Fund's name at 31 May 2017. We focused on this area because it represents the principal element of the financial statements.	We obtained independent confirmation from the Depositary and counterparties of the investment portfolio held at 31 May 2017, agreeing the amounts held to the accounting records.
<i>Valuation of financial assets at fair value through profit or loss</i> The financial assets at fair value through profit or loss included in the Balance Sheet of each Fund at 31 May 2017 are valued at fair value in line with Generally Accepted Accounting Practice in Ireland. We focused on this area because it represents the principal element of the financial statements.	We tested the investment portfolios by independently agreeing the valuation of investments to third party vendor sources.

How we tailored the audit scope

As at the financial year-end there are 40 Funds operating. The Company's Balance sheet, Income statement and the Statement of changes in net assets attributable to redeemable participating shareholders are an aggregation of the positions and results of the 40 Funds.

The Directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. The Company engages the Manager to manage certain duties and responsibilities with regards to the day to day management of the Company.

The Manager has delegated certain responsibilities to BlackRock Advisors (UK) Limited (the "Investment Manager") and to State Street Fund Services (Ireland) Limited (the "Administrator"). The financial statements, which remain the responsibility of the Directors, are prepared on their behalf by the Administrator. The Company has appointed State Street Custodial Services (Ireland) Limited (the "Depositary") to act as Depositary of the Company's assets.

In establishing the overall approach to our audit we assessed the risk of material misstatement at a Fund level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the Administrator.



Independent Auditors' report to the members of iShares IV plc (the "Company") (continued)

Materiality

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for each of the Company's Funds as follows:

Overall materiality and how we determined it	50 basis points (2016: 50 basis points) of Net Asset Value ("NAV") at the financial year end for each of the Company's Funds.
Rationale for benchmark applied	We have applied this benchmark because the main objective of the Company is to provide investors with a total return at a Fund level.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above 5 basis points (2016: 5 basis points) of each Fund's NAV, for NAV per share impacting differences, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 44, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the Directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements and their identification of any material uncertainties. We have nothing material to add or to draw attention to.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one financial year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2014 opinion

In our opinion, the Directors' Report is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- ▶ information in the Annual Report is:
 - materially inconsistent with the information in the audited financial statements; or
 - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
 - is otherwise misleading.

We have no exceptions to report arising from this responsibility.



Independent Auditors' report to the members of iShares IV plc (the "Company") (continued)

ISAs (UK & Ireland) reporting (continued)

- | | |
|--|---|
| <ul style="list-style-type: none">▶ the statement given by the Directors on page 43, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code") that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company's and Funds' position and performance, business model and strategy is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit.▶ the section of the Annual Report on pages 39 to 40, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee. | <p>We have no exceptions to report arising from this responsibility.</p> <p>We have no exceptions to report arising from this responsibility.</p> |
|--|---|

The Directors' assessment of the prospects of the Company and the principal risks that would threaten the solvency or liquidity of the Company

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

- | | |
|---|---|
| <ul style="list-style-type: none">▶ the Directors' confirmation on page 37 of the Annual Report in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity.▶ the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.▶ the Directors' explanation on page 45 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and a statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. | <p>We have nothing material to add or to draw attention to.</p> <p>We have nothing material to add or to draw attention to.</p> <p>We have nothing material to add or to draw attention to.</p> |
|---|---|

Under the Listing Rules we are required to review the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and the Directors' statement in relation to the longer term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosure of Directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

- ▶ In our opinion, based on the work undertaken in the course of our audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2)(c) of the Companies Act 2014.



Independent Auditors' report to the members of iShares IV plc (the "Company") (continued)

Corporate governance statement (continued)

- ▶ Based on our knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.
- ▶ In our opinion, based on the work undertaken during the course of our audit of the financial statements, the information required by section 1373(2)(a),(b),(e) and (f) is contained in the Corporate Governance Statement.
- ▶ Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code specified for our review. We have nothing to report having performed our review.

Other matters on which we are required to report by the Companies Act 2014

- ▶ We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- ▶ In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- ▶ The financial statements are in agreement with the accounting records.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 42 and 43, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- ▶ whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- ▶ the reasonableness of significant accounting estimates made by the Directors; and
- ▶ the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.



Independent Auditors' report to the members of iShares IV plc (the "Company") (continued)

What an audit of financial statements involves (continued)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Mary Ruane
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
Ireland

27 September 2017

The financial statements are published at www.ishares.com. The Directors together with the Manager and Investment Manager are responsible for the maintenance and integrity of the website as far as it relates to iShares funds. The work carried out by the auditors does not involve consideration of the maintenance and integrity of the website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements presented on the website. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Basis of preparation

The financial statements have been prepared for the financial year ended 31 May 2017.

Statement of compliance

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland including Financial Reporting Standard ("FRS") 102, the financial reporting standard applicable in the UK and Republic of Ireland and Irish statute comprising the Companies Act 2014 and the provisions of the UCITS Regulations. Accounting standards generally accepted in Ireland in preparing financial statements which present a true and fair view are promulgated by the Institute of Chartered Accountants in Ireland (the "Institute") and issued by the Financial Reporting Council ("FRC"). Due to the special nature of the Company's business, the Directors have adapted the arrangement and headings and sub-headings of the financial statements otherwise required by Schedule 3 to the Companies Act 2014.

The Company has availed of the exemption available to open ended investment funds that hold a substantial proportion of highly liquid and fair valued investments under Section 7 of FRS 102 and is not presenting cash flow statements.

The information required by FRS 102 to be included in a statement of comprehensive income is contained in the income statement of each Fund.

Fair value measurement and recognition

On initial application of FRS 102, in accounting for its financial instruments a reporting entity is required to apply either a) the full provisions of section 11 "Basic Financial Instruments" and section 12 "Other Financial Instruments" of FRS 102, b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of Sections 11 and 12 of FRS 102; or c) the recognition and measurement provisions of IFRS 9 Financial Instruments and/or IAS 39 (as amended following the publication of IFRS 9) and only the disclosure requirements of Sections 11 and 12 of FRS 102. The Company has chosen to implement the recognition and measurement provisions of IAS 39 and only the disclosure requirements of Sections 11 and 12 of FRS 102 as they relate to financial instruments.

Fair value disclosures

The requirement for the Company to measure financial instruments at fair value and estimation of that fair value has not changed with the adoption of FRS 102. Amendment to FRS 102 "Fair value hierarchy disclosures" effective for annual periods beginning on or after 1 January 2017 has been early adopted. This amendment improves the consistency of fair value disclosures for financial instruments with those required by EU adopted IFRS.

Basis of measurement

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

All references to net assets throughout this document refer to net assets attributable to redeemable participating shareholders unless otherwise stated.

Functional and presentation currency

The presentation currency of the Company's financial statements is British Pounds. Foreign currency items included in the Funds' financial statements are measured in the Funds' functional currency which is shown in the table below.

Fund	Currency
iShares \$ Short Duration Corp Bond UCITS ETF	\$
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$
iShares \$ Treasury Bond 20+yr UCITS ETF	\$
iShares \$ Ultrashort Bond UCITS ETF	\$
iShares £ Ultrashort Bond UCITS ETF	£
iShares € Govt Bond 20yr Target Duration UCITS ETF	€
iShares € Ultrashort Bond UCITS ETF	€
iShares Ageing Population UCITS ETF	\$
iShares Automation & Robotics UCITS ETF	\$
iShares Digitalisation UCITS ETF	\$
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€
iShares Edge MSCI Europe Multifactor UCITS ETF	€
iShares Edge MSCI Europe Quality Factor UCITS ETF	€
iShares Edge MSCI Europe Size Factor UCITS ETF	€
iShares Edge MSCI Europe Value Factor UCITS ETF	€
iShares Edge MSCI USA Momentum Factor UCITS ETF	\$
iShares Edge MSCI USA Multifactor UCITS ETF	\$
iShares Edge MSCI USA Quality Factor UCITS ETF	\$
iShares Edge MSCI USA Size Factor UCITS ETF	\$
iShares Edge MSCI USA Value Factor UCITS ETF	\$
iShares Edge MSCI World Momentum Factor UCITS ETF	\$
iShares Edge MSCI World Multifactor UCITS ETF	\$
iShares Edge MSCI World Quality Factor UCITS ETF	\$
iShares Edge MSCI World Size Factor UCITS ETF	\$
iShares Edge MSCI World Value Factor UCITS ETF	\$
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$
iShares Healthcare Innovation UCITS ETF	\$
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$
iShares MSCI China A UCITS ETF	\$
iShares MSCI EM SRI UCITS ETF	\$
iShares MSCI EMU Large Cap UCITS ETF	€
iShares MSCI EMU Mid Cap UCITS ETF	€
iShares MSCI France UCITS ETF	€
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	€

Basis of preparation (continued)

Functional and presentation currency (continued)

Fund	Currency
iShares MSCI Japan SRI UCITS ETF	\$
iShares MSCI USA SRI UCITS ETF	\$
iShares OMX Stockholm Capped UCITS ETF	Kr
iShares TA-35 Israel UCITS ETF	\$
iShares US Equity Buyback Achievers UCITS ETF	\$
iShares US Mortgage Backed Securities UCITS ETF	\$

The presentation currency of the Funds' financial statements is the same as the functional currency.

The Company's balance sheet, income statement and the statement of changes in net assets attributable to redeemable participating shareholders are an aggregation of the positions and results of the Funds.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management also makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the actual results. Actual results may differ from these estimates and these differences could be material. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities predominantly relate to the fair value of financial instruments, as discussed in the accounting policies.

Accounting policies*

The significant accounting policies adopted by the Company are:

a) Investments

Classification of investments

The Company classifies its investments as financial assets and financial liabilities at fair value through profit or loss. The category of financial assets and financial liabilities through profit or loss comprises all financial instruments (equities, rights, bonds, mortgage backed securities ("MBS"), Contracts for Difference ("CFDs"), forward currency contracts and futures contracts), designated by the Investment Manager, at inception, as being at fair value through profit or loss. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the documented investment strategy. Derivatives are classified as held for trading.

Recognition/derecognition of investments

Purchases and sales of investments are accounted for on the date the trade transaction takes place. Investments are derecognised when the rights to receive cashflows from the investments have expired or the risks and rewards of ownership have all been substantially transferred. Realised gains and losses on disposals are calculated using the average cost method and are reflected as net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the income statement.

Initial measurement of investments

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities are presented in the income statement in the financial year in which they arise.

Valuation of investments

The estimation of fair value, after initial recognition, is determined as follows:

i) Listed investments

As at financial year end, investments which are quoted, listed, traded or dealt on a market or exchange are based on quoted prices which, for the purpose of the financial statements is in line with the valuation methodology prescribed in the Prospectus. Depending on the nature of the underlying security this could be either at the closing price, closing mid-market price or bid price on the relevant market. For financial statements purposes, prior to 1 June 2016, investments were valued at the closing bid-market price for financial assets and the closing ask-market price for financial liabilities.

ii) Financial derivative instruments

The Company's derivatives comprise futures contracts, forward currency contracts and CFD's and are recognised initially at fair value. Transaction costs are expensed in the income statement.

Subsequent to initial recognition they are measured at fair value with changes in fair value recognised in the income statement.

Where appropriate, gains and losses from certain financial derivative instruments are included in income or as net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the income statement depending on whether they are used to protect or enhance income or capital.

For further details on the types of derivatives held by the Company at financial year end please see the Glossary.

iii) Prices calculated in consultation with the Manager

A number of securities were valued by the administrator in consultation with the Manager in the absence of financial year end vendor prices.

The total value of securities valued using a price calculated by the Investment Manager as at 31 May 2017 and 31 May 2016 is less than 1% of the net asset value of the applicable Funds with the exception of iShares MSCI China A UCITS ETF as at 31 May 2017 which is less than 5% (31 May 2016: less than 5%) of its net asset value. Please refer to the *Valuation of financial instruments in section d of Financial Instruments and risks* for further details.

b) Income/expenses

i) Dividend income

Dividend income is recognised when the securities are declared ex-dividend. Dividend income is shown gross of any non-reclaimable withholding tax, which is disclosed separately in the income statement.

ii) Interest income/expense

Bank, cash equivalents and bond interest income and expense are accrued on a daily basis using the effective interest basis and are disclosed in the income statement as operating income and interest expense respectively.

iii) Amortisation/accretion of premium/discounts on purchase of interest-bearing investments

Premiums or discounts on the purchase of fixed and variable interest rate investments are amortised over the life of the investment on an effective interest basis.

iv) Securities lending income

Securities lending income is earned from lending securities owned by the Fund to a number of third party borrowers. Securities lending income is accounted for on an accruals basis.

* The accounting policies are an integral part of the notes to the financial statements.

Accounting policies* (continued)

c) Fees and expenses

Expenses are accounted for on an accruals basis with the exception of transaction charges relating to the acquisition and realisation of investments which are charged as incurred.

d) Distributions

Distributions are accounted for as finance costs in the income statement.

The Company may declare distributions for each distributing share class which will be paid out of the total income of the applicable distributing share class net of any expenses, in respect of each financial period. Dividends will normally be declared quarterly, semi-annually or such other times as the Directors deem appropriate.

All Funds are distributing Funds with the exception of iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc) and iShares OMX Stockholm Capped UCITS ETF.

As of 31 May 2017 and 31 May 2016, all of the Funds in operation have adopted UK Reporting Fund Status.

Any dividend amounts which have remained unclaimed for twelve years from the date of its declaration shall be forfeited and cease to remain owing by the Company to investors and become the property of the relevant Fund.

e) Redeemable participating shares

Subscriptions and redemptions are accounted for on the day the trade transaction takes place.

Redeemable participating shares are redeemable at the option of the shareholders and are classified as financial liabilities.

f) Transaction costs

Transaction costs on purchases and sales of financial assets and financial liabilities are included in net gains/(losses) on financial assets at fair value through profit or loss in the income statement of the Fund. Separately identifiable transaction costs are disclosed in note 10 of the notes to the financial statements of the Company and in the notes to the Funds.

Custody transaction costs are not separately identifiable as they form part of the total expense ratio of the Fund. The Manager is responsible for discharging all operational expenses of the Fund, see note 5 of the notes to the financial statements of the Company for more details.

g) Foreign currency

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of each Fund at the foreign currency exchange rate in effect at the date of the transaction.

Subscriptions and redemptions of shares in foreign currencies are translated at the foreign currency exchange rate in effect at the date of the transaction.

Foreign currency assets and liabilities, including investments, are translated at the exchange rate prevailing at financial year end. The foreign exchange gain or loss based on the translation of the investments, as well as the gain or loss arising on the translation of other assets and liabilities, is included in net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the income statement.

For aggregation purposes, all assets and liabilities for all Funds are translated into the presentation currency of the Company, at the financial year-end exchange rate. All income, expenses and capital transactions are translated at the average exchange rate.

h) Receivables

Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition. They are subsequently measured at amortised cost using the effective interest method less provision for impairment.

i) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between proceeds and the amount payable is recognised over the financial period of the payable using the effective interest method.

j) Cash and cash equivalents

Cash in the balance sheet includes deposits held on call with banks.

Cash equivalents includes short-term liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are classified as liabilities in the balance sheet.

k) Margin cash

Cash balances held as margin with relevant brokers relating to investments in derivatives at the reporting date are included in current assets/liabilities in the balance sheet.

* The accounting policies are an integral part of the notes to the financial statements.

Accounting policies* (continued)

l) Negative yield on financial assets

Negative yield on financial assets relating to interest from a negative effective interest rate on a financial asset is accreted daily and is recognised in the income statement over the life of the underlying instrument.

m) Collateral

Cash collateral provided by the Company is identified on the balance sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

Cash collateral provided to the Company by counterparties is identified on the balance sheet as cash collateral payable. The Company may reinvest this cash collateral and the assets purchased are included in financial assets at fair value through profit or loss on the balance sheet.

n) Adjustment to align to the valuation methodology as set out in the prospectus

The accounting policy of the Company is to value its investments at the relevant fair value at the balance sheet date. Fair value is considered to be the relevant price methodology outlined in the prospectus as at 31 May 2017. Depending on the nature of the underlying security this could be either at the closing price, closing mid-market or bid price on the relevant market. As at 31 May 2016 closing bid market price was considered fair value.

Any difference between the valuation methodology stated in the financial statements and the valuation methodology indicated in the prospectus results in an adjustment.

o) Equalisation on distributions

For tax and accounting purposes, the Manager implements income and equalisation arrangements, to ensure that the level of income derived from investments is not affected by the issue, conversion or redemption of shares during the accounting period.

Equalisation income and/or expense amounts are included in note 7 in the notes to the financial statements of the Company.

p) Comparative financial period

Certain prior financial year figures have been reclassified to correspond to current financial year presentation.

q) Taxation

Current tax

Current tax is recognised in the Income statement to the extent that it relates to items recognised directly in equity, it is the amount of income tax paid or payable in respect of the overseas taxable profit for the

current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

r) Changes in accounting policies

Nature of change in accounting estimate

The Company has changed its valuation inputs for measuring fair value for listed financial assets and liabilities, for financial statements purposes, to be in line with the valuation methodology outlined in the prospectus for the purpose of determining net asset value, as a practical expedient for measuring fair value. The change in valuation inputs is considered to be a change in estimate in accordance with FRS 102.

s) Segmental reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Company's other components, whose operating results are reviewed regularly to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

It is considered that each Fund is an operating segment which is investing in line with its investment objective. The segment information provided to the Investment Manager is the same as that disclosed in the income statement and balance sheet for each Fund.

* The accounting policies are an integral part of the notes to the financial statements.

Financial instruments and risks*

Introduction and overview

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the prospectus and supplements for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

The Directors of the Company (the "Board") review quarterly investment performance reports and receive semi-annual presentations from the Investment Manager covering the Company's performance and risk profile during the financial year. The Directors have delegated all the powers, duties and discretions exercisable in respect of the management of the Company and of the Funds to the Manager. The Manager has in turn delegated its investment management and advisory functions to the Investment Manager. The Investment Manager is responsible for ensuring that the Company is managed within the terms of the Funds' investment guidelines and limits set out in the prospectus and supplements. The Board reserves to themselves the investment performance, product risk monitoring and oversight and the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Manager has appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the BlackRock Risk and Quantitative Analysis Group ("RQA Group") which is a centralised independent risk management function. The RQA Group independently identifies, measures and monitors investment risk. The RQA Group tracks the actual risk management practices being deployed across the different Funds. By breaking down the components of the process, the RQA Group has the ability to determine if the appropriate risk management processes are in place across the Funds. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The principal risk exposure of the Funds is set out as follows:

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Funds may suffer through holding market positions in the face of market movements. The Funds are exposed to market risk by virtue of their investments in equities, rights, corporate bonds, government bonds, MBSS, CFDs, forward currency contracts and futures contracts.

There is no assurance that each benchmark index will continue to be calculated on the basis described in the prospectus or that they will not be amended significantly. The past performance of each benchmark index is not necessarily a guide to future performance.

A key metric the Risk and Quantitative Analysis Group ("RQA Group") uses to measure market risk is VaR which encompasses price, currency and interest rate risk. The RQA Group is a centralised group which performs an independent risk management function. The group independently identifies measures and monitors investment risk.

VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on an adjusted historical simulation model with a confidence level of 99%, a holding period of one day and a historical observation period of not less than one financial year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Fund will lose no more than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of VaR methodology has limitations, namely assumptions that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently.

The Funds' one day VaR, as at 31 May 2017 and 31 May 2016, based on a 99% confidence level is outlined in the table below and overleaf:

Fund	31 May 2017 %	31 May 2016 %
iShares \$ Short Duration Corp Bond UCITS ETF	0.18	0.22
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	0.36	0.82
iShares \$ Treasury Bond 20+yr UCITS ETF	1.63	2.00
iShares \$ Ultrashort Bond UCITS ETF	0.02	0.02
iShares € Govt Bond 20yr Target Duration UCITS ETF	1.76	2.05
iShares € Ultrashort Bond UCITS ETF	0.04	0.03
iShares £ Ultrashort Bond UCITS ETF	0.01	0.02
iShares Ageing Population UCITS ETF***	1.21	N/A
iShares Automation & Robotics UCITS ETF***	1.49	N/A
iShares Digitalisation UCITS ETF***	1.45	N/A
iShares Edge MSCI Europe Momentum Factor UCITS ETF	1.67	2.75

*** This Fund launched during the financial year ended 31 May 2017.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

Fund	31 May 2017 %	31 May 2016 %
iShares Edge MSCI Europe Multifactor UCITS ETF**	1.55	2.88
iShares Edge MSCI Europe Quality Factor UCITS ETF	1.30	3.09
iShares Edge MSCI Europe Size Factor UCITS ETF	1.47	3.01
iShares Edge MSCI Europe Value Factor UCITS ETF	1.70	3.63
iShares Edge MSCI USA Momentum Factor UCITS ETF***	2.07	N/A
iShares Edge MSCI USA Multifactor UCITS ETF**	1.53	2.36
iShares Edge MSCI USA Quality Factor UCITS ETF***	1.36	N/A
iShares Edge MSCI USA Size Factor UCITS ETF***	1.75	N/A
iShares Edge MSCI USA Value Factor UCITS ETF***	1.70	N/A
iShares Edge MSCI World Momentum Factor UCITS ETF	1.68	1.70
iShares Edge MSCI World Multifactor UCITS ETF**	1.31	1.89
iShares Edge MSCI World Quality Factor UCITS ETF	1.19	2.06
iShares Edge MSCI World Size Factor UCITS ETF	1.14	2.10
iShares Edge MSCI World Value Factor UCITS ETF	1.32	2.43
iShares Fallen Angels High Yield Corp Bond UCITS ETF***	0.59	N/A
iShares Healthcare Innovation UCITS ETF***	1.45	N/A
iShares iBonds Sep 2018 \$ Corp UCITS ETF	0.03	0.13
iShares MSCI China A UCITS ETF	1.82	4.96
iShares MSCI EM SRI UCITS ETF***	1.77	N/A
iShares MSCI EMU Large Cap UCITS ETF	1.83	3.44
iShares MSCI EMU Mid Cap UCITS ETF	1.76	2.95
iShares MSCI France UCITS ETF	1.95	3.31
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)**	2.34	4.81
iShares MSCI Japan SRI UCITS ETF***	2.19	N/A
iShares MSCI USA SRI UCITS ETF***	1.50	N/A
iShares OMX Stockholm Capped UCITS ETF***	1.62	N/A
iShares TA-35 Israel UCITS ETF**	1.34	2.97
iShares US Equity Buyback Achievers UCITS ETF	2.11	2.68
iShares US Mortgage Backed Securities UCITS ETF**	0.47	0.29

** This Fund launched during the financial year ended 31 May 2016.

*** This Fund launched during the financial year ended 31 May 2017.

i) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Funds may invest in securities, which as far as possible and practicable, consist of the component securities of the benchmark index of each Fund, and which may be denominated in currencies other than its reporting currency.

The Funds, with the exception of the currency hedged Fund, in line with their benchmarks, are unhedged and are therefore exposed to foreign currency risk.

Consequently, each Fund is exposed to the risk of currency fluctuations between the base currency of the benchmark index and the base currency of the constituent securities of the benchmark index.

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. 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, 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 UCITS regulations. As a result of this currency hedging approach the currency hedge share classes are considered to be immaterially exposed to foreign currency risk.

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.

The realised or unrealised gains or losses relating to these forward currency contracts are allocated to the relevant share class. The details of such contracts are disclosed as hedged forwards in the Fund's schedule of investments.

The Funds may also invest in forward currency contracts and thus gain further exposure to foreign currency risk.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

The tables below outline the exposure to foreign currency risk as at 31 May 2017 and 31 May 2016:

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Automation & Robotics UCITS ETF	\$'000	\$'000	\$'000	
AUD	4,894	-	4,894	0.86
BRL	4,817	-	4,817	0.85
CAD	5,612	-	5,612	0.99
CHF	6,412	-	6,412	1.13
EUR	72,253	-	72,253	12.77
GBP	31,516	-	31,516	5.57
HKD	6,343	-	6,343	1.12
JPY	150,129	-	150,129	26.53
KRW	28,344	-	28,344	5.01
NOK	2,224	-	2,224	0.39
PLN	4,673	-	4,673	0.83
SEK	5,338	-	5,338	0.94
THB	4,174	-	4,174	0.74
TWD	31,687	-	31,687	5.60
Total exposure to foreign currencies	358,416	-	358,416	63.33
iShares Ageing Population UCITS ETF	\$'000	\$'000	\$'000	
AUD	3,029	-	3,029	6.18
BRL	1,066	-	1,066	2.17
CAD	2,134	-	2,134	4.35
CHF	1,240	-	1,240	2.53
DKK	504	-	504	1.03
EUR	4,062	-	4,062	8.28
GBP	2,778	-	2,778	5.66
HKD	2,460	-	2,460	5.02
IDR	359	-	359	0.73
ILS	103	-	103	0.21
JPY	6,378	-	6,378	13.01
KRW	3,589	-	3,589	7.32
MYR	165	-	165	0.34
NOK	299	-	299	0.61
NZD	363	-	363	0.74
SEK	267	-	267	0.54
SGD	172	-	172	0.35
THB	1,133	-	1,133	2.31
TWD	1,028	-	1,028	2.10
ZAR	996	-	996	2.03
Total exposure to foreign currencies	32,125	-	32,125	65.51

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2017

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Digitalisation UCITS ETF	\$'000	\$'000	\$'000	
AUD	2,405	-	2,405	3.74
BRL	2,765	-	2,765	4.30
CAD	1,138	-	1,138	1.77
CHF	916	-	916	1.43
DKK	696	-	696	1.08
EUR	6,632	-	6,632	10.32
GBP	3,439	-	3,439	5.35
HKD	997	-	997	1.55
INR	410	-	410	0.64
JPY	6,504	-	6,504	10.12
KRW	3,688	-	3,688	5.74
NZD	672	-	672	1.05
SEK	163	-	163	0.25
SGD	454	-	454	0.71
TWD	66	-	66	0.10
Total exposure to foreign currencies	30,945	-	30,945	48.15
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€000	€000	€000	
CHF	5,553	-	5,553	9.02
DKK	1,665	-	1,665	2.70
GBP	13,725	-	13,725	22.29
NOK	176	-	176	0.29
SEK	5,185	-	5,185	8.42
USD	152	-	152	0.25
Total exposure to foreign currencies	26,456	-	26,456	42.97
iShares Edge MSCI Europe Multifactor UCITS ETF	€000	€000	€000	
CHF	46,036	-	46,036	17.02
DKK	6,204	-	6,204	2.29
GBP	86,439	-	86,439	31.95
NOK	1,040	-	1,040	0.38
SEK	6,951	-	6,951	2.57
USD	2,081	-	2,081	0.77
Total exposure to foreign currencies	148,751	-	148,751	54.98
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000	€000	€000	
CHF	2,922	-	2,922	15.88
DKK	1,173	-	1,173	6.38
GBP	6,999	-	6,999	38.04

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2017

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Edge MSCI Europe Quality Factor UCITS ETF (cont)	€000	€000	€000	
NOK	30	-	30	0.16
SEK	731	-	731	3.97
USD	2	-	2	0.01
Total exposure to foreign currencies	11,857	-	11,857	64.44
 iShares Edge MSCI Europe Size Factor UCITS ETF	 €000	 €000	 €000	
CHF	759	-	759	7.91
DKK	402	-	402	4.19
GBP	2,782	-	2,782	29.00
NOK	211	-	211	2.20
SEK	681	-	681	7.10
USD	31	-	31	0.32
Total exposure to foreign currencies	4,866	-	4,866	50.72
 iShares Edge MSCI Europe Value Factor UCITS ETF	 €000	 €000	 €000	
CHF	61,721	-	61,721	5.32
DKK	28,191	-	28,191	2.43
GBP	306,094	-	306,094	26.41
NOK	10,903	-	10,903	0.94
SEK	39,741	-	39,741	3.43
USD	7,507	-	7,507	0.65
Total exposure to foreign currencies	454,157	-	454,157	39.18
 iShares Edge MSCI World Momentum Factor UCITS ETF	 \$'000	 \$'000	 \$'000	
AUD	4,608	-	4,608	1.37
CAD	17,207	-	17,207	5.10
CHF	5,284	-	5,284	1.57
DKK	2,216	-	2,216	0.66
EUR	41,905	-	41,905	12.43
GBP	16,769	-	16,769	4.97
HKD	6,016	-	6,016	1.78
ILS	350	-	350	0.10
JPY	10,322	-	10,322	3.06
NOK	269	-	269	0.08
NZD	3	-	3	0.00
SEK	6,794	-	6,794	2.02
SGD	133	-	133	0.04
Total exposure to foreign currencies	111,876	-	111,876	33.18

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2017

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Edge MSCI World Multifactor UCITS ETF	\$'000	\$'000	\$'000	
AUD	4,521	-	4,521	2.03
CAD	5,158	-	5,158	2.31
CHF	8,369	-	8,369	3.75
DKK	1,655	-	1,655	0.74
EUR	54,285	-	54,285	24.32
GBP	15,857	-	15,857	7.10
HKD	2,854	-	2,854	1.28
ILS	249	-	249	0.11
JPY	23,575	-	23,575	10.56
NOK***	-	-	-	0.00
SEK	1,608	-	1,608	0.72
SGD	780	-	780	0.35
Total exposure to foreign currencies	118,911	-	118,911	53.27
iShares Edge MSCI World Quality Factor UCITS ETF	\$'000	\$'000	\$'000	
AUD	6,932	-	6,932	2.30
CAD	6,633	-	6,633	2.20
CHF	15,905	-	15,905	5.27
DKK	5,884	-	5,884	1.95
EUR	21,703	-	21,703	7.20
GBP	30,645	-	30,645	10.16
HKD	14,774	-	14,774	4.90
ILS***	-	-	-	0.00
JPY	10,235	-	10,235	3.39
NOK	196	-	196	0.07
NZD	332	-	332	0.11
SEK	2,631	-	2,631	0.87
SGD	1,595	-	1,595	0.53
Total exposure to foreign currencies	117,465	-	117,465	38.95
iShares Edge MSCI World Size Factor UCITS ETF	\$'000	\$'000	\$'000	
AUD	9,959	-	9,959	4.34
CAD	12,617	-	12,617	5.50
CHF	4,513	-	4,513	1.97
DKK	2,644	-	2,644	1.15
EUR	29,458	-	29,458	12.85
GBP	18,185	-	18,185	7.93
HKD	5,626	-	5,626	2.45
ILS	2,391	-	2,391	1.04

*** Amounts which are less than \$500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2017

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Edge MSCI World Size Factor UCITS ETF (cont)	\$'000	\$'000	\$'000	
JPY	47,230	-	47,230	20.60
NOK	1,417	-	1,417	0.62
NZD	1,706	-	1,706	0.74
SEK	4,715	-	4,715	2.06
SGD	4,606	-	4,606	2.01
Total exposure to foreign currencies	145,067	-	145,067	63.26
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	\$'000	\$'000	
AUD	6,960	-	6,960	0.67
CAD	9,795	-	9,795	0.94
CHF	6,013	-	6,013	0.58
DKK	9,036	-	9,036	0.87
EUR	191,273	-	191,273	18.42
GBP	83,696	-	83,696	8.06
HKD	32,023	-	32,023	3.08
ILS	7,478	-	7,478	0.72
JPY	277,153	-	277,153	26.69
NOK	5,044	-	5,044	0.49
SEK	4,852	-	4,852	0.47
SGD	10,277	-	10,277	0.99
Total exposure to foreign currencies	643,600	-	643,600	61.98
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	
CHF	1,707	-	1,707	0.64
EUR	65,292	-	65,292	24.44
GBP	16,273	-	16,273	6.09
Total exposure to foreign currencies	83,272	-	83,272	31.17
iShares Healthcare Innovation UCITS ETF	\$'000	\$'000	\$'000	
AUD	137	-	137	0.53
CAD	204	-	204	0.79
DKK	824	-	824	3.18
EUR	3,703	-	3,703	14.30
HKD	544	-	544	2.10
ILS	174	-	174	0.67
INR	539	-	539	2.08
JPY	2,233	-	2,233	8.62
KRW	3,376	-	3,376	13.04
SEK	441	-	441	1.70

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2017

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts**	Net foreign currency exposure	% of Net Assets
iShares Healthcare Innovation UCITS ETF (cont)	\$'000	\$'000	\$'000	
TWD	829	-	829	3.20
Total exposure to foreign currencies	13,004	-	13,004	50.21
 iShares MSCI China A UCITS ETF	 \$'000	 \$'000	 \$'000	
CNY	37,442	-	37,442	100.05
Total exposure to foreign currencies	37,442	-	37,442	100.05
 iShares MSCI EM SRI UCITS ETF	 \$'000	 \$'000	 \$'000	
AED	227	-	227	0.38
BRL	4,667	-	4,667	7.84
CLP	890	-	890	1.50
COP	107	-	107	0.18
CZK	176	-	176	0.30
HKD	2,091	-	2,091	3.51
HUF	218	-	218	0.37
IDR	2,423	-	2,423	4.07
INR	8,433	-	8,433	14.17
KRW	9,682	-	9,682	16.26
MXN	2,302	-	2,302	3.87
MYR	2,442	-	2,442	4.10
PHP	760	-	760	1.28
PLN	639	-	639	1.07
QAR	143	-	143	0.24
RUB	127	-	127	0.21
THB	2,321	-	2,321	3.90
TRY	308	-	308	0.52
TWD	13,960	-	13,960	23.45
ZAR	6,926	-	6,926	11.63
Total exposure to foreign currencies	58,842	-	58,842	98.85
 iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	 €000	 €000	 €000	
JPY	28,470	(28,444)	26	0.09
Total exposure to foreign currencies	28,470	(28,444)	26	0.09
 iShares MSCI Japan SRI UCITS ETF	 \$'000	 \$'000	 \$'000	
JPY	7,696	-	7,696	100.04
Total exposure to foreign currencies	7,696	-	7,696	100.04
 iShares TA-35 Israel UCITS ETF	 \$'000	 \$'000	 \$'000	
ILS	10,844	-	10,844	100.02
Total exposure to foreign currencies	10,844	-	10,844	100.02

** Only Fund level forward currency contracts are included in the foreign currency risk exposure table.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

For Funds not included in the tables above, their financial assets and financial liabilities are denominated mainly in their respective functional currencies and therefore are unlikely to be materially exposed to foreign currency risk.

31 May 2016

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€000	€000	€000	
CHF	2,714	-	2,714	8.38
DKK	2,756	-	2,756	8.51
GBP	5,599	-	5,599	17.30
NOK	272	-	272	0.84
SEK	911	-	911	2.81
USD	2	-	2	0.01
Total exposure to foreign currencies	12,254	-	12,254	37.85
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000	€000	€000	
CHF	2,028	-	2,028	18.26
DKK	934	-	934	8.41
GBP	4,154	-	4,154	37.38
NOK	84	-	84	0.76
SEK	517	-	517	4.65
USD	2	-	2	0.02
Total exposure to foreign currencies	7,719	-	7,719	69.48
iShares Edge MSCI Europe Size Factor UCITS ETF	€000	€000	€000	
CHF	1,190	-	1,190	8.70
DKK	660	-	660	4.82
GBP	4,027	-	4,027	29.44
NOK	249	-	249	1.82
SEK	937	-	937	6.85
USD	54	-	54	0.39
Total exposure to foreign currencies	7,117	-	7,117	52.02
iShares Edge MSCI Europe Value Factor UCITS ETF	€000	€000	€000	
CHF	1,807	-	1,807	7.29
DKK	661	-	661	2.67
GBP	6,993	-	6,993	28.23
NOK	189	-	189	0.76
SEK	899	-	899	3.63
USD	58	-	58	0.24
Total exposure to foreign currencies	10,607	-	10,607	42.82

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2016

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Edge MSCI World Momentum Factor UCITS ETF	\$'000	\$'000	\$'000	
AUD	4,608	-	4,608	1.37
CAD	17,207	-	17,207	5.10
CHF	5,284	-	5,284	1.57
DKK	2,216	-	2,216	0.66
EUR	41,905	-	41,905	12.43
GBP	16,769	-	16,769	4.97
HKD	6,016	-	6,016	1.78
ILS	350	-	350	0.10
JPY	10,322	-	10,322	3.06
NOK	269	-	269	0.08
NZD	3	-	3	0.00
SEK	6,794	-	6,794	2.02
SGD	133	-	133	0.04
Total exposure to foreign currencies	111,876	-	111,876	33.18
iShares Edge MSCI World Multifactor UCITS ETF	\$'000	\$'000	\$'000	
AUD	838	-	838	1.78
CAD	1,310	-	1,310	2.79
CHF	1,866	-	1,866	3.97
DKK	812	-	812	1.73
EUR	4,755	-	4,755	10.12
GBP	4,841	-	4,841	10.30
HKD	906	-	906	1.93
ILS	347	-	347	0.74
JPY	5,568	-	5,568	11.86
SEK	129	-	129	0.27
SGD	128	-	128	0.27
Total exposure to foreign currencies	21,500	-	21,500	45.76
iShares Edge MSCI World Quality Factor UCITS ETF*	\$'000	\$'000	\$'000	
AUD	6,932	-	6,932	2.30
CAD	6,633	-	6,633	2.20
CHF	15,905	-	15,905	5.27
DKK	5,884	-	5,884	1.95
EUR	21,703	-	21,703	7.20
GBP	30,645	-	30,645	10.16
HKD	14,774	-	14,774	4.90
ILS	-	-	-	0.00
JPY	10,235	-	10,235	3.39

* Amounts which are less than \$500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2016

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts	Net foreign currency exposure	% of Net Assets
iShares Edge MSCI World Quality Factor UCITS ETF (cont)*	\$'000	\$'000	\$'000	
NOK	196	-	196	0.07
NZD	332	-	332	0.11
SEK	2,631	-	2,631	0.87
SGD	1,595	-	1,595	0.53
Total exposure to foreign currencies	117,465	-	117,465	38.95
iShares Edge MSCI World Size Factor UCITS ETF	\$'000	\$'000	\$'000	
AUD	9,959	-	9,959	4.34
CAD	12,617	-	12,617	5.50
CHF	4,513	-	4,513	1.97
DKK	2,644	-	2,644	1.15
EUR	29,458	-	29,458	12.85
GBP	18,185	-	18,185	7.93
HKD	5,626	-	5,626	2.45
ILS	2,391	-	2,391	1.04
JPY	47,230	-	47,230	20.60
NOK	1,417	-	1,417	0.62
NZD	1,706	-	1,706	0.74
SEK	4,715	-	4,715	2.06
SGD	4,606	-	4,606	2.01
Total exposure to foreign currencies	145,067	-	145,067	63.26
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	\$'000	\$'000	
AUD	1,172	-	1,172	0.77
CAD	1,719	-	1,719	1.14
CHF	1,135	-	1,135	0.75
DKK	1,769	-	1,769	1.17
EUR	26,321	-	26,321	17.40
GBP	10,968	-	10,968	7.25
HKD	2,902	-	2,902	1.92
ILS	1,515	-	1,515	1.00
JPY	38,255	-	38,255	25.28
NOK	741	-	741	0.49
SEK	341	-	341	0.23
SGD	1,447	-	1,447	0.96
Total exposure to foreign currencies	88,285	-	88,285	58.36

* Amounts which are less than \$500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from foreign currency risk (continued)

31 May 2016

Foreign currency exposure	Gross foreign currency exposure	Forward currency contracts**	Net foreign currency exposure	% of Net Assets
iShares MSCI China A UCITS ETF	\$'000	\$'000	\$'000	
CNY	23,028	-	23,028	99.90
Total exposure to foreign currencies	23,028	-	23,028	99.90
 iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	 €000	 €000	 €000	
JPY	19,021	(18,438)	583	3.03
Total exposure to foreign currencies	19,021	(18,438)	583	3.03
 iShares TA-35 Israel UCITS ETF	 \$'000	 \$'000	 \$'000	
ILS	5,090	-	5,090	66.39
Total exposure to foreign currencies	5,090	-	5,090	66.39

** Only Fund level forward currency contracts are included in the foreign currency risk exposure table.

For Funds not included in the tables above, their financial assets and financial liabilities are denominated mainly in their respective functional currencies and therefore are unlikely to be materially exposed to foreign currency risk.

Management of foreign currency risk

To minimise this risk, the currency hedged Funds and the currency hedged share classes, invest in forward currency contracts that as far as possible track the hedging methodology of the benchmark index.

The benchmark index of the Currency Hedged Fund is designed to represent a close approximation of the return that can be achieved by hedging the currency exposures of the index in the one month forward market at the end of each month.

Exchange rate exposures are managed where appropriate and in compliance with the prospectus utilising forward currency contracts. The details of the contracts in place at the financial year-end date are disclosed in the schedules of investments.

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.

For iShares MSCI China A UCITS ETF, the onshore Renminbi is the official currency of the PRC and is the currency of denomination for all financial transactions between individuals, state and corporations in the PRC.

Hong Kong is the first jurisdiction to allow for the accumulation of Renminbi deposits outside the PRC. Since June 2010, the offshore market for Renminbi is traded officially and regulated jointly by the Hong Kong Monetary Authority and the People's Bank of China (Hong Kong) Limited ("PBOC"). While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, the onshore and offshore markets in which they are traded are largely separate and independent and the movement of currency from one market to the other is highly restricted. CNY and CNH are traded at different rates and any movement may not be in the same direction. As a result the Fund may be exposed to the exchange rate differences between CNH and CNY and foreign exchange transaction costs associated with converting from CNH to CNY and vice versa.

ii) Market risk arising from other price risk

Exposure to other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Funds are exposed to market price risk arising from their investments in equities, rights, bonds, MBS, CFDs, forward currency contracts and futures contracts. The movements in the prices of these investments result in movements in the performance of the Funds. The investment concentrations within the portfolio are disclosed in the schedules of investments by investment type.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from other price risk (continued)

For iShares MSCI China A UCITS ETF, the existence of a liquid trading market may depend on whether there is a readily available supply of, and corresponding demand for, China A Shares. The price at which China A Shares may be purchased or sold by the Fund, upon any rebalancing activities or otherwise, and the NAV of the Fund may be adversely affected if trading markets for the China A Shares are limited or absent. Market volatility and settlement difficulties in the China A Shares markets may result in significant fluctuation in the prices of securities traded on such markets and may consequently increase the volatility of the NAV of the Fund.

Management of other price risk

The Investment Manager manages the Funds' other price risk on a daily basis in accordance with the Fund's investment objective.

The investment objective of the Funds is to provide investors with a total return, taking into account the capital and income returns, which reflect the total returns of the respective benchmark. The Fund's performance is correlated to its benchmark. The correlation of the Funds' performance against the benchmark is a metric monitored by key management personnel.

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a

financial instrument will fluctuate because of changes in market interest rates.

The Funds are exposed to interest rate risk through their cash and cash equivalent holdings including margin cash held with brokers and their investments in fixed and floating rate interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates.

The Funds also have indirect exposure to interest rate risk through the investments into futures contracts, whereby the value of the underlying asset may fluctuate as a result of a change in interest rates.

Management of interest rate risk

Movements in the prices of these investments are derived from movements in market interest rates and issuer credit-worthiness.

Issuer credit-worthiness and credit spreads are monitored by the Investment Manager regularly. The securities in which the Funds invest will generally have a minimum rating of investment grade from a ratings agency as set out in the investment policy of the Funds.

The following table outlines the interest rate risk profile of the Funds as at 31 May 2017 and 31 May 2016 whereby short term financial assets and financial liabilities are those with a residual maturity date of less than one financial year and long term financial assets and financial liabilities are those with a residual maturity date of greater than one financial year:

31 May 2017

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing**	Total
iShares \$ Short Duration Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	27,473	311,181	13,770	352,424
Long term financial assets	-	1,195,062	-	1,195,062
Short term financial liabilities	-	-	(17,393)	(17,393)
Net asset value	27,473	1,506,243	(3,623)	1,530,093
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	37,858	51,543	16,764	106,165
Long term financial assets	-	723,136	-	723,136
Short term financial liabilities	(1,897)	-	(6,956)	(8,853)
Net asset value	35,961	774,679	9,808	820,448
iShares \$ Treasury Bond 20+yr UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	2,502	-	1,869	4,371
Long term financial assets	-	318,420	-	318,420
Short term financial liabilities	-	-	(50)	(50)
Net asset value	2,502	318,420	1,819	322,741

** The non-interest bearing category includes receivables and payables at financial year end.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk (continued)

31 May 2017

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing**	Total
iShares \$ Ultrashort Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	37,800	144,837	1,201	183,838
Long term financial assets	32,570	-	-	32,570
Short term financial liabilities	-	-	(18,493)	(18,493)
Net asset value	70,370	144,837	(17,292)	197,915
iShares € Govt Bond 20yr Target Duration UCITS ETF	€000	€000	€000	€000
Short term financial assets	127	-	365	492
Long term financial assets	-	29,819	-	29,819
Short term financial liabilities	-	-	(4)	(4)
Net asset value	127	29,819	361	30,307
iShares € Ultrashort Bond UCITS ETF	€000	€000	€000	€000
Short term financial assets	305,245	957,904	18,054	1,281,203
Long term financial assets	777,196	10,141	-	787,337
Short term financial liabilities	-	-	(3,665)	(3,665)
Net asset value	1,082,441	968,045	14,389	2,064,875
iShares £ Ultrashort Bond UCITS ETF	£'000	£'000	£'000	£'000
Short term financial assets	60,189	145,795	2,396	208,380
Long term financial assets	65,743	-	-	65,743
Short term financial liabilities	-	-	(2,626)	(2,626)
Net asset value	125,932	145,795	(230)	271,497
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	9,640	2,067	4,791	16,498
Long term financial assets	-	250,773	-	250,773
Short term financial liabilities	-	-	(112)	(112)
Net asset value	9,640	252,840	4,679	267,159
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	13,387	400,570	4,381	418,338
Long term financial assets	-	163,077	-	163,077
Short term financial liabilities	-	-	(50)	(50)
Net asset value	13,387	563,647	4,331	581,365
iShares US Mortgage Backed Securities UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	6,533	-	862	7,395
Long term financial assets	-	269,939	-	269,939
Short term financial liabilities	-	-	(2,281)	(2,281)
Net asset value	6,533	269,939	(1,419)	275,053

** The non-interest bearing category includes receivables and payables at financial year end.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk (continued)

31 May 2016

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing**	Total
iShares \$ Short Duration Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	19,542	163,246	7,774	190,562
Long term financial assets	335	801,126	-	801,461
Short term financial liabilities	-	-	(13,830)	(13,830)
Net asset value	19,877	964,372	(6,056)	978,193
 iShares \$ Short Duration High Yield Corp Bond UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000
Short term financial assets	15,011	47,655	10,697	73,363
Long term financial assets	-	516,371	-	516,371
Short term financial liabilities	-	-	(2,970)	(2,970)
Net asset value	15,011	564,026	7,727	586,764
 iShares \$ Treasury Bond 20+yr UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000
Short term financial assets	1,516	-	1,054	2,570
Long term financial assets	-	202,287	-	202,287
Short term financial liabilities	-	-	(36)	(36)
Net asset value	1,516	202,287	1,018	204,821
 iShares \$ Ultrashort Bond UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000
Short term financial assets	37,005	67,052	598	104,655
Long term financial assets	22,895	-	-	22,895
Short term financial liabilities	-	-	(10)	(10)
Net asset value	59,900	67,052	588	127,540
 iShares € Govt Bond 20yr Target Duration UCITS ETF	 €000	 €000	 €000	 €000
Short term financial assets	40	-	155	195
Long term financial assets	-	12,868	-	12,868
Short term financial liabilities	-	-	(2)	(2)
Net asset value	40	12,868	153	13,061
 iShares € Ultrashort Bond UCITS ETF	 €000	 €000	 €000	 €000
Short term financial assets	120,645	364,847	6,018	491,510
Long term financial assets	216,427	5,183	-	221,610
Short term financial liabilities	-	-	(2,949)	(2,949)
Net asset value	337,072	370,030	3,069	710,171
 iShares £ Ultrashort Bond UCITS ETF	 £'000	 £'000	 £'000	 £'000
Short term financial assets	28,172	83,286	1,570	113,028
Long term financial assets	72,777	1,211	-	73,988
Short term financial liabilities	-	-	(15)	(15)
Net asset value	100,949	84,497	1,555	187,001

** The non-interest bearing category includes receivables and payables at financial year end.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk (continued)

31 May 2016

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing**	Total
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets	15,220	-	2,467	17,687
Long term financial assets	-	325,795	-	325,795
Short term financial liabilities	-	-	(4,868)	(4,868)
Net asset value	15,220	325,795	(2,401)	338,614
 iShares US Mortgage Backed Securities UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000
Short term financial assets	4,602	-	648	5,250
Long term financial assets	-	211,839	-	211,839
Short term financial liabilities	-	-	(13)	(13)
Net asset value	4,602	211,839	635	217,076

** The non-interest bearing category includes receivables and payables at financial year end.

b) Counterparty credit risk

Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Funds are exposed to counterparty credit risk from the parties with which they trade and will bear the risk of settlement default.

Management of counterparty credit risk

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Counterparty Credit Officer and selected team members to whom specific credit authority has been delegated.

As such, counterparty approvals may be granted by the Chief Counterparty Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Counterparty Credit Officer.

The BlackRock RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures and the collateral management process.

There were no past due or impaired assets in relation to transactions with counterparties as at 31 May 2017 and 31 May 2016.

i) Exchange traded financial derivative instruments

The Funds' holdings in futures contracts expose the Funds to counterparty credit risk.

Management of counterparty credit risk related to futures contracts

The exposure is limited by trading the contracts through a clearing house. The Funds' exposure to counterparty credit risk on contracts, in which they currently have a gain position, is reduced by such gains received in cash from the counterparty under the daily mark-to-market mechanism on exchange traded futures contracts (variation margin). The Funds' exposure to credit risk on contracts in which they currently have a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparties for futures contracts are Barclay's Bank Plc, Citibank and HSBC Plc. The lowest long term credit rating of any of the counterparties is A- (31 May 2016: A-) (Standard and Poor's rating).

Margin is paid or received on futures contracts to cover any exposure by the counterparty or the Funds to each other. "Margin cash account" on the balance sheet consists of margin receivable from or payable to the Fund's clearing brokers and futures contracts counterparty.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

ii) Over-the-Counter ("OTC") financial derivative instruments

The Funds' holdings in OTC financial derivative instruments exposes the Funds to counterparty credit risk.

Counterparty credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Funds exposure to counterparty credit risk is limited to the contracts in which it currently has a financial asset position reduced by any collateral received from the counterparty, or to counterparties who have received collateral from the Funds.

All OTC derivative transactions are entered into by the Funds under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Funds and a counterparty that governs OTC derivative transactions entered into by the parties.

The parties' exposures under the ISDA Master agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC derivative transactions entered into by the Funds under the ISDA Master agreement.

The carrying value of financial assets together with cash best represents the Fund's gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of ISDA master agreements and close-out netting, which reduces the overall counterparty credit risk exposure. Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty.

The Funds' maximum exposure to counterparty credit risk from holding OTC financial derivative instruments will be equal to the notional amount of the currency and any net unrealised gains as disclosed in the relevant schedules of investments.

Management of counterparty credit risk related to OTC financial derivative instruments

For CFDs held by the Funds, cash movements take place on a daily basis, above a certain threshold for each counterparty. The risk is further mitigated as contracts are reset on a monthly basis (1 year rolling maturity at each monthly reset) with the gain or loss being realised in the relevant Fund. The Fund is required to maintain collateral with the counterparties to secure these financial instruments.

For CFDs held on iShares US Equity Buyback Achievers UCITS ETF the following table details the counterparty the Fund is exposed to and the maximum exposure (which is calculated on a net basis) to the counterparty.

31 May 2017

Counterparty	Maximum exposure to counterparty \$'000	Cash collateral \$'000
Morgan Stanley	11	-

31 May 2016

Counterparty	Maximum exposure to counterparty \$'000	Cash collateral \$'000
Morgan Stanley	7	-

Morgan Stanley is the counterparty for CFDs and has a credit rating of A+ (S&P rating) (31 May 2016: A).

Forward currency contracts do not require variation margins and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team who monitor the Credit worthiness of the counterparty.

The counterparties for forward currency contracts are disclosed in the schedules of investments. State Street Bank and Trust Company is the counterparty for forward currency contracts and has a credit rating of AA- (S&P rating) (31 May 2016: AA-).

iii) Depositary

The Fund's Depositary is State Street Custodial Services (Ireland) Limited (the "Depositary"). Substantially all of the investments are held by same at financial year end. Investments are segregated from the assets of the Depositary, with ownership rights remaining with the Funds.

Bankruptcy or insolvency of the Depositary may cause the Fund's rights with respect to its investments held by the Depositary to be delayed or limited. The maximum exposure to this risk is the amount of long investments disclosed in the schedule of investments.

The Depositary has appointed State Street Bank and Trust Company (the "Sub-Custodian") as its global Sub-Custodian. Substantially all of the cash of the Funds are held with the Sub-Custodian.

The Funds' cash balances are held by the Sub-Custodian in its account together with its own cash balances and with those cash balances that are held on behalf of other clients. The Funds' cash balances are separately identified within the records of the Sub-Custodian.

In respect of the cash held by the Sub-Custodian or other depositaries it appoints, the Funds are exposed to the counterparty credit risk of the Sub-Custodian or those depositaries.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

iii) Depositary (continued)

In the event of the insolvency or bankruptcy of the Sub-Custodian or other depositaries, the Funds will be treated as a general creditor of the Sub-Custodian or the depositaries.

Any China A Shares acquired by iShares MSCI China A UCITS ETF through the RQFII Quota of the Investment Manager will be maintained by the PRC Sub-custodian through its delegate, the RQFII Custodian. Cash will be held in Renminbi cash account(s) with the RQFII Custodian on deposit, in accordance with the RQFII Custodian Agreement. These securities account(s) and Renminbi cash account(s) for iShares MSCI China A UCITS ETF in the PRC will be maintained in accordance with the relevant rules and regulations.

While the non-cash assets held in such securities account(s) are segregated from the assets of the Investment Manager and belong solely to iShares MSCI China A UCITS ETF (as beneficial owner), it is possible that this position may be interpreted by the PRC authorities differently in the future.

The cash of iShares MSCI China A UCITS ETF held by the RQFII Custodian will be held on deposit (as banker) and will, in practice, not be segregated but will be a debt owing from the RQFII Custodian to the Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the RQFII Custodian.

In the event of the insolvency of the RQFII Custodian, the Fund will not have any proprietary rights to the cash deposited in the cash account opened with the RQFII Custodian, and the Fund will become an unsecured creditor of the RQFII Custodian, ranking equally with all other unsecured creditors. iShares MSCI China A UCITS ETF 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 Fund will lose some or all of its cash.

Management of counterparty credit risk related to the Depositary

To mitigate the Fund's exposure to the Depositary, the Investment Manager employs specific procedures to ensure that the Depositary is a reputable institution and that the counterparty credit risk is acceptable to the Funds. The Funds only transact with Depositary's that are regulated entities subject to prudential supervision, or with "high credit ratings" assigned by international credit rating agencies.

The long term credit rating of the parent company of the Depositary and Sub-Custodian, State Street Corporation, as at 31 May 2017 is A (31 May 2016: A) (Standard and Poor's rating).

The long term credit rating of PRC Sub-Custodian and RQFII Custodian (HSBC Bank (China) Co Ltd) as at 31 May 2017 is AA- (31 May 2016: AA-) (Standard and Poor's rating).

The Investment Manager selects brokers in the PRC ("PRC Broker(s)") to execute transactions for the Fund in markets in the PRC. There is a

possibility that the Investment Manager may only appoint one PRC Broker for each of the Shenzhen Stock Exchange and the Shanghai Stock Exchange, which may be the same broker. While PRC regulation allows for up to three PRC Brokers to be appointed for each of the Shenzhen and Shanghai stock exchanges, as a matter of practice, it is likely that only one PRC Broker will be appointed in respect of each stock exchange in the PRC as a result of the regulatory requirement in the PRC that securities are sold through the same PRC Broker through which they were originally purchased.

If the Investment Manager is unable to use the relevant broker in the PRC, the Investment Manager would be unable to purchase China A Shares and as such, the operation of iShares MSCI China A UCITS ETF would be adversely affected and may cause shares in the Fund to trade at a premium or discount to the Fund's NAV or be unable to track the Benchmark Index.

There is also a risk that iShares MSCI China A UCITS ETF may suffer losses from the default, insolvency or disqualification of a PRC Broker. In such event, the Fund may be adversely affected in the execution of transactions through such PRC Broker. As a result, the NAV of the Fund may also be adversely affected. To mitigate the Fund's exposure to the PRC Broker(s), the Investment Manager employs specific procedures to ensure that each PRC Broker selected is a reputable institution and that the credit risk is acceptable to the Fund.

In order to further mitigate the Fund's counterparty credit risk exposure to the Sub-Custodian or depositary banks, the Funds may enter into additional arrangements such as the placing of residual cash in a money market fund for example Institutional Cash Series Plc ("ICS") shown as a cash equivalent on the balance sheet.

iv) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Management of counterparty credit risk related to Counterparties

The Funds monitor the credit rating and financial position of the brokers used to further mitigate this risk.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

v) Debt securities

Issuer credit risk is the default risk of one of the issuers of any securities held by the Funds. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating.

Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated. A number of the Funds invest into sovereign and corporate debt. This exposes the Funds to

the risk that the issuer of the bonds may default on interest or principal payments.

Management of counterparty credit risk related to debt securities

To manage this risk, the Investment Manager invests in a wide range of securities, subject to the investment objectives of each Fund and monitors the credit ratings of the investments as disclosed in the schedules of investments. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group ("PMG").

The following tables detail the credit rating profile of the debt securities held by the Funds as at 31 May 2017 and 31 May 2016

31 May 2017

	Currency	Investment grade %	Non-investment grade %	Not rated** %	Total %
iShares \$ Short Duration Corp Bond UCITS ETF	\$	98.27	0.17	-	98.44
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$	7.24	87.03	0.15	94.42
iShares \$ Treasury Bond 20+yr UCITS ETF	\$	98.66	-	-	98.66
iShares \$ Ultrashort Bond UCITS ETF	\$	99.93	-	-	99.93
iShares € Govt Bond 20yr Target Duration UCITS ETF	€	98.39	-	-	98.39
iShares € Ultrashort Bond UCITS ETF	€	98.82	0.34	-	99.16
iShares £ Ultrashort Bond UCITS ETF	£	99.57	-	-	99.57
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$	6.42	88.22	-	94.64
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$	96.78	0.17	-	96.95
iShares US Mortgage Backed Securities UCITS ETF	\$	98.14	-	-	98.14

** Includes securities which are not rated.

31 May 2016

	Currency	Investment grade %	Non-investment grade %	Not rated** %	Total %
iShares \$ Short Duration Corp Bond UCITS ETF	\$	98.37	0.27	-	98.64
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$	7.10	89.02	-	96.12
iShares \$ Treasury Bond 20+yr UCITS ETF	\$	98.76	-	-	98.76
iShares \$ Ultrashort Bond UCITS ETF	\$	93.80	-	-	93.80
iShares € Govt Bond 20yr Target Duration UCITS ETF	€	98.52	-	-	98.52
iShares € Ultrashort Bond UCITS ETF	€	95.99	0.47	0.14	96.60
iShares £ Ultrashort Bond UCITS ETF	£	96.37	-	-	96.37
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$	96.09	0.03	0.10	96.22
iShares US Mortgage Backed Securities UCITS ETF	\$	97.59	-	-	97.59

** Includes securities which are not rated.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

vi) Securities lending

The Funds engage in securities lending activities which expose the Funds to counterparty credit risk. The maximum exposure to each Fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Funds are subject to a written legal agreement between the Funds and the Securities Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Company, and separately between the Securities Lending Agent and the approved borrowing counterparty.

Collateral received in exchange for securities lent is transferred under a title transfer arrangement and is delivered to and held in an account with a tri-party collateral manager in the name of the Depositary on behalf of the Funds. Collateral received is segregated from the assets belonging to the Funds' Depositary or the Lending Agent.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Funds receive either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned as detailed in the tables overleaf. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at the 31 May 2017 and 31 May 2016, all non-cash collateral received consists of securities admitted to or dealt on a regulated market.

The Funds also benefit from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of securities lent. BlackRock Inc. bears the cost of indemnification against borrower default.

The value of securities on loan at the financial year end and the value of collateral held at the financial year end on behalf of the Funds is shown below:

	31 May 2017	31 May 2016
iShares \$ Short Duration Corp Bond UCITS ETF	\$'000	\$'000
Value of securities on loan	-	798
Value of collateral held	-	883
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000	\$'000
Value of securities on loan	20,624	7,491
Value of collateral held	22,224	7,902

	31 May 2017	31 May 2016
iShares \$ Treasury Bond 20+yr UCITS ETF	\$'000	\$'000
Value of securities on loan	21,020	8,929
Value of collateral held	23,208	9,784
iShares € Govt Bond 20yr Target Duration UCITS ETF	\$'000	\$'000
Value of securities on loan	2,325	-
Value of collateral held	2,559	-
iShares € Ultrashort Bond UCITS ETF	€000	€000
Value of securities on loan	86,791	16,068
Value of collateral held	92,894	16,733
iShares £ Ultrashort Bond UCITS ETF	£'000	£'000
Value of securities on loan	8,191	3,499
Value of collateral held	8,629	3,675
iShares Ageing Population UCITS ETF	\$'000	\$'000
Value of securities on loan	411	-
Value of collateral held	444	-
iShares Automation & Robotics UCITS ETF	\$'000	\$'000
Value of securities on loan	12,659	-
Value of collateral held	13,880	-
iShares Digitalisation UCITS ETF	\$'000	\$'000
Value of securities on loan	3,628	-
Value of collateral held	3,953	-
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€000	€000
Value of securities on loan	149	144
Value of collateral held	166	163
iShares Edge MSCI Europe Multifactor UCITS ETF	€000	€000
Value of securities on loan	19,423	1,718
Value of collateral held	21,265	1,952

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

vi) Securities lending (continued)

	31 May 2017	31 May 2016
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000	€000
Value of securities on loan	343	48
Value of collateral held	373	55
iShares Edge MSCI Europe Size Factor UCITS ETF	€000	€000
Value of securities on loan	210	54
Value of collateral held	230	61
iShares Edge MSCI Europe Value Factor UCITS ETF	€000	€000
Value of securities on loan	63,147	-
Value of collateral held	69,691	-
iShares Edge MSCI USA Value Factor UCITS ETF	\$'000	\$'000
Value of securities on loan	1,188	-
Value of collateral held	1,265	-
iShares Edge MSCI World Momentum Factor UCITS ETF	\$'000	\$'000
Value of securities on loan	1,488	226
Value of collateral held	1,649	255
iShares Edge MSCI World Multifactor UCITS ETF	\$'000	\$'000
Value of securities on loan	5,572	49
Value of collateral held	6,137	57
iShares Edge MSCI World Quality Factor UCITS ETF	\$'000	\$'000
Value of securities on loan	13,064	2,905
Value of collateral held	14,361	3,271
iShares Edge MSCI World Size Factor UCITS ETF	\$'000	\$'000
Value of securities on loan	10,725	416
Value of collateral held	11,830	460
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	\$'000
Value of securities on loan	82,498	5,612
Value of collateral held	91,240	6,199

	31 May 2017	31 May 2016
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000	\$'000
Value of securities on loan	9,400	-
Value of collateral held	10,055	-
iShares Healthcare Innovation UCITS ETF	\$'000	\$'000
Value of securities on loan	972	-
Value of collateral held	1,035	-
iShares MSCI EMU Large Cap UCITS ETF	€000	€000
Value of securities on loan	7,248	7,755
Value of collateral held	7,919	8,448
iShares MSCI EMU Mid Cap UCITS ETF	€000	€000
Value of securities on loan	38,339	103,167
Value of collateral held	41,067	109,768
iShares MSCI France UCITS ETF	€000	€000
Value of securities on loan	208	-
Value of collateral held	221	-
iShares OMX Stockholm Capped UCITS ETF	Kr'000	Kr'000
Value of securities on loan	225,428	-
Value of collateral held	247,099	-
iShares US Equity Buyback Achievers UCITS ETF	\$'000	\$'000
Value of securities on loan	326	-
Value of collateral held	357	-

vii) Collateral

The Funds engage in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

Management of counterparty credit risk related to collateral

The Funds use inbound collateral received from a counterparty to reduce the credit risk associated with any trading activity the Funds have engaged in.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements

Financial instruments and risks* (continued)

c) Liquidity risk

Exposure to liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulties in meeting obligations associated with financial liabilities.

Liquidity risk to the Funds arises from the redemption requests of investors and the liquidity of the underlying investments the Funds are invested in. The Funds' shareholders may redeem their shares on the close of any daily dealing deadline for cash equal to a proportionate share of the Funds' Net Asset Value. The Funds are therefore potentially exposed to the liquidity risk of meeting the shareholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands. It is also exposed to the liquidity risk of daily margin calls on derivatives.

For iShares MSCI China A UCITS ETF, there may be additional liquidity risk surrounding the repatriations of Renminbi by RQFIs which are currently permitted once a day and are not currently subject to any lock-up restrictions or prior regulatory approval, however, there are restrictions on the movement of onshore Renminbi offshore.

There is no assurance that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation imposed may have an adverse effect on iShares MSCI China A UCITS ETFs ability to meet redemption requests. The PBOC is the only clearing bank for offshore Renminbi in Hong Kong.

The remittance of Renminbi funds into the PRC and the repatriation of Renminbi funds out of the PRC is dependent on the operational systems and procedures developed by the PBOC for such purposes and there is no assurance that there will not be delays in remittance and/or repatriation which are outside of the control of the Company. iShares MSCI China A UCITS ETF is also dependant on the Depositary and the RQFII Custodian properly carrying out any required remittance of Renminbi into and out of the PRC.

The liquidity of iShares MSCI China A UCITS ETF will also be impacted by any temporary or permanent suspensions of particular stocks imposed from time to time by the Shanghai and/or Shenzhen Stock Exchanges or as a result of any regulatory or governmental intervention in relation to particular stocks or the markets. In addition, companies listed on the Shanghai and/or Shenzhen Stock Exchanges may also halt (i.e. voluntarily suspend) trading of their securities on the stock exchanges. Any such suspension may make it difficult for the Fund to acquire or liquidate positions in the relevant stocks

The Shanghai and Shenzhen Stock Exchanges currently apply a daily limit, set at 10%, of the amount of fluctuation permitted in the prices of China A Shares during a single trading day. The daily limit refers to price movements only and does not restrict trading within the relevant limit.

There can be no assurance that a liquid market on an exchange would exist for any particular China A Share or for any particular time. Any limit imposed on a stock held by the Fund may limit the ability of the Fund to invest in or liquidate positions in the relevant stock thereby potentially impacting on the net asset value of the Fund and increasing tracking error.

All derivative and non-derivative financial liabilities payable of the Funds, held at the financial years ended 31 May 2017 and 31 May 2016 based on contractual maturities, fall due within one month.

All financial liabilities disclosed are based on undiscounted amounts.

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. To manage this risk, if redemption requests on any dealing day represent 10% or more of the shares in issue in respect of any Fund, the Manager may, in its discretion, refuse to redeem any shares in excess of 10% (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.

In any event settlement for redemptions will normally be made within fourteen days of the dealing day.

The Funds liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage their cash obligations.

If trading of particular China onshore securities held by iShares MSCI China A UCITS ETF are suspended (whether by the PRC stock exchanges or voluntarily by the issuers), the Fund will not be able to sell the suspended securities in order to meet redemptions. In such circumstances, the Fund is likely to sell a larger proportion of non-suspended securities to meet redemptions. Similarly, in such circumstances, the Fund will also not be able to purchase suspended securities to meet subscriptions and is likely to purchase a larger proportion of non-suspended securities to meet subscriptions. The continuation of such suspensions, especially in circumstances where redemptions exceed subscriptions or vice versa, could result in the Fund's investment portfolio deviating increasingly from the constituents and weighting of its Benchmark Index.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

c) Liquidity risk (continued)

Exposure to liquidity risk (continued)

This could increase the tracking error risk of the Fund, which is the risk that the performance of the Fund deviates increasingly from the performance of its Benchmark Index. Such circumstances may cause the shares of the Fund to trade at a significant premium or discount to the net asset value on any stock exchange on which they are admitted for trading.

d) Valuation of financial instruments

The Funds classify financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1 - Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund does not adjust the quoted price for these instruments.

Level 2 - Valuation techniques using observable inputs

This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing

models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

Level 3 - Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Manager. The Manager considers observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below is an analysis of the Funds' financial assets and financial liabilities measured at fair value at 31 May 2017 and 31 May 2016:

31 May 2017

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
iShares \$ Short Duration Corp Bond UCITS ETF				
Financial assets at fair value through profit or loss				
- Debt securities	-	1,506,243	-	1,506,243
Total	-	1,506,243	-	1,506,243
iShares \$ Short Duration High Yield Corp Bond UCITS ETF				
Financial assets at fair value through profit or loss				
- Debt securities	-	774,679	-	774,679
Total	-	774,679	-	774,679
iShares \$ Treasury Bond 20+yr UCITS ETF				
Financial assets at fair value through profit or loss				
- Debt securities	-	318,420	-	318,420
Total	-	318,420	-	318,420

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2017

	Level 1	Level 2	Level 3	Total
iShares \$ Ultrashort Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	197,784	-	197,784
Total	-	197,784	-	197,784
iShares € Govt Bond 20yr Target Duration UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Debt securities	-	29,819	-	29,819
Total	-	29,819	-	29,819
iShares € Ultrashort Bond UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Debt securities	-	2,047,492	-	2,047,492
Total	-	2,047,492	-	2,047,492
iShares £ Ultrashort Bond UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Debt securities	-	270,335	-	270,335
Total	-	270,335	-	270,335
iShares Ageing Population UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	48,740	-	-	48,740
- Warrants**	-	-	-	-
- Futures contracts	5	-	-	5
Total	48,745	-	-	48,745
iShares Automation & Robotics UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	561,444	-	-	561,444
- Futures contracts	97	-	-	97
Total	561,541	-	-	561,541
iShares Digitalisation UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	63,822	-	-	63,822
- Futures contracts	6	-	-	6
Total	63,828	-	-	63,828
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	61,260	-	-	61,260

** Level 3 securities which are less than \$500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2017

	Level 1	Level 2	Level 3	Total
iShares Edge MSCI Europe Momentum Factor UCITS ETF (cont)	€000	€000	€000	€000
- Futures contracts	6	-	-	6
Total	61,266	-	-	61,266
iShares Edge MSCI Europe Multifactor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	268,752	-	-	268,752
- Futures contracts	1	-	-	1
Total	268,753	-	-	268,753
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	17,930	-	-	17,930
Total	17,930	-	-	17,930
Financial liabilities at fair value through profit or loss				
- Futures contracts**	-	-	-	-
Total	-	-	-	-
iShares Edge MSCI Europe Size Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	9,363	-	-	9,363
Total	9,363	-	-	9,363
Financial liabilities at fair value through profit or loss				
- Futures contracts**	-	-	-	-
Total	-	-	-	-
iShares Edge MSCI Europe Value Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	1,141,294	-	-	1,141,294
- Rights	160	-	-	160
- Futures contracts	2	-	-	2
Total	1,141,456	-	-	1,141,456
Financial liabilities at fair value through profit or loss				
- Futures contracts	(70)	-	-	(70)
Total	(70)	-	-	(70)
iShares Edge MSCI USA Momentum Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	8,769	-	-	8,769
Total	8,769	-	-	8,769

** Level 1 securities which are less than €500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2017

	Level 1	Level 2	Level 3	Total
iShares Edge MSCI USA Multifactor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	46,440	-	-	46,440
- Futures contracts	2	-	-	2
Total	46,442	-	-	46,442
iShares Edge MSCI USA Quality Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	2,805	-	-	2,805
Total	2,805	-	-	2,805
iShares Edge MSCI USA Size Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	22,255	-	-	22,255
Total	22,255	-	-	22,255
iShares Edge MSCI USA Value Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	1,043,902	-	-	1,043,902
- Futures contracts	76	-	-	76
Total	1,043,978	-	-	1,043,978
iShares Edge MSCI World Momentum Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	334,624	-	-	334,624
- Futures contracts	34	-	-	34
Total	334,658	-	-	334,658
iShares Edge MSCI World Multifactor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	221,882	-	-	221,882
- Forward currency contracts	-	501	-	501
- Futures contracts	66	-	-	66
Total	221,948	501	-	222,449
Financial liabilities at fair value through profit or loss				
- Forward currency contracts	-	(16)	-	(16)
Total	-	(16)	-	(16)
iShares Edge MSCI World Quality Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	300,588	-	-	300,588
- Futures contracts	15	-	-	15
Total	300,603	-	-	300,603

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2017

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
iShares Edge MSCI World Quality Factor UCITS ETF (cont)				
Financial liabilities at fair value through profit or loss				
- Futures contracts	(5)	-	-	(5)
Total	(5)	-	-	(5)
iShares Edge MSCI World Size Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	225,601	-	-	225,601
- Futures contracts	25	-	-	25
Total	225,626	-	-	225,626
Financial liabilities at fair value through profit or loss				
- Futures contracts	(1)	-	-	(1)
Total	(1)	-	-	(1)
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	1,022,281	-	-	1,022,281
- Rights	59	-	-	59
- Futures contracts	146	-	-	146
Total	1,022,486	-	-	1,022,486
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	252,840	-	252,840
Total	-	252,840	-	252,840
iShares Healthcare Innovation UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	25,734	-	-	25,734
- Futures contracts	5	-	-	5
Total	25,739	-	-	25,739
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	563,647	-	563,647
Total	-	563,647	-	563,647
iShares MSCI China A UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	35,449	159	1,661	37,269
Total	35,449	159	1,661	37,269
iShares MSCI EM SRI UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	59,070	-	-	59,070

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2017

	Level 1	Level 2	Level 3	Total
iShares MSCI EM SRI UCITS ETF (cont)	\$'000	\$'000	\$'000	\$'000
- Futures contracts	9	-	-	9
Total	59,079	-	-	59,079
iShares MSCI EMU Large Cap UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	157,696	-	-	157,696
Total	157,696	-	-	157,696
Financial liabilities at fair value through profit or loss				
- Futures contracts	(9)	-	-	(9)
Total	(9)	-	-	(9)
iShares MSCI EMU Mid Cap UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities**	209,743	-	-	209,743
- Futures contracts***	-	-	-	-
Total	209,743	-	-	209,743
Financial liabilities at fair value through profit or loss				
- Futures contracts	(4)	-	-	(4)
Total	(4)	-	-	(4)
iShares MSCI France UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	35,517	-	-	35,517
Total	35,517	-	-	35,517
Financial liabilities at fair value through profit or loss				
- Futures contracts***	-	-	-	-
Total	-	-	-	-
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	28,052	-	-	28,052
- Forward currency contracts	-	678	-	678
- Futures contracts	10	-	-	10
Total	28,062	678	-	28,740
iShares MSCI Japan SRI UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	7,634	-	-	7,634
- Futures contracts	1	-	-	1
Total	7,635	-	-	7,635

** Level 3 securities which are less than €500 are rounded to zero.

*** Level 1 securities which are less than €500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2017

	Level 1	Level 2	Level 3	Total
iShares MSCI USA SRI UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	20,187	-	-	20,187
Total	20,187	-	-	20,187
iShares OMX Stockholm Capped UCITS ETF	Kr'000	Kr'000	Kr'000	Kr'000
Financial assets at fair value through profit or loss				
- Equity securities	3,691,806	-	-	3,691,806
Total	3,691,806	-	-	3,691,806
Financial liabilities at fair value through profit or loss				
- Futures contracts	(27)	-	-	(27)
Total	(27)	-	-	(27)
iShares TA-35 Israel UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	10,810	-	-	10,810
Total	10,810	-	-	10,810
iShares US Equity Buyback Achievers UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	22,822	-	-	22,822
- Contracts for difference	-	11	-	11
Total	22,822	11	-	22,833
Financial liabilities at fair value through profit or loss				
- Contracts for difference	-	(1)	-	(1)
Total	-	(1)	-	(1)
iShares US Mortgage Backed Securities UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	269,939	-	269,939
Total	-	269,939	-	269,939

31 May 2016

	Level 1	Level 2	Level 3	Total
iShares \$ Short Duration Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	964,932	-	964,932
Total	-	964,932	-	964,932
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	564,026	-	564,026
Total	-	564,026	-	564,026

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2016

	Level 1	Level 2	Level 3	Total
iShares \$ Treasury Bond 20+yr UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	202,287	-	202,287
Total	-	202,287	-	202,287
iShares \$ Ultrashort Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	119,633	-	119,633
Total	-	119,633	-	119,633
iShares € Govt Bond 20yr Target Duration UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Debt securities	-	12,868	-	12,868
Total	-	12,868	-	12,868
iShares € Ultrashort Bond UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Debt securities	-	686,008	-	686,008
Total	-	686,008	-	686,008
iShares £ Ultrashort Bond UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Debt securities	-	180,203	-	180,203
Total	-	180,203	-	180,203
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	32,179	-	-	32,179
- Rights	4	-	-	4
- Futures contracts	9	-	-	9
Total	32,192	-	-	32,192
iShares Edge MSCI Europe Multifactor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	101,102	-	-	101,102
- Futures contracts	26	-	-	26
Total	101,128	-	-	101,128
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	11,046	-	-	11,046
- Futures contracts	4	-	-	4
Total	11,050	-	-	11,050

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2016

	Level 1	Level 2	Level 3	Total
iShares Edge MSCI Europe Size Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	13,384	-	-	13,384
- Rights	4	-	-	4
- Futures contracts	4	-	-	4
Total	13,392	-	-	13,392
iShares Edge MSCI Europe Value Factor UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	24,262	-	-	24,262
- Rights	2	-	-	2
- Futures contracts	7	-	-	7
Total	24,271	-	-	24,271
iShares Edge MSCI USA Multifactor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	7,800	-	-	7,800
Total	7,800	-	-	7,800
iShares Edge MSCI World Momentum Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	131,887	-	-	131,887
- Rights	4	-	-	4
- Futures contracts	26	-	-	26
Total	131,917	-	-	131,917
iShares Edge MSCI World Multifactor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	46,884	-	-	46,884
- Futures contracts	2	-	-	2
Total	46,886	-	-	46,886
iShares Edge MSCI World Quality Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	254,844	-	-	254,844
- Futures contracts	69	-	-	69
Total	254,913	-	-	254,913

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2016

	Level 1	Level 2	Level 3	Total
iShares Edge MSCI World Size Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	46,444	-	-	46,444
- Rights	4	-	-	4
- Futures contracts	16	-	-	16
Total	46,464	-	-	46,464
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	165,061	-	-	165,061
- Rights	3	-	-	3
- Futures contracts	41	-	-	41
Total	165,105	-	-	165,105
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	325,795	-	325,795
Total	-	325,795	-	325,795
iShares MSCI China A UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	21,835	398	658	22,891
- Rights	-	-	3	3
Total	21,835	398	661	22,894
iShares MSCI EMU Large Cap UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	177,735	-	-	177,735
- Rights	33	-	-	33
- Futures contracts	70	-	-	70
Total	177,838	-	-	177,838
iShares MSCI EMU Mid Cap UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities**	164,662	-	-	164,662
-Rights	121	-	-	121
- Futures contracts	39	-	-	39
Total	164,822	-	-	164,822

** Level 3 securities which are less than €500 are rounded to zero.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 May 2016

	Level 1	Level 2	Level 3	Total
iShares MSCI France UCITS ETF	€000	€000	€000	€000
Financial assets at fair value through profit or loss				
- Equity securities	10,526	-	-	10,526
- Futures contracts	4	-	-	4
Total	10,530	-	-	10,530
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	€000	€000	€000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	19,013	-	-	19,013
- Forward currency contracts	-	131	-	131
- Futures contracts**	-	-	-	-
Total	19,013	131	-	19,144
iShares TA-35 Israel UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	7,617	-	-	7,617
Total	7,617	-	-	7,617
iShares US Equity Buyback Achievers UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	11,997	-	-	11,997
- Contracts for difference	-	7	-	7
Total	11,997	7	-	12,004
iShares US Mortgage Backed Securities UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	-	211,839	-	211,839
Total	-	211,839	-	211,839

** Level 1 securities which are less than €500 are rounded to zero.

Investments whose values are based on observable inputs are classified within level 2. These include bonds and equity securities that were suspended at financial year end but resumed trading shortly after the financial year ended 31 May 2017 and bonds and equity securities that were suspended at 31 May 2016 but resumed trading shortly after the financial year end.

Investments whose values are based on unobservable inputs are classified within level 3. These include equities that are currently suspended at the financial year ended 31 May 2017 and equities that were suspended at the financial year ended 31 May 2016. The total value of securities valued using a price calculated by the Manager as at 31 May 2017 and 31 May 2016 is less than 1% of the net asset value of the applicable Funds with the exception of iShares MSCI China A UCITS ETF.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

e) Global exposure

In accordance with the UCITS regulations and the requirements of the CBI, the Manager is required to employ a risk management process which enables it to accurately monitor and manage the global exposure of the Funds to Financial Derivative Instruments ("FDI").

The Investment Manager uses a methodology known as the "Commitment Approach" in order to measure the global exposure of the 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 value of FDI to determine the global exposure of the Fund.

In accordance with the UCITS Regulations, global exposure for a Fund utilising the commitment approach must not exceed 100% of the Fund's NAV.

The exposures to FDI at the financial year end are marked on the relevant Fund's schedule of investments. For the financial years ended 31 May 2017 and 31 May 2016, global exposure is measured using the commitment approach for all funds.

f) Leverage

The use of derivatives may expose Funds to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure.

A relatively small market movement may have a potentially larger impact on derivatives than on non-derivative instruments. Leveraged derivative positions can therefore increase Fund volatility.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Operating income	3	168,662	50,676
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	4	373,996	(65,774)
Total gains/(losses)		542,658	(15,098)
Operating expenses	5	(16,284)	(5,601)
Negative yield on financial assets		(880)	-
Net operating profit/(loss)		525,494	(20,699)
Finance costs:			
Distributions to redeemable participating shareholders	7	(58,062)	(11,885)
Interest expense	8	(176)	(32)
Total finance costs		(58,238)	(11,917)
Net profit/(loss) for the financial year before tax		467,256	(32,616)
Taxation		(7,285)	(1,431)
Net profit/(loss) for the financial year after tax		459,971	(34,047)
Adjustment to align to the valuation methodology as set out in the prospectus	2	(651)	400
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		459,320	(33,647)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	3,313,079	1,351,602
Notional foreign exchange adjustment*	431,475	117,043
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	459,320	(33,647)
Share transactions:		
Proceeds from issue of redeemable participating shares	8,385,517	2,379,079
Payments on redemption of redeemable participating shares	(2,162,565)	(500,998)
Increase in net assets resulting from share transactions	6,222,952	1,878,081
Net assets attributable to redeemable participating shareholders at the end of the financial year	10,426,826	3,313,079

* The notional foreign exchange adjustment arises from the retranslation of the net assets at the beginning of the financial year using the exchange rate as at the 31 May 2017. The average rate for the financial year is applied to income statement items and share transactions (see note 17).

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 £'000	31 May 2016 £'000
CURRENT ASSETS			
Cash		52,115	37,580
Cash equivalents		89,672	59,796
Margin cash account		2,539	743
Receivables	12	461,007	146,710
Financial assets at fair value through profit or loss	13	10,265,591	3,257,716
Total current assets		10,870,924	3,502,545
CURRENT LIABILITIES			
Bank overdraft		(1,558)	(14)
Margin cash account		(43)	-
Payables	14	(442,404)	(190,103)
Financial liabilities at fair value through profit or loss	13	(93)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(444,098)	(190,117)
Net assets attributable to redeemable participating shareholders		10,426,826	3,312,428
Adjustment to align to the valuation methodology as set out in the prospectus	2	-	651
Net asset value attributable to redeemable participating shareholders at the end of the financial year		10,426,826	3,313,079

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors

Paul McNaughton
Director

Paul McGowan
Director

Date: 27 September 2017

Date: 27 September 2017

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. COMPANY DETAILS

iShares IV public limited company (the "Company") is organised as an open-ended investment company with variable capital. The Company was incorporated in Ireland on 3 July 2009 with limited liability and segregated liability between its Funds and is organised under the laws of Ireland as a Public Limited Company ("plc") pursuant to the Companies Act 2014 and the UCITS Regulations and is regulated by the CBI.

The registered office of the Company is J.P. Morgan House, International Financial Services Centre, Dublin 1, Ireland.

2. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92.

3. OPERATING INCOME

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Interest income	1,505	118
Dividend income	85,189	18,033
Bond interest income	81,299	32,348
Securities lending income	669	177
	168,662	50,676

4. NET GAINS/LOSSES ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Net gains/(losses) on investments in securities at fair value through profit or loss	371,087	(65,919)
Net gains on CFDs	45	3
Net gains on forward currency contracts	382	100
Net gains on futures contracts	2,132	116
Net losses on foreign currency transactions	350	(74)
	373,996	(65,774)

5. OPERATING EXPENSES

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Management fees	(16,284)	(5,601)
	(16,284)	(5,601)

6. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 5 and note 14 respectively.

Management fees (inclusive of investment management fees):

The Manager is entitled to an annual fee at rates not exceeding those set out below, these rates are the maximum fee rates as at 31 May 2017:

Fund	Maximum fee rate (% of NAV)**
iShares \$ Short Duration Corp Bond UCITS ETF - USD (Dist) Class	0.20
iShares \$ Short Duration Corp Bond UCITS ETF - USD (Acc) Class	0.20
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	0.45
iShares \$ Treasury Bond 20+yr UCITS ETF	0.20
iShares \$ Ultrashort Bond UCITS ETF	0.09
iShares € Govt Bond 20yr Target Duration	0.15
iShares € Ultrashort Bond UCITS ETF	0.09
iShares £ Ultrashort Bond UCITS ETF	0.09
iShares Ageing Population UCITS ETF*	0.40
iShares Automation & Robotics UCITS ETF*	0.40
iShares Digitalisation UCITS ETF*	0.40
iShares Edge MSCI Europe Momentum Factor UCITS ETF	0.25
iShares Edge MSCI Europe Multifactor UCITS ETF	0.45
iShares Edge MSCI Europe Quality Factor UCITS ETF	0.25
iShares Edge MSCI Europe Size Factor UCITS ETF	0.25
iShares Edge MSCI Europe Value Factor UCITS ETF	0.25
iShares Edge MSCI USA Momentum Factor UCITS ETF*	0.20
iShares Edge MSCI USA Multifactor UCITS ETF	0.35
iShares Edge MSCI USA Quality Factor UCITS ETF*	0.20
iShares Edge MSCI USA Size Factor UCITS ETF*	0.20
iShares Edge MSCI USA Value Factor UCITS ETF*	0.20
iShares Edge MSCI World Momentum Factor UCITS ETF	0.30
iShares Edge MSCI World Multifactor UCITS ETF - USD (Acc) Class	0.50

* As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

** This charge can be up to 1.00%. Any increase in this charge will be subject to prior shareholder approval.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

6. MANAGEMENT FEES (continued)

Fund	Maximum fee rate (% of NAV)**
iShares Edge MSCI World Multifactor UCITS ETF - EUR Hedged (Acc)**	0.55
iShares Edge MSCI World Quality Factor UCITS ETF	0.30
iShares Edge MSCI World Size Factor UCITS ETF	0.30
iShares Edge MSCI World Value Factor UCITS ETF	0.30
iShares Fallen Angels High Yield Corp Bond UCITS ETF*	0.50
iShares Healthcare Innovation UCITS ETF*	0.40
iShares iBonds Sep 2018 \$ Corp UCITS ETF	0.10
iShares MSCI China A UCITS ETF	0.65
iShares MSCI EM SRI UCITS ETF*	0.35
iShares MSCI EMU Large Cap UCITS ETF	0.49
iShares MSCI EMU Mid Cap UCITS ETF	0.49
iShares MSCI France UCITS ETF	0.25
iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)	0.35
iShares MSCI Japan SRI UCITS ETF*	0.30
iShares MSCI USA SRI UCITS ETF*	0.30
iShares OMX Stockholm Capped UCITS ETF*	0.10
iShares TA-35 Israel UCITS ETF	0.60
iShares US Equity Buyback Achievers UCITS ETF	0.55
iShares US Mortgage Backed Securities UCITS ETF - USD (Dist) Class	0.28
iShares US Mortgage Backed Securities UCITS ETF - USD (Acc) Class	0.28

* As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

** This charge can be up to 1.00%. Any increase in this charge will be subject to prior shareholder approval.

The Company employs an “all in one” fee structure for its Funds, with each Fund paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the “Total Expense Ratio” or “TER”). The TER is calculated in accordance with the Committee of European Securities Regulators (“CESR”) guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

The Manager is responsible for discharging all operational expenses, including but not limited to fees and expenses of the Directors, Investment Manager, Depositary, Administrator, Transfer Agent and Registrar from the amounts received by the Manager from the TER. 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.

In the event a Fund's costs and expenses in connection with the operation of the Fund exceed the stated TER, the Manager will discharge any excess amount out of its own assets. The establishment costs of the Company have been paid by the Manager.

The following fees were included in management fees during the financial year:

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Directors' fees	(25)	(25)
Audit fees (including expenses) relating to the audit of the annual financial statements	(277)	(184)

There were no other assurance, tax, advisory or non-audit fees other than the audit fees disclosed above paid to PricewaterhouseCoopers in Dublin, Ireland as the Statutory Auditor of the Company as no other services were provided.

Whilst it is anticipated that the TER borne by a Fund shall not exceed the amounts set out above during the life of a Fund, such amounts may need to be increased. Any such increase will be subject to the prior approval of the shareholders of the relevant Fund evidenced either by a majority vote at a meeting of shareholders or by a written resolution of all of the shareholders. Save as disclosed, 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 capital of the Company.

7. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay dividends on any distributing class of shares in the Company. In accordance with the prospectus, 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 to investors and become the property of the relevant Fund.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
June	20,115	-
August	-	1,347
September	1,708	-
October	4,665	1,796
December	29,444	10,072
March	6,560	-
May	-	2,916
	62,492	16,131

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS* (continued)

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Equalisation income	(12,533)	(6,467)
Equalisation expense	8,103	2,221
	58,062	11,885

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

8. INTEREST EXPENSE

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Bank interest	(176)	(32)
	(176)	(32)

9. TAXATION

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event".

A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed Annual declarations; and
- Any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners (such as CREST) will not constitute a chargeable event. It is the current intention of the Directors that all the shares in the Company will be held in Crest or another recognised clearing system.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

10. TRANSACTION COSTS

In order to achieve its investment objective, a Fund will incur transaction costs in relation to trading activity on its portfolio.

Disclosed in the table below are separately identifiable transaction costs incurred by the Company for the financial years ended 31 May 2017 and 31 May 2016. These include all brokers' commission, settlement fees, stamp duties and broker fees charges on equities, exchange traded futures contracts and some fixed income investments.

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Transaction costs	(4,341)	(713)

Not all transaction costs are separately identifiable. For some fixed income investments, transaction costs will be included in the purchase and sales price of the investment and are not separately disclosed. The portfolio transaction costs are not included in the TER.

11. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Company. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

Redeemable Participating Shares - issued and fully paid

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	275,052,357	74,265,078
Issued during the financial year	1,095,192,303	242,600,934
Redeemed during the financial year	(217,645,465)	(41,813,655)
Balance at the end of financial year	1,152,599,195	275,052,357

Authorised

The authorised share capital of the Company is £2 divided into 2 subscriber shares of a par value of £1 each and 500 billion participating shares of no par value ("NPV") initially designated as unclassified shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

11. SHARE CAPITAL (continued)

Subscriber shares

The 2 subscriber shares are currently in issue and are held by the Manager and nominees of the Manager. They do not form part of the net asset value of the Company. They are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors this disclosure reflects the nature of the Company's investment business.

12. RECEIVABLES

	31 May 2017 £'000	31 May 2016 £'000
Sale of securities awaiting settlement	388,101	120,593
Subscription for shares awaiting settlement	7,752	1,757
Interest receivable	71	17
Dividend income receivable	15,632	2,289
Securities lending income receivable	108	23
Bond interest income receivable	47,726	21,408
Tax reclaim receivable	1,560	623
Other receivables	57	-
	461,007	146,710

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 £'000	31 May 2016 £'000
Financial assets:		
Investment in equities	5,176,012	901,463
Investment in bonds	4,878,919	2,210,239
Investment in rights	185	135
Investments in MBSs	209,093	145,544
Unrealised gain on CFDs	9	5
Unrealised gains on forward currency contracts	979	100
Unrealised gains on futures contracts	394	230
	10,265,591	3,257,716

	31 May 2017 £'000	31 May 2016 £'000
Financial liabilities:		
Unrealised losses on futures contracts	(80)	-
Unrealised losses on forward currency contracts	(12)	-
Net losses CFDs	(1)	-
	(93)	-

14. PAYABLES

	31 May 2017 £'000	31 May 2016 £'000
Purchase of securities awaiting settlement	(436,865)	(170,379)
Payable for fund shares repurchased	(3,444)	(19,048)
Interest payable	(22)	(2)
Management fees payable	(1,928)	(669)
Other payables	(145)	(5)
	(442,404)	(190,103)

15. SOFT COMMISSIONS

There were no soft commissions arrangements entered into by the Investment Manager on behalf of the Company during the financial years ended 31 May 2017 and 31 May 2016 other than those disclosed in the financial statements of the Funds.

16. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the financial years ended 31 May 2017 and 31 May 2016 other than those disclosed in the financial statements of the Funds.

17. EXCHANGE RATES

The rates of exchange ruling at 31 May 2017 and 31 May 2016 were:

		31 May 2017	31 May 2016
GBP1=	EUR	1.1480	1.3074
	SEK	11.1990	-
	USD	1.2910	1.4555
EUR1=	CHF	1.0880	1.1068
	DKK	7.4396	7.4385
	GBP	0.8711	0.7649
	JPY	124.3529	-
	NOK	9.4710	9.3103
	SEK	9.7550	9.2993
	USD	1.1245	1.1132
SEK1=	EUR	0.1025	-
	GBP	0.0893	-
	USD	0.1153	-
USD1=	AED	3.6730	-
	AUD	1.3433	1.3804
	BRL	3.2428	-
	CAD	1.3507	1.3081
	CHF	0.9676	0.9942
	CLP	671.5100	-
	CNY	6.8210	6.5850

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

17. EXCHANGE RATES (continued)

		31 May 2017	31 May 2016
USD1=	COP	2,922.8450	-
	CZK	23.4353	-
	DKK	6.6159	6.6818
	EUR	0.8893	0.8983
	GBP	0.7746	0.6870
	HKD	7.7925	7.7682
	HUF	274.1530	-
	IDR	13,320.0000	-
	ILS	3.5393	3.8509
	INR	64.5200	-
	JPY	110.5850	110.9050
	KRW	1,119.6000	-
	MXN	18.6998	-
	MYR	4.2800	-
	NOK	8.4224	8.3632
	NZD	1.4089	1.4781
	PHP	49.7750	-
	PLN	3.7215	-
	QAR	3.6412	-
	RUB	56.7625	-
	SEK	8.6750	8.3533
	SGD	1.3834	1.3768
	THB	34.0600	-
	TRY	3.5365	-
	TWD	30.0790	-
	ZAR	13.1863	-

The average rates of exchange for the financial years ended 31 May 2017 and 31 May 2016 were:

		31 May 2017	31 May 2016
GBP1=	EUR	1.1740	1.3476
	SEK	11.2444	-
	USD	1.2802	1.4947

18. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions.

The following entities were related parties to the Company during the financial year ended 31 May 2017:

Board of Directors of the Company

Manager:	BlackRock Asset Management Ireland Limited
Investment Manager,	
Promoter and	
Securities Lending Agent:	BlackRock Advisors (UK) Limited
Sub-Investment Managers:	BlackRock Financial Management Inc. BlackRock (Singapore) Limited
Representative in Switzerland:	BlackRock Asset Management Schweiz AG

The ultimate holding Company of the Manager, Investment Manager, Promoter, Sub-Investment Managers, securities lending agent and Representative in Switzerland is BlackRock Inc., a company incorporated in Delaware USA.

PNC Financial Services Group, Inc. ("PNC"), is a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Company in the financial years ended 31 May 2017 and 31 May 2016.

When arranging transactions in securities for the Company, affiliates of PNC may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom.

Commissions have been 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 have been passed on to the Company.

The services of PNC companies could have been used by the Investment Manager where it is considered appropriate to do so provided that their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and this is consistent with the above policy of obtaining best net results.

Fees paid to the Manager during the financial year, the nature of these transactions and the balances outstanding at the financial year end are disclosed in note 5, 6 and 14 respectively. Securities lending income earned by the Funds is disclosed in note 3 and 19.

Details of soft commission arrangements with related parties are disclosed in note 15.

Barry O'Dwyer is a non-executive Director of the Manager. With the exception of Paul McGowan and Paul McNaughton, all Directors are also employees of the BlackRock Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

18. RELATED PARTY TRANSACTIONS (continued)

The Directors of the Company and the Manager who are also employees of the BlackRock Group are not entitled to receive Directors' fees.

Each of the Directors of the Company at the financial year-end also serves on the Board of a number of BlackRock Funds.

Holdings in other Funds managed by BlackRock

Cash equivalents relate entirely to investments in ICS funds and are managed by BlackRock Asset Management Ireland Limited.

Significant Holdings

The following investors

- i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or
- ii) are investors (other than those listed in (i) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company

31 May 2017

Total % of shares held by funds managed by the BlackRock Group or held by affiliates of BlackRock Inc	Number of investors holding 20% or more of the voting shares in issue who are not affiliates of BlackRock Group or BlackRock Inc	Total % of shares held by shareholders holding 20% or more of the voting shares in issue who are not affiliates of BlackRock Group or BlackRock Inc
Nil	1	100.00 *

31 May 2016

Total % of shares held by funds managed by the BlackRock Group or held by affiliates of BlackRock Inc	Number of investors holding 20% or more of the voting shares in issue who are not affiliates of BlackRock Group or BlackRock Inc	Total % of shares held by shareholders holding 20% or more of the voting shares in issue who are not affiliates of BlackRock Group or BlackRock Inc
Nil	1	100.00*

* Due to the change in the trade settlement structure, the Company now has a single shareholder which is a nominee of the common depository (Citibank Europe plc). The ultimate beneficial ownership of the Company is passed from the common depository through the International Central Securities Depository ("ICSD") (Euroclear, Clearstream) to the participants of the ICSD.

No provisions have been recognised by the Funds against amounts due from related parties at the financial year end date (31 May 2016: Nil).

No amounts have been written off in the financial year in respect of amounts due to or from related parties (31 May 2016: Nil).

No commitments secured or unsecured or guarantees have been entered into with related parties during the financial year (31 May 2016: Nil).

19. SECURITIES LENDING

Securities lending income is split between the Fund and the securities lending agent in a ratio of 62.5:37.5 in favour of the Fund, with all operational costs borne out of the Securities Lending Agents share.

No management fees are incurred as a result of any of the investments in ICS.

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same share classes.

The securities lending income earned during the financial year, the value of securities on loan at the financial year end and the value of collateral held at the financial year end on behalf of the Company is shown below:

	31 May 2017 £'000	31 May 2016 £'000
Income earned during the financial year	669	177
Value of securities on loan at financial year end	360,574	120,290
Value of collateral held on behalf of the Company at financial year end	392,803	128,396

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

20. SUBSEQUENT EVENTS

The ex-date and pay date for distributions of the below Funds occurred post financial year end.

Fund	Distribution Amount ('000)
iShares \$ Short Duration Corp Bond UCITS ETF	\$7,125
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$22,532
iShares \$ Treasury Bond 20+yr UCITS ETF	\$4,498
iShares \$ Ultrashort Bond UCITS ETF	\$1,224
iShares € Govt Bond 20yr Target Duration UCITS ETF	€150
iShares £ Ultrashort Bond UCITS ETF	£754
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$6,087
iShares iBonds Sep 2018 \$ Corp UCITS ETF	\$2,201
iShares US Mortgage Backed Securities UCITS ETF	\$3,987

Karen Prooth resigned as a Director effective 31 July 2017.

An updated prospectus was issued on 11 August 2017 which updated the tracking methodology of iShares Edge MSCI USA Value Factor UCITS ETF to a fully replicating strategy.

As of 15 September 2017, the Company Secretary changed its name from Chartered Corporate Services to Sanne Corporate Administration Services Ireland Limited.

Other than the above there have been no events subsequent to the financial year end which in the opinion of the Directors of the Company may have had an impact on the financial statements for the financial year ended 31 May 2017.

iShares \$ Short Duration Corp Bond UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	26,878	11,768
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(1,526)	843
Total gains		25,352	12,611
Operating expenses	4	(2,713)	(1,265)
Net operating profit		22,639	11,346
Finance costs:			
Distributions to redeemable participating shareholders	6	(21,233)	(6,140)
Interest expense	7	(2)	(2)
Total finance costs		(21,235)	(6,142)
Net profit for the financial year before tax		1,404	5,204
Taxation		-	(10)
Net profit for the financial year after tax		1,404	5,194
Increase in net assets attributable to redeemable participating shareholders from operations		1,404	5,194

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	978,193	378,510
Increase in net assets attributable to redeemable participating shareholders from operations	1,404	5,194
Share transactions:		
Proceeds from issue of redeemable participating shares	819,618	673,390
Payments on redemption of redeemable participating shares	(269,122)	(78,901)
Increase in net assets resulting from share transactions	550,496	594,489
Net assets attributable to redeemable participating shareholders at the end of the financial year	1,530,093	978,193

The accompanying notes form an integral part of these financial statements.

iShares \$ Short Duration Corp Bond UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		306	361
Cash equivalents		27,167	18,956
Receivables	11	13,770	7,774
Financial assets at fair value through profit or loss	12	1,506,243	964,932
Total current assets		1,547,486	992,023
CURRENT LIABILITIES			
Payables	13	(17,393)	(13,830)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(17,393)	(13,830)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	1,530,093	978,193

The accompanying notes form an integral part of these financial statements.

iShares \$ Short Duration Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	146	40
Bond interest income	26,719	11,725
Securities lending income	13	3
	26,878	11,768

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(1,526)	843
Net gains/(losses) on foreign currency transactions*	-	-
	(1,526)	843

* Amounts which are less than \$500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(2,713)	(1,265)
	(2,713)	(1,265)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
USD (Dist) Class	0.20	0.20
USD (Acc) Class	0.20	-

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
June	4,572	-
August	-	1,807
October	5,973	2,685
December	5,792	-
March	6,222	3,111
	22,559	7,603
Equalisation income	(2,354)	(1,724)
Equalisation expense	1,028	261
	21,233	6,140

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

iShares \$ Short Duration Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(2)	(2)
	(2)	(2)

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
USD (Dist) Class		
Balance at the beginning of financial year	9,657,030	3,751,297
Issued during the financial year	8,043,983	6,693,733
Redeemed during the financial year	(2,680,422)	(788,000)
Balance at the end of financial year	15,020,591	9,657,030

	31 May 2017 No. of Shares
USD (Acc) Class	
Balance at the beginning of financial year	-
Issued during the financial year	1,324,208
Redeemed during the financial year	-
Balance at the end of financial year	1,324,208

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

USD (Dist) Class

	\$'000
Net asset value	
As at 31 May 2017	1,523,439
As at 31 May 2016	978,193
As at 31 May 2015	378,510

	No. of Shares
Shares in issue	
As at 31 May 2017	15,020,591
As at 31 May 2016	9,657,030
As at 31 May 2015	3,751,297

	\$
Net asset value per share	
As at 31 May 2017	101.42
As at 31 May 2016	101.29
As at 31 May 2015	100.90

USD (Acc) Class

	\$'000
Net asset value	
As at 31 May 2017	6,654

	No. of Shares
Shares in issue	
As at 31 May 2017	1,324,208

	\$
Net asset value per share	
As at 31 May 2017	5.03

11. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sales of securities awaiting settlement	100	-
Subscription for shares awaiting settlement	1,507	-
Interest receivable	10	11
Securities lending income receivable	-	1
Bond income receivable	12,153	7,762
	13,770	7,774

iShares \$ Short Duration Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:	\$'000	\$'000
Investment in bonds	1,506,243	964,932
	1,506,243	964,932

13. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(15,633)	(13,669)
Payable for fund shares repurchased	(1,507)	-
Management fees payable	(253)	(161)
	(17,393)	(13,830)

iShares \$ Short Duration Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 98.64%)			
Bonds (31 May 2016: 98.64%)			
Australia (31 May 2016: 3.04%)			
Corporate bonds: AA- rating			
750,000	Australia & New Zealand Banking Group Ltd 1.25% 13/06/2017	750	0.05
500,000	Australia & New Zealand Banking Group Ltd 1.5% 16/01/2018	500	0.03
750,000	Australia & New Zealand Banking Group Ltd 1.875% 06/10/2017	751	0.05
500,000	Australia & New Zealand Banking Group Ltd 2% 16/11/2018	502	0.03
1,500,000	Australia & New Zealand Banking Group Ltd 2.05% 23/09/2019	1,501	0.10
2,300,000	Australia & New Zealand Banking Group Ltd 2.25% 13/06/2019	2,313	0.15
1,250,000	Australia & New Zealand Banking Group Ltd 2.3% 01/06/2021	1,245	0.08
600,000	Australia & New Zealand Banking Group Ltd 2.7% 16/11/2020	608	0.04
365,000	Commonwealth Bank of Australia 1.75% 02/11/2018	365	0.02
850,000	Commonwealth Bank of Australia 1.9% 18/09/2017	851	0.06
350,000	Commonwealth Bank of Australia 2.05% 15/03/2019	351	0.02
1,600,000	Commonwealth Bank of Australia 2.25% 13/03/2019	1,610	0.10
750,000	Commonwealth Bank of Australia 2.3% 06/09/2019	755	0.05
350,000	Commonwealth Bank of Australia 2.3% 12/03/2020	352	0.02
1,500,000	Commonwealth Bank of Australia 2.4% 02/11/2020	1,505	0.10
1,500,000	Commonwealth Bank of Australia 2.5% 20/09/2018	1,514	0.10
1,050,000	Commonwealth Bank of Australia 2.55% 15/03/2021	1,057	0.07
250,000	National Australia Bank Ltd 1.375% 12/07/2019	247	0.02
500,000	National Australia Bank Ltd 1.875% 23/07/2018	501	0.03
2,250,000	National Australia Bank Ltd 1.875% 12/07/2021	2,207	0.14
750,000	National Australia Bank Ltd 2% 14/01/2019	751	0.05
1,215,000	National Australia Bank Ltd 2.125% 22/05/2020	1,217	0.08
400,000	National Australia Bank Ltd 2.3% 25/07/2018	403	0.03
1,500,000	National Australia Bank Ltd 2.5% 22/05/2022	1,500	0.10
250,000	National Australia Bank Ltd 2.625% 23/07/2020	253	0.02
550,000	National Australia Bank Ltd 2.625% 14/01/2021	556	0.04
1,000,000	National Australia Bank Ltd 2.8% 10/01/2022	1,016	0.07
890,000	Westpac Banking Corp 1.5% 01/12/2017	891	0.06

Holding	Investment	Fair value \$'000	% of net asset value
Australia (31 May 2016: 3.04%) (cont)			
Corporate bonds: AA- rating (cont)			
1,500,000	Westpac Banking Corp 1.55% 25/05/2018	1,501	0.10
2,200,000	Westpac Banking Corp 1.6% 12/01/2018	2,201	0.14
700,000	Westpac Banking Corp 1.95% 23/11/2018	701	0.05
625,000	Westpac Banking Corp 2% 14/08/2017	626	0.04
1,200,000	Westpac Banking Corp 2% 19/08/2021	1,182	0.08
1,750,000	Westpac Banking Corp 2.1% 13/05/2021	1,735	0.11
1,500,000	Westpac Banking Corp 2.15% 06/03/2020	1,506	0.10
150,000	Westpac Banking Corp 2.25% 30/07/2018	151	0.01
1,140,000	Westpac Banking Corp 2.25% 17/01/2019	1,146	0.07
400,000	Westpac Banking Corp 2.3% 26/05/2020	403	0.03
1,315,000	Westpac Banking Corp 2.6% 23/11/2020	1,330	0.09
650,000	Westpac Banking Corp 2.8% 11/01/2022	660	0.04
1,350,000	Westpac Banking Corp 4.875% 19/11/2019	1,440	0.09
Corporate bonds: A rating			
1,000,000	BHP Billiton Finance USA Ltd 2.875% 24/02/2022	1,024	0.07
500,000	BHP Billiton Finance USA Ltd 3.25% 21/11/2021	522	0.03
Corporate bonds: A- rating			
3,150,000	Rio Tinto Finance USA Ltd 9% 01/05/2019	3,573	0.23
Total Australia		45,773	2.99
Bermuda (31 May 2016: 0.20%)			
Corporate bonds: AA- rating			
3,200,000	Novartis Securities Investment Ltd 5.125% 10/02/2019	3,381	0.22
Total Bermuda		3,381	0.22
Canada (31 May 2016: 4.28%)			
Corporate bonds: AA- rating			
1,000,000	Royal Bank of Canada 1.4% 13/10/2017	1,000	0.07
975,000	Royal Bank of Canada 1.5% 16/01/2018	976	0.06
1,750,000	Royal Bank of Canada 1.625% 15/04/2019	1,743	0.12
1,625,000	Royal Bank of Canada 1.8% 30/07/2018	1,627	0.11
500,000	Royal Bank of Canada 2% 10/12/2018	502	0.03
1,850,000	Royal Bank of Canada 2.15% 15/03/2019	1,861	0.12
500,000	Royal Bank of Canada 2.15% 06/03/2020	501	0.03
2,721,000	Royal Bank of Canada 2.2% 27/07/2018	2,737	0.18
950,000	Royal Bank of Canada 2.35% 30/10/2020	956	0.06
500,000	Royal Bank of Canada 2.5% 19/01/2021	506	0.03
2,000,000	Royal Bank of Canada 2.75% 01/02/2022	2,037	0.13
2,000,000	Toronto-Dominion Bank 1.4% 30/04/2018	1,999	0.13
830,000	Toronto-Dominion Bank 1.45% 06/09/2018	828	0.06
1,850,000	Toronto-Dominion Bank 1.625% 13/03/2018	1,852	0.12
1,155,000	Toronto-Dominion Bank 1.75% 23/07/2018	1,157	0.08
1,000,000	Toronto-Dominion Bank 1.95% 22/01/2019	1,004	0.07
350,000	Toronto-Dominion Bank 2.125% 02/07/2019	352	0.02
1,900,000	Toronto-Dominion Bank 2.125% 07/04/2021	1,893	0.12
2,000,000	Toronto-Dominion Bank 2.25% 05/11/2019	2,017	0.13
1,050,000	Toronto-Dominion Bank 2.5% 14/12/2020	1,063	0.07
905,000	Toronto-Dominion Bank 2.625% 10/09/2018	916	0.06

iShares \$ Short Duration Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)			
Canada (31 May 2016: 4.28%) (cont)			
Corporate bonds: A+ rating			
860,000	Bank of Montreal 1.3% 14/07/2017	860	0.06
1,175,000	Bank of Montreal 1.35% 28/08/2018	1,171	0.08
795,000	Bank of Montreal 1.4% 10/04/2018	794	0.05
1,650,000	Bank of Montreal 1.45% 09/04/2018	1,649	0.11
1,115,000	Bank of Montreal 1.5% 18/07/2019	1,106	0.07
1,080,000	Bank of Montreal 1.8% 31/07/2018	1,082	0.07
1,100,000	Bank of Montreal 1.9% 27/08/2021	1,085	0.07
1,480,000	Bank of Montreal 2.1% 12/12/2019	1,485	0.10
750,000	Bank of Montreal 2.375% 25/01/2019	758	0.05
500,000	Bank of Nova Scotia 1.3% 21/07/2017	500	0.03
540,000	Bank of Nova Scotia 1.375% 18/12/2017	540	0.03
654,000	Bank of Nova Scotia 1.45% 25/04/2018	654	0.04
2,025,000	Bank of Nova Scotia 1.65% 14/06/2019	2,014	0.13
500,000	Bank of Nova Scotia 1.7% 11/06/2018	501	0.03
1,045,000	Bank of Nova Scotia 1.95% 15/01/2019	1,048	0.07
150,000	Bank of Nova Scotia 2.05% 30/10/2018	151	0.01
1,000,000	Bank of Nova Scotia 2.05% 05/06/2019	1,003	0.07
683,000	Bank of Nova Scotia 2.35% 21/10/2020	687	0.04
1,475,000	Bank of Nova Scotia 2.45% 22/03/2021	1,486	0.10
1,050,000	Bank of Nova Scotia 2.7% 07/03/2022	1,060	0.07
1,000,000	Bank of Nova Scotia 2.8% 21/07/2021	1,019	0.07
270,000	Canadian Imperial Bank of Commerce 1.55% 23/01/2018	270	0.02
1,000,000	Canadian Imperial Bank of Commerce 1.6% 06/09/2019	992	0.06
1,100,000	Total Capital Canada Ltd 1.45% 15/01/2018	1,100	0.07
Corporate bonds: A rating			
50,000	Canadian National Railway Co 5.55% 01/03/2019	53	0.00
1,000,000	National Bank of Canada 2.1% 14/12/2018	1,004	0.07
Corporate bonds: A- rating			
250,000	Petro-Canada 6.05% 15/05/2018	260	0.02
525,000	TransCanada PipeLines Ltd 1.625% 09/11/2017	525	0.03
500,000	TransCanada PipeLines Ltd 1.875% 12/01/2018	501	0.03
600,000	TransCanada PipeLines Ltd 3.8% 01/10/2020	633	0.04
530,000	TransCanada PipeLines Ltd 6.5% 15/08/2018	559	0.04
500,000	TransCanada PipeLines Ltd 7.125% 15/01/2019	540	0.04
Corporate bonds: BBB+ rating			
460,000	Canadian Natural Resources Ltd 1.75% 15/01/2018	460	0.03
225,000	Fortis Inc 2.1% 04/10/2021	220	0.01
1,725,000	Goldcorp Inc 2.125% 15/03/2018	1,726	0.11
200,000	Husky Energy Inc 7.25% 15/12/2019	224	0.02
1,045,000	Rogers Communications Inc 6.8% 15/08/2018	1,107	0.07
400,000	Thomson Reuters Corp 4.7% 15/10/2019	422	0.03
302,000	Thomson Reuters Corp 6.5% 15/07/2018	317	0.02
Canada (31 May 2016: 4.28%) (cont)			
Corporate bonds: BBB/*+ rating			
100,000	Agrium Inc 6.75% 15/01/2019	107	0.01
Corporate bonds: BBB rating			
650,000	Encana Corp 3.9% 15/11/2021	675	0.04
Total Canada		59,875	3.91
Cayman Islands (31 May 2016: 0.11%)			
Corporate bonds: BBB- rating			
850,000	Seagate HDD Cayman 3.75% 15/11/2018	871	0.06
500,000	Seagate HDD Cayman 4.25% 01/03/2022	504	0.03
Total Cayman Islands		1,375	0.09
France (31 May 2016: 2.11%)			
Corporate bonds: AA rating			
1,350,000	Sanofi 1.25% 10/04/2018	1,350	0.09
2,150,000	Sanofi 4% 29/03/2021	2,291	0.15
Corporate bonds: A+ rating			
910,000	Total Capital International SA 1.55% 28/06/2017	910	0.06
475,000	Total Capital International SA 2.1% 19/06/2019	479	0.03
1,340,000	Total Capital International SA 2.125% 10/01/2019	1,349	0.09
1,600,000	Total Capital International SA 2.75% 19/06/2021	1,635	0.11
1,825,000	Total Capital SA 2.125% 10/08/2018	1,839	0.12
500,000	Total Capital SA 4.125% 28/01/2021	535	0.03
1,145,000	Total Capital SA 4.45% 24/06/2020	1,229	0.08
Corporate bonds: A rating			
2,400,000	BNP Paribas SA 2.375% 14/09/2017	2,406	0.16
600,000	BNP Paribas SA 2.375% 21/05/2020	604	0.04
1,425,000	BNP Paribas SA 2.4% 12/12/2018	1,437	0.09
2,200,000	BNP Paribas SA 2.7% 20/08/2018	2,223	0.15
2,395,000	BNP Paribas SA 5% 15/01/2021	2,617	0.17
750,000	BPCE SA 2.25% 27/01/2020	750	0.05
1,100,000	BPCE SA 2.5% 10/12/2018	1,108	0.07
500,000	BPCE SA 2.5% 15/07/2019	504	0.03
2,000,000	BPCE SA 2.65% 03/02/2021	2,016	0.13
3,000,000	Societe Generale SA 2.75% 12/10/2017	3,014	0.20
Corporate bonds: BBB+ rating			
2,820,000	Orange SA 1.625% 03/11/2019	2,792	0.18
1,750,000	Orange SA 2.75% 06/02/2019	1,771	0.12
225,000	Orange SA 5.375% 08/07/2019	240	0.01
Total France		33,099	2.16
Germany (31 May 2016: 0.73%)			
Corporate bonds: BBB- rating			
800,000	Deutsche Bank AG 1.875% 13/02/2018	800	0.05
2,225,000	Deutsche Bank AG 2.5% 13/02/2019	2,231	0.14
200,000	Deutsche Bank AG 2.85% 10/05/2019	202	0.01
1,550,000	Deutsche Bank AG 2.95% 20/08/2020	1,562	0.10
1,350,000	Deutsche Bank AG 3.125% 13/01/2021	1,356	0.09

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)			
Germany (31 May 2016: 0.73%) (cont)			
Corporate bonds: BBB- rating (cont)			
850,000	Deutsche Bank AG 3.375% 12/05/2021	861	0.06
700,000	Deutsche Bank AG 6% 01/09/2017	707	0.05
Total Germany		7,719	0.50
Guernsey (31 May 2016: 0.29%)			
Corporate bonds: BBB+ rating			
2,300,000	Credit Suisse Group Funding Guernsey Ltd 2.75% 26/03/2020	2,322	0.15
1,250,000	Credit Suisse Group Funding Guernsey Ltd 3.125% 10/12/2020	1,270	0.09
1,195,000	Credit Suisse Group Funding Guernsey Ltd 3.45% 16/04/2021	1,224	0.08
Total Guernsey		4,816	0.32
Ireland (31 May 2016: 0.56%)			
Corporate bonds: AA- rating			
6,009,000	GE Capital International Funding Co Unlimited Co 2.342% 15/11/2020	6,070	0.40
Corporate bonds: BBB- rating			
850,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust 3.75% 15/05/2019	872	0.06
1,050,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust 3.95% 01/02/2022	1,100	0.07
2,250,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust 4.5% 15/05/2021	2,396	0.15
1,850,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust 4.625% 30/10/2020	1,966	0.13
1,000,000	Perrigo Finance Unlimited Co 3.5% 15/12/2021	1,043	0.07
2,125,000	Shire Acquisitions Investments Ireland DAC 1.9% 23/09/2019	2,116	0.14
2,890,000	Shire Acquisitions Investments Ireland DAC 2.4% 23/09/2021	2,868	0.19
Total Ireland		18,431	1.21
Italy (31 May 2016: 0.24%)			
Corporate bonds: BBB- rating			
1,250,000	Intesa Sanpaolo SpA 3.875% 16/01/2018	1,262	0.08
Total Italy		1,262	0.08
Japan (31 May 2016: 1.22%)			
Corporate bonds: AA- rating			
150,000	Nippon Telegraph & Telephone Corp 1.4% 18/07/2017	150	0.01
Corporate bonds: A rating			
2,000,000	Mitsubishi UFJ Financial Group Inc 2.19% 13/09/2021	1,974	0.13
2,850,000	Mitsubishi UFJ Financial Group Inc 2.95% 01/03/2021	2,897	0.19
500,000	Sumitomo Mitsui Banking Corp 1.35% 11/07/2017	500	0.03
750,000	Sumitomo Mitsui Banking Corp 1.762% 19/10/2018	748	0.05

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 1.22%) (cont)			
Corporate bonds: A rating (cont)			
750,000	Sumitomo Mitsui Banking Corp 1.8% 18/07/2017	750	0.05
1,500,000	Sumitomo Mitsui Banking Corp 2.25% 11/07/2019	1,503	0.10
1,750,000	Sumitomo Mitsui Banking Corp 2.45% 10/01/2019	1,764	0.12
1,750,000	Sumitomo Mitsui Banking Corp 2.45% 16/01/2020	1,762	0.11
750,000	Sumitomo Mitsui Banking Corp 2.45% 20/10/2020	752	0.05
Corporate bonds: A- rating			
1,000,000	Mizuho Financial Group Inc 2.273% 13/09/2021	986	0.06
1,020,000	Mizuho Financial Group Inc 2.953% 28/02/2022	1,029	0.07
400,000	Nomura Holdings Inc 2.75% 19/03/2019	404	0.02
800,000	Nomura Holdings Inc 6.7% 04/03/2020	889	0.06
1,420,000	Sumitomo Mitsui Financial Group Inc 2.058% 14/07/2021	1,398	0.09
1,050,000	Sumitomo Mitsui Financial Group Inc 2.442% 19/10/2021	1,048	0.07
1,500,000	Sumitomo Mitsui Financial Group Inc 2.846% 11/01/2022	1,519	0.10
2,400,000	Sumitomo Mitsui Financial Group Inc 2.934% 09/03/2021	2,441	0.16
Total Japan		22,514	1.47
Jersey (31 May 2016: 0.09%)			
Corporate bonds: BBB rating			
200,000	Delphi Automotive Plc 3.15% 19/11/2020	205	0.01
Total Jersey		205	0.01
Luxembourg (31 May 2016: 0.68%)			
Corporate bonds: A rating			
2,082,000	Coviden International Finance SA 6% 15/10/2017	2,117	0.14
Corporate bonds: A- rating			
615,000	Tyco Electronics Group SA 6.55% 01/10/2017	624	0.04
Corporate bonds: BBB rating			
2,285,000	Allergan Funding SCS 2.35% 12/03/2018	2,295	0.15
350,000	Allergan Funding SCS 2.45% 15/06/2019	353	0.02
2,928,000	Allergan Funding SCS 3% 12/03/2020	2,993	0.20
3,000,000	Allergan Funding SCS 3.45% 15/03/2022	3,105	0.20
Total Luxembourg		11,487	0.75
Netherlands (31 May 2016: 2.05%)			
Corporate bonds: A+ rating			
750,000	Cooperatieve Rabobank UA 1.375% 09/08/2019	741	0.05
300,000	Cooperatieve Rabobank UA 1.7% 19/03/2018	301	0.02
1,050,000	Cooperatieve Rabobank UA 2.25% 14/01/2019	1,058	0.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)			
Netherlands (31 May 2016: 2.05%) (cont)			
Corporate bonds: A+ rating (cont)			
300,000	Cooperatieve Rabobank UA 2.25% 14/01/2020	302	0.02
3,470,000	Cooperatieve Rabobank UA 2.5% 19/01/2021	3,503	0.23
250,000	Cooperatieve Rabobank UA 2.75% 10/01/2022	254	0.01
1,700,000	Cooperatieve Rabobank UA 3.875% 08/02/2022	1,811	0.12
2,000,000	Cooperatieve Rabobank UA 4.5% 11/01/2021	2,157	0.14
Corporate bonds: A rating			
350,000	Shell International Finance BV 1.125% 21/08/2017	350	0.02
500,000	Shell International Finance BV 1.25% 10/11/2017	500	0.03
1,200,000	Shell International Finance BV 1.375% 10/05/2019	1,193	0.08
1,300,000	Shell International Finance BV 1.375% 12/09/2019	1,290	0.09
900,000	Shell International Finance BV 1.625% 10/11/2018	900	0.06
1,000,000	Shell International Finance BV 1.75% 12/09/2021	984	0.06
855,000	Shell International Finance BV 1.875% 10/05/2021	847	0.06
1,180,000	Shell International Finance BV 1.9% 10/08/2018	1,184	0.08
1,120,000	Shell International Finance BV 2% 15/11/2018	1,126	0.07
1,345,000	Shell International Finance BV 2.125% 11/05/2020	1,356	0.09
1,240,000	Shell International Finance BV 2.25% 10/11/2020	1,251	0.08
1,290,000	Shell International Finance BV 4.3% 22/09/2019	1,362	0.09
1,550,000	Shell International Finance BV 4.375% 25/03/2020	1,656	0.11
Corporate bonds: A- rating			
1,250,000	ING Groep NV 3.15% 29/03/2022	1,274	0.08
Corporate bonds: BBB+ rating			
1,650,000	Deutsche Telekom International Finance BV 6.75% 20/08/2018	1,747	0.11
Corporate bonds: BBB rating			
1,136,000	LyondellBasell Industries NV 5% 15/04/2019	1,199	0.08
Corporate bonds: BBB- rating			
965,000	Mylan NV 2.5% 07/06/2019	971	0.07
2,000,000	Mylan NV 3.15% 15/06/2021	2,035	0.13
600,000	Mylan NV 3.75% 15/12/2020	624	0.04
Total Netherlands		31,976	2.09
Norway (31 May 2016: 0.43%)			
Corporate bonds: A+ rating			
1,750,000	Statoil ASA 1.15% 15/05/2018	1,745	0.12
800,000	Statoil ASA 1.95% 08/11/2018	802	0.05

Holding	Investment	Fair value \$'000	% of net asset value
Norway (31 May 2016: 0.43%) (cont)			
Corporate bonds: A+ rating (cont)			
500,000	Statoil ASA 2.25% 08/11/2019	503	0.03
500,000	Statoil ASA 2.9% 08/11/2020	513	0.03
2,000,000	Statoil ASA 3.125% 17/08/2017	2,007	0.13
500,000	Statoil ASA 3.15% 23/01/2022	516	0.03
785,000	Statoil ASA 5.25% 15/04/2019	834	0.06
Total Norway		6,920	0.45
Panama (31 May 2016: 0.04%)			
Corporate bonds: A- rating			
350,000	Carnival Corp 1.875% 15/12/2017	351	0.02
850,000	Carnival Corp 3.95% 15/10/2020	899	0.06
Total Panama		1,250	0.08
Singapore (31 May 2016: 0.04%)			
Corporate bonds: BBB- rating			
275,000	Flex Ltd 4.625% 15/02/2020	291	0.02
Total Singapore		291	0.02
Spain (31 May 2016: 0.50%)			
Corporate bonds: BBB+ rating			
600,000	Banco Bilbao Vizcaya Argentaria SA 3% 20/10/2020	611	0.04
800,000	Banco Santander SA 3.5% 11/04/2022	815	0.06
Corporate bonds: BBB rating			
450,000	Telefonica Emisiones SAU 3.192% 27/04/2018	455	0.03
1,200,000	Telefonica Emisiones SAU 5.134% 27/04/2020	1,298	0.08
1,150,000	Telefonica Emisiones SAU 5.462% 16/02/2021	1,271	0.08
375,000	Telefonica Emisiones SAU 5.877% 15/07/2019	405	0.03
425,000	Telefonica Emisiones SAU 6.221% 03/07/2017	426	0.03
Total Spain		5,281	0.35
Sweden (31 May 2016: 0.54%)			
Corporate bonds: AA- rating			
750,000	Svenska Handelsbanken AB 1.5% 06/09/2019	742	0.05
750,000	Svenska Handelsbanken AB 1.875% 07/09/2021	735	0.05
850,000	Svenska Handelsbanken AB 2.4% 01/10/2020	855	0.06
1,750,000	Svenska Handelsbanken AB 2.45% 30/03/2021	1,760	0.11
1,750,000	Svenska Handelsbanken AB 2.5% 25/01/2019	1,769	0.11
Corporate bonds: A+ rating			
750,000	Skandinaviska Enskilda Banken AB 1.5% 13/09/2019	741	0.05
1,000,000	Skandinaviska Enskilda Banken AB 1.875% 13/09/2021	979	0.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)			
Sweden (31 May 2016: 0.54%) (cont)			
Corporate bonds: A+ rating (cont)			
1,100,000	Skandinaviska Enskilda Banken AB 2.625% 15/03/2021	1,113	0.07
Total Sweden		8,694	0.57
Switzerland (31 May 2016: 1.66%)			
Corporate bonds: A+ rating			
915,000	UBS AG 1.375% 01/06/2017	915	0.06
500,000	UBS AG 1.375% 14/08/2017	500	0.03
3,500,000	UBS AG 1.8% 26/03/2018	3,507	0.23
700,000	UBS AG 2.35% 26/03/2020	705	0.05
1,450,000	UBS AG 2.375% 14/08/2019	1,461	0.10
500,000	UBS AG 4.875% 04/08/2020	540	0.03
1,375,000	UBS AG 5.75% 25/04/2018	1,424	0.09
Corporate bonds: A rating			
3,250,000	Credit Suisse AG 1.7% 27/04/2018	3,251	0.21
300,000	Credit Suisse AG 1.75% 29/01/2018	300	0.02
1,750,000	Credit Suisse AG 2.3% 28/05/2019	1,760	0.12
1,100,000	Credit Suisse AG 3% 29/10/2021	1,122	0.07
1,000,000	Credit Suisse AG 4.375% 05/08/2020	1,064	0.07
Corporate bonds: BBB rating			
1,564,000	Credit Suisse AG 5.4% 14/01/2020	1,683	0.11
Total Switzerland		18,232	1.19
United Kingdom (31 May 2016: 4.62%)			
Corporate bonds: A rating			
2,050,000	HSBC Holdings Plc 2.65% 05/01/2022	2,046	0.13
2,150,000	HSBC Holdings Plc 2.95% 25/05/2021	2,176	0.14
1,780,000	HSBC Holdings Plc 3.4% 08/03/2021	1,834	0.12
2,650,000	HSBC Holdings Plc 4% 30/03/2022	2,797	0.18
2,025,000	HSBC Holdings Plc 5.1% 05/04/2021	2,215	0.15
900,000	Lloyds Bank Plc 2.7% 17/08/2020	915	0.06
700,000	Lloyds Bank Plc 6.375% 21/01/2021	795	0.05
335,000	Santander UK Plc 2% 24/08/2018	336	0.02
1,120,000	Santander UK Plc 2.375% 16/03/2020	1,126	0.07
1,775,000	Santander UK Plc 2.5% 14/03/2019	1,790	0.12
405,000	Santander UK Plc 3.05% 23/08/2018	411	0.03
Corporate bonds: A- rating			
1,000,000	AstraZeneca Plc 1.75% 16/11/2018	1,000	0.07
1,700,000	AstraZeneca Plc 2.375% 16/11/2020	1,717	0.11
1,500,000	AstraZeneca Plc 5.9% 15/09/2017	1,519	0.10
1,150,000	BP Capital Markets Plc 1.375% 10/05/2018	1,148	0.08
1,100,000	BP Capital Markets Plc 1.674% 13/02/2018	1,101	0.07
1,750,000	BP Capital Markets Plc 1.676% 03/05/2019	1,746	0.11
1,100,000	BP Capital Markets Plc 2.112% 16/09/2021	1,093	0.07
376,000	BP Capital Markets Plc 2.237% 10/05/2019	379	0.03
1,165,000	BP Capital Markets Plc 2.241% 26/09/2018	1,172	0.08
1,305,000	BP Capital Markets Plc 2.315% 13/02/2020	1,319	0.09
1,250,000	BP Capital Markets Plc 2.521% 15/01/2020	1,269	0.08
500,000	BP Capital Markets Plc 3.062% 17/03/2022	514	0.03

Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (31 May 2016: 4.62%) (cont)			
Corporate bonds: A- rating (cont)			
500,000	BP Capital Markets Plc 4.5% 01/10/2020	538	0.04
900,000	BP Capital Markets Plc 4.742% 11/03/2021	984	0.06
1,000,000	BP Capital Markets Plc 4.75% 10/03/2019	1,051	0.07
830,000	Diageo Capital Plc 1.125% 29/04/2018	828	0.05
150,000	Diageo Capital Plc 4.828% 15/07/2020	162	0.01
1,350,000	Diageo Capital Plc 5.75% 23/10/2017	1,373	0.09
Corporate bonds: BBB+ rating			
1,000,000	British Telecommunications Plc 2.35% 14/02/2019	1,006	0.07
1,100,000	British Telecommunications Plc 5.95% 15/01/2018	1,128	0.07
1,900,000	Lloyds Banking Group Plc 3.1% 06/07/2021	1,940	0.13
1,410,000	Vodafone Group Plc 1.25% 26/09/2017	1,409	0.09
1,675,000	Vodafone Group Plc 1.5% 19/02/2018	1,674	0.11
450,000	Vodafone Group Plc 4.375% 16/03/2021	481	0.03
275,000	Vodafone Group Plc 5.45% 10/06/2019	294	0.02
Corporate bonds: BBB rating			
450,000	Barclays Plc 2% 16/03/2018	451	0.03
1,400,000	Barclays Plc 2.75% 08/11/2019	1,413	0.09
850,000	Barclays Plc 2.875% 08/06/2020	859	0.06
2,200,000	Barclays Plc 3.2% 10/08/2021	2,235	0.15
1,650,000	Barclays Plc 3.25% 12/01/2021	1,689	0.11
230,000	Barclays Plc 3.684% 10/01/2023	237	0.01
900,000	Santander UK Group Holdings Plc 2.875% 16/10/2020	913	0.06
2,500,000	Santander UK Group Holdings Plc 2.875% 05/08/2021	2,513	0.16
155,000	Santander UK Group Holdings Plc 3.125% 08/01/2021	158	0.01
Corporate bonds: BBB- rating			
150,000	Barclays Bank Plc 5.14% 14/10/2020	162	0.01
800,000	Royal Bank of Scotland Group Plc 6.4% 21/10/2019	871	0.06
Total United Kingdom		54,787	3.58
United States (31 May 2016: 75.21%)			
Corporate bonds: AAA rating			
750,000	Johnson & Johnson 1.125% 01/03/2019	747	0.05
100,000	Johnson & Johnson 1.65% 05/12/2018	100	0.01
1,600,000	Johnson & Johnson 1.65% 01/03/2021	1,587	0.10
800,000	Johnson & Johnson 1.875% 05/12/2019	805	0.05
500,000	Johnson & Johnson 2.25% 03/03/2022	506	0.03
1,154,000	Johnson & Johnson 5.15% 15/07/2018	1,202	0.08
425,000	Microsoft Corp 0.875% 15/11/2017	424	0.03
2,600,000	Microsoft Corp 1.1% 08/08/2019	2,576	0.17
450,000	Microsoft Corp 1.3% 03/11/2018	450	0.03
1,550,000	Microsoft Corp 1.55% 08/08/2021	1,524	0.10
650,000	Microsoft Corp 1.625% 06/12/2018	652	0.04
1,000,000	Microsoft Corp 1.85% 06/02/2020	1,005	0.07
1,800,000	Microsoft Corp 1.85% 12/02/2020	1,807	0.12
4,000,000	Microsoft Corp 2% 03/11/2020	4,026	0.26

iShares \$ Short Duration Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: AAA rating (cont)				Corporate bonds: AA rating (cont)			
1,700,000	Microsoft Corp 2.4% 06/02/2022	1,722	0.11	1,375,000	Pfizer Inc 1.95% 03/06/2021	1,377	0.09
550,000	Microsoft Corp 4.2% 01/06/2019	579	0.04	2,350,000	Pfizer Inc 2.1% 15/05/2019	2,373	0.16
Corporate bonds: AA+ rating				1,450,000	Pfizer Inc 2.2% 15/12/2021	1,463	0.10
750,000	Alphabet Inc 3.625% 19/05/2021	799	0.05	1,000,000	Wal-Mart Stores Inc 1.125% 11/04/2018	999	0.07
2,257,000	Apple Inc 1% 03/05/2018	2,250	0.15	1,350,000	Wal-Mart Stores Inc 3.25% 25/10/2020	1,410	0.09
2,450,000	Apple Inc 1.1% 02/08/2019	2,426	0.16	1,850,000	Wal-Mart Stores Inc 3.625% 08/07/2020	1,950	0.13
550,000	Apple Inc 1.3% 23/02/2018	550	0.04	325,000	Wal-Mart Stores Inc 4.125% 01/02/2019	339	0.02
500,000	Apple Inc 1.55% 08/02/2019	500	0.03	1,250,000	Wal-Mart Stores Inc 4.25% 15/04/2021	1,357	0.09
655,000	Apple Inc 1.55% 07/02/2020	652	0.04	Corporate bonds: AA- rating			
2,375,000	Apple Inc 1.55% 04/08/2021	2,333	0.15	65,000	3M Co 1% 26/06/2017	65	0.00
285,000	Apple Inc 1.7% 22/02/2019	286	0.02	425,000	3M Co 1.625% 19/09/2021	421	0.03
500,000	Apple Inc 1.8% 11/05/2020	501	0.03	1,675,000	3M Co 2% 07/08/2020	1,692	0.11
1,000,000	Apple Inc 1.9% 07/02/2020	1,006	0.07	1,000,000	Amazon.com Inc 1.2% 29/11/2017	999	0.07
1,250,000	Apple Inc 2% 06/05/2020	1,259	0.08	1,700,000	Amazon.com Inc 2.6% 05/12/2019	1,734	0.11
2,400,000	Apple Inc 2.1% 06/05/2019	2,427	0.16	200,000	Amazon.com Inc 3.3% 05/12/2021	209	0.01
2,675,000	Apple Inc 2.25% 23/02/2021	2,703	0.18	2,075,000	Chevron Corp 1.104% 05/12/2017	2,073	0.14
2,500,000	Apple Inc 2.3% 11/05/2022	2,509	0.16	800,000	Chevron Corp 1.365% 02/03/2018	801	0.05
1,000,000	Apple Inc 2.5% 09/02/2022	1,015	0.07	3,050,000	Chevron Corp 1.561% 16/05/2019	3,044	0.20
150,000	Apple Inc 2.85% 06/05/2021	155	0.01	2,680,000	Chevron Corp 1.718% 24/06/2018	2,688	0.18
1,500,000	Exxon Mobil Corp 1.305% 06/03/2018	1,500	0.10	700,000	Chevron Corp 1.79% 16/11/2018	703	0.05
1,600,000	Exxon Mobil Corp 1.708% 01/03/2019	1,605	0.10	2,200,000	Chevron Corp 1.961% 03/03/2020	2,206	0.14
1,600,000	Exxon Mobil Corp 1.819% 15/03/2019	1,609	0.11	600,000	Chevron Corp 2.1% 16/05/2021	600	0.04
625,000	Exxon Mobil Corp 1.912% 06/03/2020	629	0.04	1,825,000	Chevron Corp 2.193% 15/11/2019	1,841	0.12
2,650,000	Exxon Mobil Corp 2.222% 01/03/2021	2,674	0.17	1,000,000	Chevron Corp 2.411% 03/03/2022	1,008	0.07
Corporate bonds: AA rating				1,750,000	Chevron Corp 2.419% 17/11/2020	1,774	0.12
425,000	Automatic Data Processing Inc 2.25% 15/09/2020	431	0.03	285,000	Chevron Corp 4.95% 03/03/2019	301	0.02
1,530,000	Berkshire Hathaway Finance Corp 1.3% 15/05/2018	1,529	0.10	725,000	Cisco Systems Inc 1.4% 28/02/2018	726	0.05
463,000	Berkshire Hathaway Finance Corp 1.3% 15/08/2019	460	0.03	975,000	Cisco Systems Inc 1.4% 20/09/2019	969	0.06
1,800,000	Berkshire Hathaway Finance Corp 1.45% 07/03/2018	1,802	0.12	1,245,000	Cisco Systems Inc 1.6% 28/02/2019	1,246	0.08
475,000	Berkshire Hathaway Finance Corp 1.7% 15/03/2019	477	0.03	1,322,000	Cisco Systems Inc 1.65% 15/06/2018	1,326	0.09
350,000	Berkshire Hathaway Finance Corp 2.9% 15/10/2020	362	0.02	1,760,000	Cisco Systems Inc 1.85% 20/09/2021	1,742	0.11
3,180,000	Berkshire Hathaway Finance Corp 5.4% 15/05/2018	3,298	0.22	2,500,000	Cisco Systems Inc 2.125% 01/03/2019	2,524	0.16
490,000	Berkshire Hathaway Inc 1.55% 09/02/2018	491	0.03	2,635,000	Cisco Systems Inc 2.2% 28/02/2021	2,654	0.17
200,000	Berkshire Hathaway Inc 2.1% 14/08/2019	202	0.01	2,332,000	Cisco Systems Inc 4.45% 15/01/2020	2,491	0.16
1,355,000	Berkshire Hathaway Inc 2.2% 15/03/2021	1,368	0.09	1,425,000	Cisco Systems Inc 4.95% 15/02/2019	1,505	0.10
500,000	Berkshire Hathaway Inc 3.4% 31/01/2022	528	0.03	1,300,000	Coca-Cola Co 1.15% 01/04/2018	1,296	0.08
150,000	Lubrizol Corp 8.875% 01/02/2019	167	0.01	1,000,000	Coca-Cola Co 1.375% 30/05/2019	997	0.07
828,000	Merck & Co Inc 1.1% 31/01/2018	827	0.05	1,850,000	Coca-Cola Co 1.55% 01/09/2021	1,817	0.12
1,405,000	Merck & Co Inc 1.3% 18/05/2018	1,404	0.09	425,000	Coca-Cola Co 1.65% 01/11/2018	426	0.03
2,050,000	Merck & Co Inc 1.85% 10/02/2020	2,061	0.13	1,350,000	Coca-Cola Co 1.875% 27/10/2020	1,353	0.09
1,000,000	Merck & Co Inc 2.35% 10/02/2022	1,011	0.07	1,100,000	Coca-Cola Co 2.45% 01/11/2020	1,122	0.07
300,000	Merck Sharp & Dohme Corp 5% 30/06/2019	320	0.02	1,400,000	Coca-Cola Co 3.15% 15/11/2020	1,460	0.10
1,380,000	Pfizer Inc 1.5% 15/06/2018	1,381	0.09	100,000	Colgate-Palmolive Co 1.75% 15/03/2019	100	0.01
600,000	Pfizer Inc 1.7% 15/12/2019	600	0.04	1,400,000	Eli Lilly & Co 1.95% 15/03/2019	1,409	0.09
				1,210,000	Eli Lilly & Co 2.35% 15/05/2022	1,218	0.08
				640,000	General Electric Co 1.6% 20/11/2017	641	0.04
				1,330,000	General Electric Co 1.625% 02/04/2018	1,333	0.09
				2,330,000	General Electric Co 2.2% 09/01/2020	2,357	0.15
				500,000	General Electric Co 4.375% 16/09/2020	537	0.03

iShares \$ Short Duration Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: AA- rating (cont)				Corporate bonds: A+ rating (cont)			
800,000	General Electric Co 4.65% 17/10/2021	885	0.06	1,200,000	American Honda Finance Corp 1.5% 13/03/2018	1,201	0.08
3,601,000	General Electric Co 5.25% 06/12/2017	3,672	0.24	1,429,000	American Honda Finance Corp 1.55% 11/12/2017	1,430	0.09
1,794,000	General Electric Co 5.5% 08/01/2020	1,965	0.13	1,600,000	American Honda Finance Corp 1.65% 12/07/2021	1,566	0.10
100,000	General Electric Co 5.55% 04/05/2020	110	0.01	515,000	American Honda Finance Corp 2% 14/02/2020	517	0.03
1,000,000	General Electric Co 5.625% 15/09/2017	1,005	0.07	699,000	American Honda Finance Corp 2.125% 10/10/2018	704	0.05
1,935,000	General Electric Co 5.625% 01/05/2018	2,009	0.13	950,000	American Honda Finance Corp 2.45% 24/09/2020	962	0.06
1,087,000	General Electric Co 6% 07/08/2019	1,188	0.08	950,000	Bank of America NA 1.65% 26/03/2018	951	0.06
500,000	Novartis Capital Corp 1.8% 14/02/2020	501	0.03	250,000	Bank of America NA 2.05% 07/12/2018	251	0.02
300,000	Novartis Capital Corp 4.4% 24/04/2020	321	0.02	400,000	Bristol-Myers Squibb Co 0.875% 01/08/2017	400	0.03
1,550,000	Oracle Corp 1.2% 15/10/2017	1,549	0.10	700,000	Bristol-Myers Squibb Co 1.6% 27/02/2019	699	0.05
2,600,000	Oracle Corp 1.9% 15/09/2021	2,583	0.17	750,000	Bristol-Myers Squibb Co 1.75% 01/03/2019	751	0.05
2,526,000	Oracle Corp 2.25% 08/10/2019	2,559	0.17	1,500,000	Citibank NA 2% 20/03/2019	1,509	0.10
1,850,000	Oracle Corp 2.375% 15/01/2019	1,874	0.12	1,250,000	Costco Wholesale Corp 1.125% 15/12/2017	1,249	0.08
1,460,000	Oracle Corp 2.8% 08/07/2021	1,502	0.10	1,058,000	Costco Wholesale Corp 1.7% 15/12/2019	1,057	0.07
950,000	Oracle Corp 3.875% 15/07/2020	1,006	0.07	65,000	Costco Wholesale Corp 1.75% 15/02/2020	65	0.00
900,000	Oracle Corp 5% 08/07/2019	961	0.06	1,500,000	Costco Wholesale Corp 2.3% 18/05/2022	1,506	0.10
1,925,000	Oracle Corp 5.75% 15/04/2018	1,996	0.13	1,459,000	General Dynamics Corp 1% 15/11/2017	1,456	0.09
1,150,000	Precision Castparts Corp 1.25% 15/01/2018	1,149	0.07	2,200,000	GlaxoSmithKline Capital Inc 5.65% 15/05/2018	2,287	0.15
550,000	Precision Castparts Corp 2.25% 15/06/2020	557	0.04	1,075,000	Illinois Tool Works Inc 1.95% 01/03/2019	1,082	0.07
1,345,000	Procter & Gamble Co 1.7% 03/11/2021	1,334	0.09	150,000	Illinois Tool Works Inc 6.25% 01/04/2019	162	0.01
550,000	Procter & Gamble Co 1.85% 02/02/2021	549	0.04	2,005,000	Intel Corp 1.35% 15/12/2017	2,006	0.13
350,000	Procter & Gamble Co 1.9% 01/11/2019	353	0.02	1,080,000	Intel Corp 1.7% 19/05/2021	1,068	0.07
100,000	Procter & Gamble Co 9.36% 01/01/2021	48	0.00	2,000,000	Intel Corp 2.35% 11/05/2022	2,013	0.13
2,700,000	Toyota Motor Credit Corp 1.25% 05/10/2017	2,699	0.18	1,040,000	Intel Corp 2.45% 29/07/2020	1,059	0.07
1,450,000	Toyota Motor Credit Corp 1.45% 12/01/2018	1,451	0.09	1,580,000	Intel Corp 3.3% 01/10/2021	1,658	0.11
1,400,000	Toyota Motor Credit Corp 1.55% 13/07/2018	1,402	0.09	1,850,000	International Business Machines Corp 1.125% 06/02/2018	1,848	0.12
1,740,000	Toyota Motor Credit Corp 1.55% 18/10/2019	1,730	0.11	1,175,000	International Business Machines Corp 1.25% 08/02/2018	1,174	0.08
1,300,000	Toyota Motor Credit Corp 1.7% 19/02/2019	1,302	0.08	890,000	International Business Machines Corp 1.625% 15/05/2020	884	0.06
1,750,000	Toyota Motor Credit Corp 1.9% 08/04/2021	1,735	0.11	600,000	International Business Machines Corp 1.8% 17/05/2019	602	0.04
1,890,000	Toyota Motor Credit Corp 2% 24/10/2018	1,902	0.12	400,000	International Business Machines Corp 1.875% 15/05/2019	402	0.03
805,000	Toyota Motor Credit Corp 2.1% 17/01/2019	811	0.05	1,000,000	International Business Machines Corp 1.9% 27/01/2020	1,003	0.07
2,075,000	Toyota Motor Credit Corp 2.125% 18/07/2019	2,091	0.14	2,100,000	International Business Machines Corp 1.95% 12/02/2019	2,114	0.14
1,080,000	Toyota Motor Credit Corp 2.15% 12/03/2020	1,088	0.07	500,000	International Business Machines Corp 2.25% 19/02/2021	505	0.03
1,150,000	Toyota Motor Credit Corp 2.6% 11/01/2022	1,164	0.08	1,000,000	International Business Machines Corp 3.3% 27/01/2027	1,013	0.07
550,000	Toyota Motor Credit Corp 3.4% 15/09/2021	576	0.04	1,330,000	International Business Machines Corp 5.7% 14/09/2017	1,346	0.09
900,000	US Bank NA 1.35% 26/01/2018	900	0.06	150,000	International Business Machines Corp 8.375% 01/11/2019	173	0.01
1,000,000	US Bank NA 1.375% 11/09/2017	1,000	0.07				
1,500,000	US Bank NA 1.4% 26/04/2019	1,492	0.10				
775,000	US Bank NA 2% 24/01/2020	780	0.05				
1,270,000	US Bank NA 2.125% 28/10/2019	1,281	0.08				
2,200,000	Wells Fargo Bank NA 1.65% 22/01/2018	2,202	0.14				
1,500,000	Wells Fargo Bank NA 1.75% 24/05/2019	1,498	0.10				
500,000	Wells Fargo Bank NA 2.15% 06/12/2019	503	0.03				
Corporate bonds: A+ rating							
185,000	Altera Corp 2.5% 15/11/2018	188	0.01				
1,250,000	American Honda Finance Corp 1.2% 12/07/2019	1,235	0.08				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: A+ rating (cont)				Corporate bonds: A+ rating (cont)			
930,000	JPMorgan Chase Bank NA 1.65% 23/09/2019	925	0.06	300,000	Walt Disney Co 2.15% 17/09/2020	303	0.02
800,000	MidAmerican Energy Co 2.4% 15/03/2019	810	0.05	961,000	Walt Disney Co 2.3% 12/02/2021	973	0.06
500,000	MUFG Union Bank NA 2.625% 26/09/2018	505	0.03	1,005,000	Walt Disney Co 2.45% 04/03/2022	1,016	0.07
695,000	Paccar Financial Corp 1.3% 10/05/2019	690	0.04	350,000	Walt Disney Co 2.75% 16/08/2021	360	0.02
650,000	Paccar Financial Corp 1.45% 09/03/2018	650	0.04	240,000	Walt Disney Co 5.5% 15/03/2019	256	0.02
500,000	PepsiCo Inc 1.125% 17/07/2017	500	0.03	Corporate bonds: A++ rating			
725,000	PepsiCo Inc 1.25% 13/08/2017	725	0.05	600,000	Baker Hughes Inc 3.2% 15/08/2021	618	0.04
400,000	PepsiCo Inc 1.25% 30/04/2018	400	0.03	300,000	Baker Hughes Inc 7.5% 15/11/2018	324	0.02
425,000	PepsiCo Inc 1.35% 04/10/2019	422	0.03	Corporate bonds: A rating			
1,845,000	PepsiCo Inc 1.5% 22/02/2019	1,844	0.12	900,000	Adobe Systems Inc 4.75% 01/02/2020	970	0.06
365,000	PepsiCo Inc 1.7% 06/10/2021	359	0.02	950,000	Aetna Inc 1.5% 15/11/2017	950	0.06
1,000,000	PepsiCo Inc 1.85% 30/04/2020	1,001	0.07	250,000	Ameriprise Financial Inc 5.3% 15/03/2020	271	0.02
1,550,000	PepsiCo Inc 2.15% 14/10/2020	1,563	0.10	1,250,000	Amgen Inc 1.85% 19/08/2021	1,229	0.08
550,000	PepsiCo Inc 2.25% 07/01/2019	556	0.04	4,225,000	Amgen Inc 2.2% 22/05/2019	4,255	0.28
500,000	PepsiCo Inc 2.75% 05/03/2022	513	0.03	1,655,000	Amgen Inc 2.65% 11/05/2022	1,664	0.11
1,000,000	PepsiCo Inc 3.125% 01/11/2020	1,040	0.07	550,000	Amgen Inc 3.45% 01/10/2020	572	0.04
875,000	PepsiCo Inc 4.5% 15/01/2020	936	0.06	650,000	Amgen Inc 3.875% 15/11/2021	689	0.04
919,000	PepsiCo Inc 5% 01/06/2018	952	0.06	427,000	Amgen Inc 5.7% 01/02/2019	454	0.03
500,000	Texas Instruments Inc 1% 01/05/2018	498	0.03	350,000	Amgen Inc 5.85% 01/06/2017	350	0.02
425,000	Texas Instruments Inc 1.65% 03/08/2019	425	0.03	1,050,000	Anthem Inc 2.25% 15/08/2019	1,053	0.07
350,000	Texas Instruments Inc 1.75% 01/05/2020	349	0.02	250,000	Anthem Inc 2.3% 15/07/2018	251	0.02
1,000,000	Unilever Capital Corp 0.85% 02/08/2017	999	0.07	850,000	Anthem Inc 4.35% 15/08/2020	903	0.06
1,250,000	Unilever Capital Corp 1.375% 28/07/2021	1,211	0.08	40,000	Archer-Daniels-Midland Co 5.45% 15/03/2018	41	0.00
550,000	Unilever Capital Corp 2.2% 06/03/2019	555	0.04	500,000	Bank of New York Mellon Corp 1.35% 06/03/2018	499	0.03
2,000,000	Unilever Capital Corp 2.2% 05/05/2022	1,990	0.13	130,000	Bank of New York Mellon Corp 1.6% 22/05/2018	130	0.01
700,000	Unilever Capital Corp 4.8% 15/02/2019	736	0.05	350,000	Bank of New York Mellon Corp 1.969% 20/06/2017	350	0.02
1,100,000	United Parcel Service Inc 3.125% 15/01/2021	1,145	0.07	1,085,000	Bank of New York Mellon Corp 2.05% 03/05/2021	1,078	0.07
1,248,000	United Parcel Service Inc 5.125% 01/04/2019	1,325	0.09	905,000	Bank of New York Mellon Corp 2.1% 01/08/2018	910	0.06
1,829,000	UnitedHealth Group Inc 1.4% 15/12/2017	1,829	0.12	350,000	Bank of New York Mellon Corp 2.1% 15/01/2019	352	0.02
315,000	UnitedHealth Group Inc 1.45% 17/07/2017	315	0.02	1,080,000	Bank of New York Mellon Corp 2.15% 24/02/2020	1,087	0.07
1,975,000	UnitedHealth Group Inc 1.625% 15/03/2019	1,971	0.13	275,000	Bank of New York Mellon Corp 2.2% 15/05/2019	277	0.02
400,000	UnitedHealth Group Inc 1.7% 15/02/2019	400	0.03	1,200,000	Bank of New York Mellon Corp 2.3% 11/09/2019	1,213	0.08
2,430,000	UnitedHealth Group Inc 1.9% 16/07/2018	2,439	0.16	375,000	Bank of New York Mellon Corp 2.45% 27/11/2020	379	0.02
800,000	UnitedHealth Group Inc 2.125% 15/03/2021	802	0.05	150,000	Bank of New York Mellon Corp 2.5% 15/04/2021	152	0.01
500,000	UnitedHealth Group Inc 2.3% 15/12/2019	505	0.03	2,975,000	Bank of New York Mellon Corp 2.6% 17/08/2020	3,023	0.20
1,701,000	UnitedHealth Group Inc 2.7% 15/07/2020	1,740	0.11	1,500,000	Bank of New York Mellon Corp 2.6% 07/02/2022	1,514	0.10
600,000	UnitedHealth Group Inc 6% 15/02/2018	619	0.04	785,000	Bank of New York Mellon Corp 3.55% 23/09/2021	824	0.05
1,550,000	US Bancorp 1.95% 15/11/2018	1,559	0.10	700,000	Boeing Co 4.875% 15/02/2020	757	0.05
700,000	US Bancorp 2.2% 25/04/2019	707	0.05	350,000	Boeing Co 6% 15/03/2019	376	0.02
1,180,000	US Bancorp 2.35% 29/01/2021	1,190	0.08				
2,100,000	US Bancorp 2.625% 24/01/2022	2,129	0.14				
1,600,000	Visa Inc 1.2% 14/12/2017	1,599	0.10				
2,095,000	Visa Inc 2.2% 14/12/2020	2,113	0.14				
1,000,000	Walt Disney Co 1.1% 01/12/2017	999	0.06				
1,500,000	Walt Disney Co 1.85% 30/05/2019	1,506	0.10				
500,000	Walt Disney Co 1.95% 04/03/2020	502	0.03				

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: A rating (cont)				Corporate bonds: A rating (cont)			
1,000,000	Branch Banking & Trust Co 1.35% 01/10/2017	1,000	0.07	400,000	HSBC USA Inc 1.3% 23/06/2017	400	0.03
400,000	Branch Banking & Trust Co 1.45% 10/05/2019	397	0.03	900,000	HSBC USA Inc 1.5% 13/11/2017	900	0.06
1,500,000	Branch Banking & Trust Co 2.1% 15/01/2020	1,508	0.10	2,500,000	HSBC USA Inc 1.625% 16/01/2018	2,502	0.16
250,000	Branch Banking & Trust Co 2.3% 15/10/2018	252	0.02	895,000	HSBC USA Inc 1.7% 05/03/2018	896	0.06
1,000,000	Branch Banking & Trust Co 2.625% 15/01/2022	1,013	0.07	200,000	HSBC USA Inc 2.25% 23/06/2019	201	0.01
1,300,000	Burlington Northern Santa Fe LLC 5.75% 15/03/2018	1,345	0.09	1,100,000	HSBC USA Inc 2.35% 05/03/2020	1,107	0.07
575,000	Caterpillar Financial Services Corp 1.25% 18/08/2017	575	0.04	700,000	HSBC USA Inc 2.375% 13/11/2019	705	0.05
325,000	Caterpillar Financial Services Corp 1.25% 06/11/2017	325	0.02	1,300,000	HSBC USA Inc 2.625% 24/09/2018	1,316	0.09
1,250,000	Caterpillar Financial Services Corp 1.35% 18/05/2019	1,241	0.08	1,650,000	HSBC USA Inc 2.75% 07/08/2020	1,679	0.11
380,000	Caterpillar Financial Services Corp 1.7% 16/06/2018	381	0.02	1,751,000	Intercontinental Exchange Inc 2.75% 01/12/2020	1,787	0.12
950,000	Caterpillar Financial Services Corp 1.7% 09/08/2021	929	0.06	515,000	John Deere Capital Corp 1.125% 12/06/2017	515	0.03
950,000	Caterpillar Financial Services Corp 1.8% 13/11/2018	953	0.06	475,000	John Deere Capital Corp 1.25% 09/10/2019	469	0.03
1,600,000	Caterpillar Financial Services Corp 2.1% 09/06/2019	1,609	0.10	400,000	John Deere Capital Corp 1.35% 16/01/2018	400	0.03
1,500,000	Caterpillar Financial Services Corp 2.25% 01/12/2019	1,509	0.10	600,000	John Deere Capital Corp 1.55% 15/12/2017	601	0.04
1,200,000	Caterpillar Financial Services Corp 7.15% 15/02/2019	1,305	0.09	350,000	John Deere Capital Corp 1.6% 13/07/2018	350	0.02
320,000	Caterpillar Inc 1.5% 26/06/2017	320	0.02	2,745,000	John Deere Capital Corp 1.95% 13/12/2018	2,754	0.18
200,000	Caterpillar Inc 3.9% 27/05/2021	213	0.01	850,000	John Deere Capital Corp 1.95% 08/01/2019	855	0.06
625,000	Charles Schwab Corp 1.5% 10/03/2018	625	0.04	500,000	John Deere Capital Corp 2.05% 10/03/2020	502	0.03
200,000	Charles Schwab Corp 4.45% 22/07/2020	214	0.01	265,000	John Deere Capital Corp 2.2% 13/03/2020	267	0.02
1,655,000	Chubb INA Holdings Inc 2.3% 03/11/2020	1,668	0.11	500,000	John Deere Capital Corp 2.25% 17/04/2019	505	0.03
1,035,000	Danaher Corp 1.65% 15/09/2018	1,036	0.07	450,000	John Deere Capital Corp 2.55% 08/01/2021	458	0.03
160,000	Danaher Corp 2.4% 15/09/2020	163	0.01	1,160,000	John Deere Capital Corp 2.65% 06/01/2022	1,181	0.08
1,500,000	Deere & Co 4.375% 16/10/2019	1,588	0.10	1,675,000	Kimberly-Clark Corp 6.125% 01/08/2017	1,688	0.11
1,000,000	Duke Energy Carolinas LLC 3.9% 15/06/2021	1,068	0.07	1,300,000	Manufacturers & Traders Trust Co 2.1% 06/02/2020	1,305	0.09
600,000	Duke Energy Progress LLC 5.3% 15/01/2019	634	0.04	1,000,000	Manufacturers & Traders Trust Co 2.5% 18/05/2022	1,002	0.07
845,000	Entergy Texas Inc 7.125% 01/02/2019	914	0.06	350,000	Mastercard Inc 2% 01/04/2019	353	0.02
565,000	Gilead Sciences Inc 1.85% 04/09/2018	566	0.04	500,000	Mastercard Inc 2% 21/11/2021	498	0.03
250,000	Gilead Sciences Inc 2.05% 01/04/2019	251	0.02	555,000	Medtronic Inc 1.375% 01/04/2018	555	0.04
1,330,000	Gilead Sciences Inc 2.35% 01/02/2020	1,351	0.09	500,000	Medtronic Inc 1.5% 15/03/2018	500	0.03
1,832,000	Gilead Sciences Inc 2.55% 01/09/2020	1,858	0.12	3,025,000	Medtronic Inc 2.5% 15/03/2020	3,076	0.20
950,000	Gilead Sciences Inc 4.4% 01/12/2021	1,029	0.07	1,000,000	Medtronic Inc 3.125% 15/03/2022	1,036	0.07
2,100,000	Home Depot Inc 2% 15/06/2019	2,117	0.14	1,000,000	Medtronic Inc 3.15% 15/03/2022	1,038	0.07
1,950,000	Home Depot Inc 2% 01/04/2021	1,953	0.13	650,000	Medtronic Inc 4.45% 15/03/2020	694	0.05
1,280,000	Home Depot Inc 2.25% 10/09/2018	1,293	0.08	750,000	MUFG Americas Holdings Corp 2.25% 10/02/2020	752	0.05
3,600,000	Honeywell International Inc 1.85% 01/11/2021	3,549	0.23	750,000	NYSE Holdings LLC 2% 05/10/2017	751	0.05
1,000,000	HSBC Bank USA NA 4.875% 24/08/2020	1,076	0.07	300,000	Occidental Petroleum Corp 1.5% 15/02/2018	300	0.02
				1,650,000	Occidental Petroleum Corp 4.1% 01/02/2021	1,756	0.11
				405,000	Oncor Electric Delivery Co LLC 6.8% 01/09/2018	429	0.03
				1,222,000	Philip Morris International Inc 1.125% 21/08/2017	1,222	0.08
				200,000	Philip Morris International Inc 1.25% 11/08/2017	200	0.01
				1,000,000	Philip Morris International Inc 1.875% 15/01/2019	1,001	0.07
				1,135,000	Philip Morris International Inc 1.875% 25/02/2021	1,125	0.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: A rating (cont)				Corporate bonds: A rating (cont)			
1,000,000	Philip Morris International Inc 2% 21/02/2020	1,003	0.07	350,000	TD Ameritrade Holding Corp 5.6% 01/12/2019	380	0.02
1,100,000	Philip Morris International Inc 4.5% 26/03/2020	1,176	0.08	550,000	Travelers Cos Inc 5.9% 02/06/2019	595	0.04
2,400,000	Philip Morris International Inc 5.65% 16/05/2018	2,494	0.16	500,000	Wachovia Corp 5.75% 15/06/2017	501	0.03
600,000	PNC Bank NA* 1.45% 29/07/2019	594	0.04	2,950,000	Wachovia Corp 5.75% 01/02/2018	3,030	0.20
250,000	PNC Bank NA* 1.5% 18/10/2017	250	0.02	600,000	Wells Fargo & Co 1.15% 02/06/2017	600	0.04
250,000	PNC Bank NA* 1.5% 23/02/2018	250	0.02	1,307,000	Wells Fargo & Co 1.4% 08/09/2017	1,307	0.09
500,000	PNC Bank NA* 1.7% 07/12/2018	500	0.03	1,629,000	Wells Fargo & Co 1.5% 16/01/2018	1,629	0.11
1,250,000	PNC Bank NA* 1.8% 05/11/2018	1,252	0.08	2,150,000	Wells Fargo & Co 2.1% 26/07/2021	2,129	0.14
750,000	PNC Bank NA* 1.85% 20/07/2018	752	0.05	2,550,000	Wells Fargo & Co 2.125% 22/04/2019	2,565	0.17
2,800,000	PNC Bank NA* 1.95% 04/03/2019	2,807	0.18	1,450,000	Wells Fargo & Co 2.15% 15/01/2019	1,458	0.10
2,160,000	PNC Bank NA* 2% 19/05/2020	2,162	0.14	1,600,000	Wells Fargo & Co 2.15% 30/01/2020	1,605	0.10
1,250,000	PNC Bank NA* 2.15% 29/04/2021	1,247	0.08	2,600,000	Wells Fargo & Co 2.5% 04/03/2021	2,619	0.17
500,000	PNC Bank NA* 2.2% 28/01/2019	503	0.03	1,530,000	Wells Fargo & Co 2.55% 07/12/2020	1,548	0.10
1,300,000	PNC Bank NA* 2.25% 02/07/2019	1,309	0.09	1,683,000	Wells Fargo & Co 2.6% 22/07/2020	1,707	0.11
500,000	PNC Bank NA* 2.3% 01/06/2020	504	0.03	957,000	Wells Fargo & Co 3% 22/01/2021	981	0.06
1,250,000	PNC Bank NA* 2.4% 18/10/2019	1,263	0.08	2,500,000	Wells Fargo & Co 3.5% 08/03/2022	2,612	0.17
1,000,000	PNC Bank NA* 2.45% 05/11/2020	1,010	0.07	1,950,000	Wells Fargo & Co 4.6% 01/04/2021	2,112	0.14
825,000	PNC Bank NA* 2.55% 09/12/2021	833	0.05	2,750,000	Wells Fargo & Co 5.625% 11/12/2017	2,808	0.18
750,000	PNC Bank NA* 2.6% 21/07/2020	761	0.05	Corporate bonds: A/- rating			
1,000,000	PNC Bank NA* 2.625% 17/02/2022	1,012	0.07	275,000	CR Bard Inc 1.375% 15/01/2018	274	0.02
900,000	Praxair Inc 4.05% 15/03/2021	959	0.06	Corporate bonds: A- rating			
625,000	Praxair Inc 4.5% 15/08/2019	661	0.04	2,500,000	AbbVie Inc 1.8% 14/05/2018	2,506	0.16
1,400,000	Prudential Financial Inc 7.375% 15/06/2019	1,550	0.10	1,775,000	AbbVie Inc 2% 06/11/2018	1,780	0.12
1,085,000	Qualcomm Inc 1.4% 18/05/2018	1,085	0.07	1,165,000	AbbVie Inc 2.3% 14/05/2021	1,163	0.08
1,500,000	Qualcomm Inc 1.85% 20/05/2019	1,502	0.10	2,070,000	AbbVie Inc 2.5% 14/05/2020	2,095	0.14
765,000	Qualcomm Inc 2.1% 20/05/2020	769	0.05	1,120,000	Aflac Inc 2.4% 16/03/2020	1,135	0.07
1,530,000	Qualcomm Inc 2.25% 20/05/2020	1,543	0.10	2,550,000	Altria Group Inc 2.625% 14/01/2020	2,593	0.17
1,075,000	Raytheon Co 3.125% 15/10/2020	1,115	0.07	900,000	Altria Group Inc 9.25% 06/08/2019	1,037	0.07
1,000,000	Simon Property Group LP 2.15% 15/09/2017	1,002	0.07	500,000	American Express Bank FSB 6% 13/09/2017	506	0.03
1,575,000	Simon Property Group LP 2.2% 01/02/2019	1,587	0.10	1,101,000	American Express Credit Corp 1.125% 05/06/2017	1,101	0.07
2,250,000	Simon Property Group LP 2.35% 30/01/2022	2,234	0.15	2,500,000	American Express Credit Corp 1.7% 30/10/2019	2,486	0.16
250,000	Simon Property Group LP 2.5% 01/09/2020	253	0.02	155,000	American Express Credit Corp 1.8% 31/07/2018	155	0.01
450,000	Simon Property Group LP 4.375% 01/03/2021	481	0.03	855,000	American Express Credit Corp 1.875% 05/11/2018	856	0.06
975,000	Simon Property Group LP 5.65% 01/02/2020	1,062	0.07	1,080,000	American Express Credit Corp 2.125% 27/07/2018	1,085	0.07
1,750,000	Starbucks Corp 2.1% 04/02/2021	1,765	0.11	1,200,000	American Express Credit Corp 2.125% 18/03/2019	1,206	0.08
100,000	State Street Corp 1.35% 15/05/2018	100	0.01	1,250,000	American Express Credit Corp 2.25% 15/08/2019	1,259	0.08
500,000	State Street Corp 1.95% 19/05/2021	496	0.03	1,200,000	American Express Credit Corp 2.25% 05/05/2021	1,201	0.08
986,000	State Street Corp 2.55% 18/08/2020	1,004	0.07	1,100,000	American Express Credit Corp 2.375% 26/05/2020	1,112	0.07
498,000	Stryker Corp 2% 08/03/2019	499	0.03	935,000	American Express Credit Corp 2.6% 14/09/2020	950	0.06
1,430,000	Stryker Corp 2.625% 15/03/2021	1,448	0.09	2,500,000	American Express Credit Corp 2.7% 03/03/2022	2,527	0.17
646,000	Target Corp 2.3% 26/06/2019	655	0.04				
475,000	Target Corp 3.875% 15/07/2020	503	0.03				
2,500,000	Target Corp 6% 15/01/2018	2,570	0.17				

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: A- rating (cont)				Corporate bonds: A- rating (cont)			
1,700,000	Anheuser-Busch InBev Finance Inc 1.25% 17/01/2018	1,698	0.11	774,000	ConocoPhillips Co 1.05% 15/12/2017	773	0.05
3,372,000	Anheuser-Busch InBev Finance Inc 1.9% 01/02/2019	3,380	0.22	300,000	ConocoPhillips Co 2.2% 15/05/2020	302	0.02
1,840,000	Anheuser-Busch InBev Finance Inc 2.15% 01/02/2019	1,852	0.12	1,590,000	ConocoPhillips Co 4.2% 15/03/2021	1,699	0.11
5,820,000	Anheuser-Busch InBev Finance Inc 2.65% 01/02/2021	5,911	0.39	925,000	Consolidated Edison Co of New York Inc 5.85% 01/04/2018	958	0.06
1,350,000	Anheuser-Busch InBev Worldwide Inc 1.375% 15/07/2017	1,350	0.09	435,000	Consolidated Edison Co of New York Inc 7.125% 01/12/2018	469	0.03
2,000,000	Anheuser-Busch InBev Worldwide Inc 3.75% 15/01/2022	2,120	0.14	1,850,000	Eaton Corp 1.5% 02/11/2017	1,850	0.12
100,000	Anheuser-Busch InBev Worldwide Inc 5% 15/04/2020	108	0.01	1,150,000	Ecolab Inc 4.35% 08/12/2021	1,250	0.08
2,700,000	Anheuser-Busch InBev Worldwide Inc 5.375% 15/01/2020	2,936	0.19	150,000	ERP Operating LP 4.625% 15/12/2021	163	0.01
425,000	Anheuser-Busch InBev Worldwide Inc 6.875% 15/11/2019	475	0.03	600,000	ERP Operating LP 4.75% 15/07/2020	641	0.04
2,150,000	Anheuser-Busch InBev Worldwide Inc 7.75% 15/01/2019	2,348	0.15	250,000	Fifth Third Bank 1.45% 28/02/2018	250	0.02
500,000	Aon Corp 5% 30/09/2020	540	0.04	2,160,000	Fifth Third Bank 1.625% 27/09/2019	2,141	0.14
300,000	Applied Materials Inc 2.625% 01/10/2020	306	0.02	200,000	Fifth Third Bank 2.15% 20/08/2018	201	0.01
500,000	Applied Materials Inc 4.3% 15/06/2021	541	0.04	205,000	Fifth Third Bank 2.25% 14/06/2021	205	0.01
1,000,000	BB&T Corp 1.45% 12/01/2018	1,000	0.07	260,000	Fifth Third Bank 2.3% 15/03/2019	262	0.02
525,000	BB&T Corp 1.6% 15/08/2017	525	0.03	500,000	Fifth Third Bank 2.375% 25/04/2019	504	0.03
1,000,000	BB&T Corp 2.05% 19/06/2018	1,004	0.07	1,750,000	HSBC Finance Corp 6.676% 15/01/2021	1,987	0.13
1,450,000	BB&T Corp 2.05% 10/05/2021	1,442	0.09	1,500,000	JPMorgan Chase & Co 1.625% 15/05/2018	1,500	0.10
2,150,000	BB&T Corp 2.25% 01/02/2019	2,167	0.14	2,060,000	JPMorgan Chase & Co 1.7% 01/03/2018	2,062	0.14
1,300,000	BB&T Corp 2.45% 15/01/2020	1,318	0.09	1,680,000	JPMorgan Chase & Co 1.8% 25/01/2018	1,683	0.11
500,000	BB&T Corp 2.625% 29/06/2020	509	0.03	950,000	JPMorgan Chase & Co 1.85% 22/03/2019	951	0.06
1,379,000	Bear Stearns Cos LLC 6.4% 02/10/2017	1,401	0.09	2,000,000	JPMorgan Chase & Co 2% 15/08/2017	2,002	0.13
1,070,000	Bear Stearns Cos LLC 7.25% 01/02/2018	1,109	0.07	519,000	JPMorgan Chase & Co 2.2% 22/10/2019	521	0.03
925,000	Berkshire Hathaway Energy Co 5.75% 01/04/2018	957	0.06	3,307,000	JPMorgan Chase & Co 2.25% 23/01/2020	3,323	0.22
1,008,000	Biogen Inc 2.9% 15/09/2020	1,030	0.07	3,200,000	JPMorgan Chase & Co 2.295% 15/08/2021	3,186	0.21
465,000	Biogen Inc 6.875% 01/03/2018	483	0.03	2,100,000	JPMorgan Chase & Co 2.35% 28/01/2019	2,120	0.14
1,750,000	Boston Properties LP 3.7% 15/11/2018	1,789	0.12	1,500,000	JPMorgan Chase & Co 2.4% 07/06/2021	1,501	0.10
750,000	Boston Properties LP 5.875% 15/10/2019	808	0.05	2,450,000	JPMorgan Chase & Co 2.55% 29/10/2020	2,472	0.16
750,000	Citizens Bank NA 1.6% 04/12/2017	750	0.05	1,675,000	JPMorgan Chase & Co 2.55% 01/03/2021	1,687	0.11
270,000	Citizens Bank NA 2.25% 02/03/2020	270	0.02	2,625,000	JPMorgan Chase & Co 2.75% 23/06/2020	2,668	0.17
250,000	Citizens Bank NA 2.3% 03/12/2018	251	0.02	700,000	JPMorgan Chase & Co 4.25% 15/10/2020	745	0.05
1,855,000	Citizens Bank NA 2.5% 14/03/2019	1,870	0.12	1,010,000	JPMorgan Chase & Co 4.4% 22/07/2020	1,077	0.07
945,000	Citizens Bank NA 2.65% 26/05/2022	946	0.06	3,650,000	JPMorgan Chase & Co 4.5% 24/01/2022	3,948	0.26
1,077,000	Comcast Corp 5.15% 01/03/2020	1,172	0.08	735,000	JPMorgan Chase & Co 4.625% 10/05/2021	797	0.05
1,955,000	Comcast Corp 5.7% 15/05/2018	2,032	0.13	575,000	JPMorgan Chase & Co 4.95% 25/03/2020	619	0.04
1,000,000	Comcast Corp 5.875% 15/02/2018	1,031	0.07	3,035,000	JPMorgan Chase & Co 6% 15/01/2018	3,116	0.20
1,000,000	Comcast Corp 6.3% 15/11/2017	1,022	0.07	1,635,000	JPMorgan Chase & Co 6.3% 23/04/2019	1,766	0.12
500,000	Comerica Bank 2.5% 02/06/2020	502	0.03	2,000,000	JPMorgan Chase Bank NA 6% 01/10/2017	2,029	0.13
500,000	Commonwealth Edison Co 5.8% 15/03/2018	517	0.03	250,000	KeyBank NA 1.6% 22/08/2019	248	0.02
100,000	ConocoPhillips 5.2% 15/05/2018	103	0.01	900,000	KeyBank NA 1.65% 01/02/2018	901	0.06
2,000,000	ConocoPhillips 5.75% 01/02/2019	2,127	0.14	1,100,000	KeyBank NA 1.7% 01/06/2018	1,101	0.07
1,150,000	ConocoPhillips 6% 15/01/2020	1,267	0.08	350,000	KeyBank NA 2.35% 08/03/2019	353	0.02
				910,000	KeyBank NA 2.5% 22/11/2021	916	0.06
				700,000	Lowe's Cos Inc 4.625% 15/04/2020	746	0.05
				1,425,000	Marsh & McLennan Cos Inc 2.75% 30/01/2022	1,447	0.09
				1,025,000	MetLife Inc 1.756% 15/12/2017	1,027	0.07
				200,000	MetLife Inc 4.75% 08/02/2021	218	0.01
				1,080,000	MetLife Inc 6.817% 15/08/2018	1,145	0.08

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: A- rating (cont)				Corporate bonds: BBB+ rating (cont)			
450,000	MetLife Inc 7.717% 15/02/2019	494	0.03	250,000	Bank of America Corp 5.7% 24/01/2022	283	0.02
1,800,000	NBCUniversal Media LLC 4.375% 01/04/2021	1,954	0.13	2,680,000	Bank of America Corp 5.75% 01/12/2017	2,733	0.18
1,900,000	NBCUniversal Media LLC 5.15% 30/04/2020	2,079	0.14	1,000,000	Bank of America Corp 5.875% 05/01/2021	1,116	0.07
100,000	Nucor Corp 5.85% 01/06/2018	104	0.01	1,250,000	Bank of America Corp 6.4% 28/08/2017	1,264	0.08
1,100,000	Pacific Gas & Electric Co 5.625% 30/11/2017	1,122	0.07	4,810,000	Bank of America Corp 6.875% 25/04/2018	5,021	0.33
540,000	Pacific Gas & Electric Co 8.25% 15/10/2018	586	0.04	250,000	Bank of America Corp 6.875% 15/11/2018	267	0.02
350,000	Stanley Black & Decker Inc 2.451% 17/11/2018	353	0.02	1,175,000	Bank of America Corp 7.625% 01/06/2019	1,301	0.09
1,690,000	SunTrust Bank 2.25% 31/01/2020	1,701	0.11	500,000	Capital One Bank USA NA 2.15% 21/11/2018	501	0.03
2,610,000	United Technologies Corp 1.5% 01/11/2019	2,596	0.17	1,400,000	Capital One Bank USA NA 2.25% 13/02/2019	1,404	0.09
1,000,000	United Technologies Corp 1.8% 01/06/2017	1,000	0.07	1,000,000	Capital One NA 2.25% 13/09/2021	984	0.06
1,390,000	United Technologies Corp 4.5% 15/04/2020	1,494	0.10	1,000,000	Capital One NA 2.35% 17/08/2018	1,006	0.07
600,000	Waste Management Inc 4.75% 30/06/2020	649	0.04	1,000,000	Capital One NA 2.35% 31/01/2020	1,002	0.07
200,000	Waste Management Inc 6.1% 15/03/2018	207	0.01	1,950,000	Capital One NA 2.4% 05/09/2019	1,958	0.13
400,000	Xilinx Inc 3% 15/03/2021	409	0.03	1,000,000	Capital One NA 2.95% 23/07/2021	1,011	0.07
Corporate bonds: A-/A- rating				500,000	Capital One NA/Mclean VA 1.5% 05/09/2017	500	0.03
650,000	Cardinal Health Inc 1.95% 15/06/2018	652	0.04	2,065,000	Capital One NA/Mclean VA 1.65% 05/02/2018	2,064	0.13
900,000	El du Pont de Nemours & Co 3.625% 15/01/2021	944	0.06	75,000	Celgene Corp 1.9% 15/08/2017	75	0.00
1,700,000	El du Pont de Nemours & Co 4.625% 15/01/2020	1,810	0.12	675,000	Celgene Corp 2.125% 15/08/2018	678	0.04
25,000	El du Pont de Nemours & Co 5.75% 15/03/2019	27	0.00	950,000	Celgene Corp 2.25% 15/05/2019	956	0.06
1,700,000	El du Pont de Nemours & Co 6% 15/07/2018	1,782	0.12	1,605,000	Celgene Corp 2.875% 15/08/2020	1,639	0.11
Corporate bonds: BBB+ rating				1,195,000	Citigroup Inc 1.55% 14/08/2017	1,195	0.08
350,000	American Electric Power Co Inc 1.65% 15/12/2017	350	0.02	2,550,000	Citigroup Inc 1.7% 27/04/2018	2,548	0.17
938,000	American Express Co 1.55% 22/05/2018	938	0.06	1,500,000	Citigroup Inc 1.75% 01/05/2018	1,500	0.10
575,000	American Express Co 6.15% 28/08/2017	581	0.04	2,055,000	Citigroup Inc 1.8% 05/02/2018	2,057	0.13
1,515,000	American Express Co 7% 19/03/2018	1,579	0.10	815,000	Citigroup Inc 1.85% 24/11/2017	816	0.05
2,936,000	American International Group Inc 2.3% 16/07/2019	2,956	0.19	1,750,000	Citigroup Inc 2.05% 07/12/2018	1,753	0.11
1,750,000	American International Group Inc 3.3% 01/03/2021	1,803	0.12	650,000	Citigroup Inc 2.15% 30/07/2018	652	0.04
750,000	American International Group Inc 5.85% 16/01/2018	770	0.05	850,000	Citigroup Inc 2.35% 02/08/2021	844	0.06
800,000	Amphenol Corp 2.55% 30/01/2019	808	0.05	1,635,000	Citigroup Inc 2.4% 18/02/2020	1,642	0.11
1,550,000	Bank of America Corp 1.7% 25/08/2017	1,551	0.10	1,567,000	Citigroup Inc 2.5% 26/09/2018	1,579	0.10
2,680,000	Bank of America Corp 2% 11/01/2018	2,686	0.18	1,920,000	Citigroup Inc 2.5% 29/07/2019	1,938	0.13
300,000	Bank of America Corp 2.151% 09/11/2020	298	0.02	1,850,000	Citigroup Inc 2.55% 08/04/2019	1,869	0.12
1,715,000	Bank of America Corp 2.25% 21/04/2020	1,716	0.11	2,160,000	Citigroup Inc 2.65% 26/10/2020	2,179	0.14
4,450,000	Bank of America Corp 2.6% 15/01/2019	4,497	0.29	2,300,000	Citigroup Inc 2.7% 30/03/2021	2,318	0.15
2,500,000	Bank of America Corp 2.625% 19/10/2020	2,522	0.16	1,500,000	Citigroup Inc 2.75% 25/04/2022	1,500	0.10
2,600,000	Bank of America Corp 2.625% 19/04/2021	2,611	0.17	2,650,000	Citigroup Inc 2.9% 08/12/2021	2,681	0.18
3,594,000	Bank of America Corp 2.65% 01/04/2019	3,634	0.24	2,000,000	Citigroup Inc 4.5% 14/01/2022	2,156	0.14
3,035,000	Bank of America Corp 5% 13/05/2021	3,310	0.22	1,525,000	Citigroup Inc 6.125% 21/11/2017	1,559	0.10
2,550,000	Bank of America Corp 5.625% 01/07/2020	2,795	0.18	400,000	Consolidated Edison Inc 2% 15/05/2021	395	0.03
3,290,000	Bank of America Corp 5.65% 01/05/2018	3,404	0.22	600,000	CRH America Inc 8.125% 15/07/2018	642	0.04
				850,000	CSX Corp 3.7% 30/10/2020	893	0.06
				1,750,000	CVS Health Corp 1.9% 20/07/2018	1,755	0.11
				1,465,000	CVS Health Corp 2.125% 01/06/2021	1,453	0.10
				1,030,000	CVS Health Corp 2.25% 05/12/2018	1,037	0.07
				1,340,000	CVS Health Corp 2.25% 12/08/2019	1,350	0.09
				2,780,000	CVS Health Corp 2.8% 20/07/2020	2,836	0.19
				985,000	Dominion Energy Gas Holdings LLC 2.8% 15/11/2020	1,001	0.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: BBB+ rating (cont)				Corporate bonds: BBB+ rating (cont)			
1,050,000	Duke Energy Corp 1.625% 15/08/2017	1,050	0.07	2,150,000	Goldman Sachs Group Inc 2.875% 25/02/2021	2,177	0.14
2,370,000	Duke Energy Corp 1.8% 01/09/2021	2,318	0.15	1,771,000	Goldman Sachs Group Inc 2.9% 19/07/2018	1,791	0.12
1,200,000	Duke Energy Corp 2.1% 15/06/2018	1,206	0.08	1,600,000	Goldman Sachs Group Inc 3% 26/04/2022	1,618	0.11
550,000	Duke Energy Corp 5.05% 15/09/2019	586	0.04	2,375,000	Goldman Sachs Group Inc 5.25% 27/07/2021	2,620	0.17
548,000	eBay Inc 1.35% 15/07/2017	548	0.04	3,101,000	Goldman Sachs Group Inc 5.375% 15/03/2020	3,358	0.22
1,255,000	eBay Inc 2.2% 01/08/2019	1,261	0.08	2,700,000	Goldman Sachs Group Inc 5.75% 24/01/2022	3,052	0.20
500,000	eBay Inc 2.5% 09/03/2018	504	0.03	1,928,000	Goldman Sachs Group Inc 5.95% 18/01/2018	1,979	0.13
300,000	eBay Inc 2.875% 01/08/2021	305	0.02	700,000	Goldman Sachs Group Inc 6% 15/06/2020	775	0.05
1,000,000	eBay Inc 3.8% 09/03/2022	1,051	0.07	3,475,000	Goldman Sachs Group Inc 6.15% 01/04/2018	3,599	0.24
600,000	Enterprise Products Operating LLC 1.65% 07/05/2018	600	0.04	850,000	Goldman Sachs Group Inc 6.25% 01/09/2017	860	0.06
700,000	Enterprise Products Operating LLC 2.55% 15/10/2019	708	0.05	2,650,000	Goldman Sachs Group Inc 7.5% 15/02/2019	2,889	0.19
2,035,000	Enterprise Products Operating LLC 2.85% 15/04/2021	2,069	0.14	1,100,000	Halliburton Co 3.25% 15/11/2021	1,137	0.07
230,000	Enterprise Products Operating LLC 5.2% 01/09/2020	251	0.02	1,000,000	Hartford Financial Services Group Inc 5.125% 15/04/2022	1,116	0.07
1,200,000	Enterprise Products Operating LLC 6.3% 15/09/2017	1,216	0.08	700,000	Humana Inc 7.2% 15/06/2018	737	0.05
400,000	Enterprise Products Operating LLC 6.5% 31/01/2019	429	0.03	250,000	Huntington National Bank 1.7% 26/02/2018	250	0.02
300,000	EOG Resources Inc 2.45% 01/04/2020	303	0.02	250,000	Huntington National Bank 2% 30/06/2018	251	0.02
1,600,000	EOG Resources Inc 4.1% 01/02/2021	1,695	0.11	500,000	Huntington National Bank 2.2% 06/11/2018	503	0.03
400,000	EOG Resources Inc 4.4% 01/06/2020	425	0.03	500,000	Huntington National Bank 2.875% 20/08/2020	511	0.03
300,000	EOG Resources Inc 5.875% 15/09/2017	303	0.02	1,100,000	KeyCorp 2.3% 13/12/2018	1,106	0.07
320,000	Express Scripts Holding Co 1.25% 02/06/2017	320	0.02	750,000	KeyCorp 2.9% 15/09/2020	766	0.05
2,325,000	Express Scripts Holding Co 2.25% 15/06/2019	2,335	0.15	1,150,000	KeyCorp 5.1% 24/03/2021	1,263	0.08
300,000	Express Scripts Holding Co 3.3% 25/02/2021	308	0.02	990,000	Lockheed Martin Corp 1.85% 23/11/2018	993	0.06
1,000,000	Express Scripts Holding Co 3.9% 15/02/2022	1,046	0.07	2,500,000	Lockheed Martin Corp 2.5% 23/11/2020	2,539	0.17
1,525,000	Fifth Third Bancorp 2.3% 01/03/2019	1,535	0.10	350,000	Magellan Midstream Partners LP 4.25% 01/02/2021	372	0.02
1,760,000	Fifth Third Bancorp 2.875% 27/07/2020	1,797	0.12	50,000	Magellan Midstream Partners LP 6.55% 15/07/2019	55	0.00
450,000	General Mills Inc 1.4% 20/10/2017	450	0.03	1,350,000	McDonald's Corp 2.2% 26/05/2020	1,359	0.09
1,375,000	General Mills Inc 2.2% 21/10/2019	1,383	0.09	500,000	McDonald's Corp 2.625% 15/01/2022	505	0.03
415,000	General Mills Inc 5.65% 15/02/2019	441	0.03	1,875,000	McDonald's Corp 2.75% 09/12/2020	1,915	0.13
1,640,000	Goldman Sachs Group Inc 2% 25/04/2019	1,640	0.11	1,120,000	McDonald's Corp 5.35% 01/03/2018	1,152	0.08
1,810,000	Goldman Sachs Group Inc 2.3% 13/12/2019	1,817	0.12	564,000	McDonald's Corp 5.8% 15/10/2017	573	0.04
1,965,000	Goldman Sachs Group Inc 2.35% 15/11/2021	1,950	0.13	885,000	McKesson Corp 1.4% 15/03/2018	884	0.06
2,500,000	Goldman Sachs Group Inc 2.375% 22/01/2018	2,513	0.16	1,475,000	McKesson Corp 2.284% 15/03/2019	1,483	0.10
2,450,000	Goldman Sachs Group Inc 2.55% 23/10/2019	2,476	0.16	500,000	Medco Health Solutions Inc 7.125% 15/03/2018	521	0.03
1,367,000	Goldman Sachs Group Inc 2.6% 23/04/2020	1,381	0.09	1,000,000	Moody's Corp 2.75% 15/12/2021	1,008	0.07
2,250,000	Goldman Sachs Group Inc 2.625% 31/01/2019	2,274	0.15	1,572,000	Morgan Stanley 1.875% 05/01/2018	1,574	0.10
1,265,000	Goldman Sachs Group Inc 2.625% 25/04/2021	1,271	0.08	2,140,000	Morgan Stanley 2.125% 25/04/2018	2,148	0.14
1,550,000	Goldman Sachs Group Inc 2.75% 15/09/2020	1,570	0.10	150,000	Morgan Stanley 2.375% 23/07/2019	151	0.01
				1,100,000	Morgan Stanley 2.45% 01/02/2019	1,109	0.07
				2,535,000	Morgan Stanley 2.5% 24/01/2019	2,556	0.17
				3,105,000	Morgan Stanley 2.5% 21/04/2021	3,106	0.20
				3,145,000	Morgan Stanley 2.625% 17/11/2021	3,149	0.21

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: BBB+ rating (cont)				Corporate bonds: BBB+ rating (cont)			
1,982,000	Morgan Stanley 2.65% 27/01/2020	2,007	0.13	640,000	Sysco Corp 5.25% 12/02/2018	656	0.04
2,825,000	Morgan Stanley 2.8% 16/06/2020	2,870	0.19	2,000,000	Ventas Realty LP / Ventas Capital Corp 2.7% 01/04/2020	2,023	0.13
1,400,000	Morgan Stanley 5.5% 26/01/2020	1,518	0.10	225,000	Verizon Communications Inc 1.1% 01/11/2017	225	0.01
2,250,000	Morgan Stanley 5.5% 24/07/2020	2,461	0.16	390,000	Verizon Communications Inc 1.375% 15/08/2019	386	0.03
1,475,000	Morgan Stanley 5.5% 28/07/2021	1,643	0.11	775,000	Verizon Communications Inc 1.75% 15/08/2021	754	0.05
2,200,000	Morgan Stanley 5.625% 23/09/2019	2,368	0.15	2,825,000	Verizon Communications Inc 2.625% 21/02/2020	2,871	0.19
900,000	Morgan Stanley 5.75% 25/01/2021	1,002	0.07	1,170,000	Verizon Communications Inc 2.946% 15/03/2022	1,186	0.08
2,100,000	Morgan Stanley 5.95% 28/12/2017	2,151	0.14	2,700,000	Verizon Communications Inc 3.125% 16/03/2022	2,767	0.18
2,550,000	Morgan Stanley 6.625% 01/04/2018	2,651	0.17	1,550,000	Verizon Communications Inc 3.45% 15/03/2021	1,615	0.11
2,655,000	Morgan Stanley 7.3% 13/05/2019	2,916	0.19	1,500,000	Verizon Communications Inc 3.5% 01/11/2021	1,561	0.10
100,000	NetApp Inc 2% 15/12/2017	100	0.01	1,549,000	Verizon Communications Inc 3.65% 14/09/2018	1,586	0.10
1,650,000	NextEra Energy Capital Holdings Inc 2.056% 01/09/2017	1,652	0.11	3,466,000	Verizon Communications Inc 4.5% 15/09/2020	3,713	0.24
280,000	NextEra Energy Capital Holdings Inc 6% 01/03/2019	299	0.02	500,000	Verizon Communications Inc 4.6% 01/04/2021	540	0.04
77,000	NiSource Finance Corp 6.8% 15/01/2019	83	0.01	675,000	Virginia Electric & Power Co 5.4% 30/04/2018	698	0.05
300,000	Norfolk Southern Corp 3% 01/04/2022	308	0.02	1,000,000	Welltower Inc 5.25% 15/01/2022	1,108	0.07
1,180,000	Norfolk Southern Corp 5.75% 01/04/2018	1,220	0.08	500,000	Xcel Energy Inc 4.7% 15/05/2020	531	0.03
600,000	Norfolk Southern Corp 5.9% 15/06/2019	647	0.04	Corporate bonds: BBB+/- rating			
1,500,000	Omnicom Group Inc 6.25% 15/07/2019	1,630	0.11	850,000	21st Century Fox America Inc 4.5% 15/02/2021	915	0.06
2,000,000	Phillips 66 4.3% 01/04/2022	2,165	0.14	800,000	21st Century Fox America Inc 6.9% 01/03/2019	866	0.06
350,000	PSEG Power LLC 3% 15/06/2021	357	0.02	1,480,000	AT&T Inc 1.4% 01/12/2017	1,479	0.10
1,000,000	Quest Diagnostics Inc 4.7% 01/04/2021	1,080	0.07	600,000	AT&T Inc 1.7% 01/06/2017	600	0.04
100,000	Realty Income Corp 6.75% 15/08/2019	110	0.01	1,000,000	AT&T Inc 1.75% 15/01/2018	1,001	0.07
500,000	Regions Bank 2.25% 14/09/2018	501	0.03	2,021,000	AT&T Inc 2.3% 11/03/2019	2,032	0.13
50,000	Republic Services Inc 3.8% 15/05/2018	51	0.00	450,000	AT&T Inc 2.375% 27/11/2018	453	0.03
300,000	Republic Services Inc 5% 01/03/2020	324	0.02	2,848,000	AT&T Inc 2.45% 30/06/2020	2,861	0.19
1,150,000	Republic Services Inc 5.5% 15/09/2019	1,239	0.08	1,350,000	AT&T Inc 2.8% 17/02/2021	1,364	0.09
648,000	Reynolds American Inc 2.3% 12/06/2018	651	0.04	1,000,000	AT&T Inc 3% 15/02/2022	1,008	0.07
1,515,000	Reynolds American Inc 3.25% 12/06/2020	1,566	0.10	1,600,000	AT&T Inc 3.8% 15/03/2022	1,666	0.11
400,000	Reynolds American Inc 8.125% 23/06/2019	449	0.03	500,000	AT&T Inc 4.45% 15/05/2021	534	0.03
850,000	Santander Holdings USA Inc 2.65% 17/04/2020	849	0.06	800,000	AT&T Inc 4.6% 15/02/2021	856	0.06
1,300,000	Santander Holdings USA Inc 2.7% 24/05/2019	1,309	0.09	2,600,000	AT&T Inc 5% 01/03/2021	2,824	0.18
715,000	Santander Holdings USA Inc 3.45% 27/08/2018	726	0.05	1,000,000	AT&T Inc 5.2% 15/03/2020	1,079	0.07
800,000	Santander Holdings USA Inc 3.7% 28/03/2022	808	0.05	3,750,000	AT&T Inc 5.5% 01/02/2018	3,845	0.25
300,000	Sempra Energy 1.625% 07/10/2019	297	0.02	750,000	AT&T Inc 5.6% 15/05/2018	778	0.05
850,000	Sempra Energy 2.4% 15/03/2020	855	0.06	2,300,000	AT&T Inc 5.8% 15/02/2019	2,445	0.16
1,000,000	Sempra Energy 9.8% 15/02/2019	1,128	0.07	634,000	Becton Dickinson and Co 1.8% 15/12/2017	634	0.04
500,000	Southern Co 1.55% 01/07/2018	499	0.03	2,345,000	Becton Dickinson and Co 2.675% 15/12/2019	2,371	0.15
950,000	Southern Co 1.85% 01/07/2019	945	0.06	360,000	Becton Dickinson and Co 2.404% 05/06/2020	361	0.02
1,585,000	Southern Co 2.35% 01/07/2021	1,574	0.10				
50,000	Southern Co 2.45% 01/09/2018	50	0.00				
1,950,000	Southern Co 2.75% 15/06/2020	1,975	0.13				
825,000	SunTrust Banks Inc 2.35% 01/11/2018	830	0.05				
500,000	SunTrust Banks Inc 2.5% 01/05/2019	505	0.03				
220,000	Sysco Corp 2.5% 15/07/2021	221	0.01				
500,000	Sysco Corp 2.6% 01/10/2020	506	0.03				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: BBB/*+ rating				Corporate bonds: BBB rating (cont)			
500,000	Historic TW Inc 6.875% 15/06/2018	527	0.03	750,000	Eastman Chemical Co 2.7% 15/01/2020	761	0.05
1,450,000	Mead Johnson Nutrition Co 3% 15/11/2020	1,480	0.10	800,000	Emera US Finance LP 2.7% 15/06/2021	803	0.05
403,000	Monsanto Co 1.15% 30/06/2017	403	0.03	500,000	Enbridge Energy Partners LP 4.2% 15/09/2021	528	0.03
1,000,000	Monsanto Co 2.125% 15/07/2019	1,001	0.07	350,000	Enbridge Energy Partners LP 4.375% 15/10/2020	370	0.02
350,000	Monsanto Co 2.75% 15/07/2021	356	0.02	335,000	Enbridge Energy Partners LP 5.2% 15/03/2020	359	0.02
700,000	Time Warner Inc 2.1% 01/06/2019	701	0.05	750,000	EQT Corp 4.875% 15/11/2021	812	0.05
1,200,000	Time Warner Inc 4.75% 29/03/2021	1,296	0.08	400,000	EQT Corp 6.5% 01/04/2018	415	0.03
1,770,000	Time Warner Inc 4.875% 15/03/2020	1,898	0.12	25,000	EQT Corp 8.125% 01/06/2019	28	0.00
Corporate bonds: BBB rating				750,000	Exelon Generation Co LLC 2.95% 15/01/2020	762	0.05
450,000	Actavis Inc 1.875% 01/10/2017	450	0.03	100,000	Exelon Generation Co LLC 5.2% 01/10/2019	107	0.01
100,000	Activision Blizzard 2.3% 15/09/2021	99	0.01	160,000	Exelon Generation Co LLC 6.2% 01/10/2017	162	0.01
250,000	Air Lease Corp 2.125% 15/01/2018	251	0.02	200,000	FedEx Corp 8% 15/01/2019	219	0.01
135,000	Air Lease Corp 2.125% 15/01/2020	135	0.01	1,870,000	Fidelity National Information Services Inc 2.25% 15/08/2021	1,851	0.12
131,000	Air Lease Corp 3.375% 15/01/2019	134	0.01	230,000	Fidelity National Information Services Inc 2.85% 15/10/2018	233	0.01
600,000	Air Lease Corp 3.375% 01/06/2021	619	0.04	1,300,000	Fidelity National Information Services Inc 3.625% 15/10/2020	1,358	0.09
945,000	Anadarko Petroleum Corp 4.85% 15/03/2021	1,016	0.07	200,000	Fiserv Inc 2.7% 01/06/2020	203	0.01
400,000	Anadarko Petroleum Corp 8.7% 15/03/2019	445	0.03	1,200,000	Ford Motor Credit Co LLC 1.684% 08/09/2017	1,200	0.08
1,000,000	Apache Corp 3.25% 15/04/2022	1,020	0.07	700,000	Ford Motor Credit Co LLC 1.724% 06/12/2017	700	0.05
250,000	Apache Corp 3.625% 01/02/2021	260	0.02	900,000	Ford Motor Credit Co LLC 1.897% 12/08/2019	893	0.06
925,000	Ares Capital Corp 3.875% 15/01/2020	946	0.06	200,000	Ford Motor Credit Co LLC 2.24% 15/06/2018	201	0.01
500,000	Block Financial LLC 4.125% 01/10/2020	514	0.03	1,000,000	Ford Motor Credit Co LLC 2.262% 28/03/2019	1,001	0.07
520,000	Bunge Ltd Finance Corp 3.5% 24/11/2020	534	0.03	600,000	Ford Motor Credit Co LLC 2.375% 16/01/2018	602	0.04
150,000	Bunge Ltd Finance Corp 8.5% 15/06/2019	168	0.01	2,450,000	Ford Motor Credit Co LLC 2.375% 12/03/2019	2,458	0.16
1,050,000	Capital One Financial Corp 2.45% 24/04/2019	1,058	0.07	1,000,000	Ford Motor Credit Co LLC 2.459% 27/03/2020	1,000	0.07
1,700,000	Capital One Financial Corp 3.05% 09/03/2022	1,719	0.11	1,300,000	Ford Motor Credit Co LLC 2.551% 05/10/2018	1,308	0.09
150,000	Capital One Financial Corp 4.75% 15/07/2021	162	0.01	1,950,000	Ford Motor Credit Co LLC 2.943% 08/01/2019	1,976	0.13
238,000	Capital One Financial Corp 6.75% 15/09/2017	241	0.02	1,100,000	Ford Motor Credit Co LLC 3% 12/06/2017	1,100	0.07
1,082,000	CBS Corp 2.3% 15/08/2019	1,087	0.07	1,650,000	Ford Motor Credit Co LLC 3.157% 04/08/2020	1,678	0.11
100,000	CBS Corp 5.75% 15/04/2020	110	0.01	600,000	Ford Motor Credit Co LLC 3.2% 15/01/2021	609	0.04
100,000	CNA Financial Corp 5.875% 15/08/2020	111	0.01	2,770,000	Ford Motor Credit Co LLC 3.336% 18/03/2021	2,821	0.18
320,000	Columbia Pipeline Group Inc 2.45% 01/06/2018	321	0.02	1,650,000	Ford Motor Credit Co LLC 5% 15/05/2018	1,698	0.11
150,000	Columbia Pipeline Group Inc 3.3% 01/06/2020	154	0.01	2,450,000	Ford Motor Credit Co LLC 5.875% 02/08/2021	2,729	0.18
850,000	Discover Bank 2% 21/02/2018	851	0.06	400,000	Ford Motor Credit Co LLC 6.625% 15/08/2017	404	0.03
500,000	Discover Bank 2.6% 13/11/2018	504	0.03				
1,250,000	Discover Bank 3.1% 04/06/2020	1,276	0.08				
1,225,000	Dominion Energy Inc 1.6% 15/08/2019	1,213	0.08				
500,000	Dominion Energy Inc 1.9% 15/06/2018	501	0.03				
1,375,000	Dominion Energy Inc 2.5% 01/12/2019	1,383	0.09				
850,000	Dominion Energy Inc 4.45% 15/03/2021	916	0.06				
600,000	Dominion Energy Inc 6.4% 15/06/2018	628	0.04				
350,000	Dow Chemical Co 4.125% 15/11/2021	374	0.02				
500,000	Dow Chemical Co 4.25% 15/11/2020	532	0.03				
3,850,000	Dow Chemical Co 8.55% 15/05/2019	4,343	0.28				

iShares \$ Short Duration Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: BBB rating (cont)				Corporate bonds: BBB rating (cont)			
700,000	Ford Motor Credit Co LLC 8.125% 15/01/2020	799	0.05	25,000	Lam Research Corp 2.75% 15/03/2020	25	0.00
870,000	Fortive Corp 2.35% 15/06/2021	866	0.06	1,005,000	Lam Research Corp 2.8% 15/06/2021	1,020	0.07
1,800,000	General Motors Co 3.5% 02/10/2018	1,833	0.12	2,040,000	Marathon Petroleum Corp 2.7% 14/12/2018	2,061	0.13
1,075,000	General Motors Financial Co Inc 2.4% 10/04/2018	1,080	0.07	300,000	Marathon Petroleum Corp 3.4% 15/12/2020	310	0.02
615,000	General Motors Financial Co Inc 2.625% 10/07/2017	616	0.04	450,000	Marathon Petroleum Corp 5.125% 01/03/2021	490	0.03
1,250,000	General Motors Financial Co Inc 2.65% 13/04/2020	1,255	0.08	1,000,000	Marriott International Inc 2.3% 15/01/2022	991	0.06
1,511,000	General Motors Financial Co Inc 3.1% 15/01/2019	1,533	0.10	125,000	Nasdaq Inc 5.55% 15/01/2020	135	0.01
1,791,000	General Motors Financial Co Inc 3.15% 15/01/2020	1,821	0.12	650,000	Newmont Mining Corp 5.125% 01/10/2019	694	0.05
531,000	General Motors Financial Co Inc 3.2% 13/07/2020	540	0.04	1,068,000	Noble Energy Inc 8.25% 01/03/2019	1,179	0.08
1,600,000	General Motors Financial Co Inc 3.2% 06/07/2021	1,616	0.11	2,850,000	Northrop Grumman Corp 1.75% 01/06/2018	2,859	0.19
1,200,000	General Motors Financial Co Inc 3.25% 15/05/2018	1,216	0.08	400,000	Northrop Grumman Corp 3.5% 15/03/2021	420	0.03
1,000,000	General Motors Financial Co Inc 3.45% 14/01/2022	1,013	0.07	250,000	Oneok Partners LP 8.625% 01/03/2019	277	0.02
1,175,000	General Motors Financial Co Inc 3.7% 24/11/2020	1,213	0.08	350,000	Pioneer Natural Resources Co 3.45% 15/01/2021	362	0.02
2,675,000	General Motors Financial Co Inc 4.2% 01/03/2021	2,793	0.18	1,025,000	Regions Financial Corp 3.2% 08/02/2021	1,050	0.07
525,000	General Motors Financial Co Inc 4.75% 15/08/2017	528	0.03	1,550,000	Rockwell Collins Inc 2.8% 15/03/2022	1,574	0.10
1,135,000	Great Plains Energy Inc 3.15% 01/04/2022	1,154	0.08	250,000	Roper Technologies Inc 2.05% 01/10/2018	251	0.02
500,000	HCP Inc 2.625% 01/02/2020	504	0.03	1,115,000	Roper Technologies Inc 2.8% 15/12/2021	1,130	0.07
1,100,000	HCP Inc 5.375% 01/02/2021	1,200	0.08	960,000	Roper Technologies Inc 3% 15/12/2020	983	0.06
1,450,000	Hewlett Packard Enterprise Co 2.85% 05/10/2018	1,469	0.10	1,200,000	Scripps Networks Interactive Inc 2.75% 15/11/2019	1,215	0.08
2,161,000	Hewlett Packard Enterprise Co 3.6% 15/10/2020	2,245	0.15	250,000	Scripps Networks Interactive Inc 2.8% 15/06/2020	253	0.02
1,120,000	HP Inc 3.75% 01/12/2020	1,166	0.08	715,000	Sherwin-Williams Co 2.25% 15/05/2020	717	0.05
1,100,000	HP Inc 4.3% 01/06/2021	1,171	0.08	125,000	Sherwin-Williams Co 2.75% 01/06/2022	126	0.01
1,000,000	HP Inc 4.375% 15/09/2021	1,071	0.07	500,000	Spectra Energy Capital LLC 6.2% 15/04/2018	519	0.03
1,300,000	HP Inc 4.65% 09/12/2021	1,408	0.09	200,000	Spectra Energy Capital LLC 8% 01/10/2019	225	0.01
1,600,000	Huntington Bancshares Inc 2.3% 14/01/2022	1,577	0.10	150,000	State Street Corp 4.956% 15/03/2018	154	0.01
545,000	Huntington Bancshares Inc 3.15% 14/03/2021	559	0.04	2,590,000	Thermo Fisher Scientific Inc 2.4% 01/02/2019	2,609	0.17
385,000	Ingersoll-Rand Global Holding Co Ltd 6.875% 15/08/2018	408	0.03	500,000	Thermo Fisher Scientific Inc 3.6% 15/08/2021	523	0.03
400,000	International Paper Co 7.5% 15/08/2021	478	0.03	1,785,000	Tyson Foods Inc 2.65% 15/08/2019	1,810	0.12
990,000	JM Smucker Co 2.5% 15/03/2020	1,002	0.07	150,000	Valero Energy Corp 6.125% 01/02/2020	165	0.01
500,000	Kellogg Co 4% 15/12/2020	529	0.03	75,000	Valero Energy Corp 9.375% 15/03/2019	84	0.01
500,000	Kellogg Co 4.15% 15/11/2019	525	0.03	2,132,000	Voya Financial Inc 2.9% 15/02/2018	2,149	0.14
600,000	Kroger Co 2.3% 15/01/2019	604	0.04	1,750,000	Walgreens Boots Alliance Inc 1.75% 30/05/2018	1,765	0.12
750,000	Kroger Co 3.3% 15/01/2021	774	0.05	125,000	Walgreens Boots Alliance Inc 2.6% 01/06/2021	126	0.01
1,100,000	Kroger Co 6.15% 15/01/2020	1,211	0.08	1,748,000	Walgreens Boots Alliance Inc 2.7% 18/11/2019	1,773	0.12
500,000	Kroger Co 6.4% 15/08/2017	505	0.03	1,275,000	Walgreens Boots Alliance Inc 3.3% 18/11/2021	1,320	0.09
2,025,000	Laboratory Corp of America Holdings 2.625% 01/02/2020	2,042	0.13	300,000	Weyerhaeuser Co 7.375% 01/10/2019	335	0.02
				1,800,000	Williams Partners LP 4.125% 15/11/2020	1,896	0.12
				950,000	Williams Partners LP 5.25% 15/03/2020	1,029	0.07
				1,445,000	Zimmer Biomet Holdings Inc 2% 01/04/2018	1,448	0.09
				1,225,000	Zimmer Biomet Holdings Inc 2.7% 01/04/2020	1,238	0.08
				468,000	Zoetis Inc 1.875% 01/02/2018	468	0.03
				500,000	Zoetis Inc 3.45% 13/11/2020	518	0.03

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)				United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: BBB/- rating				Corporate bonds: BBB- rating (cont)			
1,355,000	Abbott Laboratories 2% 15/03/2020	1,349	0.09	1,225,000	Jefferies Group LLC 5.125% 13/04/2018	1,259	0.08
2,405,000	Abbott Laboratories 2.35% 22/11/2019	2,420	0.16	322,000	Jefferies Group LLC 6.875% 15/04/2021	369	0.02
270,000	Abbott Laboratories 2.8% 15/09/2020	274	0.02	150,000	Jefferies Group LLC 8.5% 15/07/2019	169	0.01
2,600,000	Abbott Laboratories 2.9% 30/11/2021	2,638	0.17	390,000	Kinder Morgan Energy Partners LP 2.65% 01/02/2019	394	0.03
300,000	Abbott Laboratories 5.125% 01/04/2019	317	0.02	860,000	Kinder Morgan Energy Partners LP 3.5% 01/03/2021	883	0.06
Corporate bonds: BBB- rating				1,430,000	Kinder Morgan Energy Partners LP 5.95% 15/02/2018	1,470	0.10
1,600,000	American Tower Corp 2.25% 15/01/2022	1,567	0.10	800,000	Kinder Morgan Energy Partners LP 6.5% 01/04/2020	887	0.06
1,018,000	American Tower Corp 3.3% 15/02/2021	1,045	0.07	785,000	Kinder Morgan Inc 2% 01/12/2017	786	0.05
650,000	American Tower Corp 3.4% 15/02/2019	665	0.04	1,920,000	Kinder Morgan Inc 3.05% 01/12/2019	1,961	0.13
500,000	American Tower Corp 3.45% 15/09/2021	517	0.03	250,000	Kohl's Corp 4% 01/11/2021	256	0.02
1,500,000	American Tower Corp 4.5% 15/01/2018	1,524	0.10	625,000	Kraft Heinz Foods Co 2% 02/07/2018	627	0.04
950,000	Barrick North America Finance LLC 4.4% 30/05/2021	1,031	0.07	850,000	Kraft Heinz Foods Co 2.25% 05/06/2017	850	0.06
460,000	Baxalta Inc 2.875% 23/06/2020	468	0.03	1,030,000	Kraft Heinz Foods Co 2.8% 02/07/2020	1,047	0.07
493,000	Best Buy Co Inc 5% 01/08/2018	510	0.03	1,200,000	Kraft Heinz Foods Co 5.375% 10/02/2020	1,300	0.08
500,000	Best Buy Co Inc 5.5% 15/03/2021	545	0.04	600,000	Kraft Heinz Foods Co 6.125% 23/08/2018	631	0.04
285,000	Boston Scientific Corp 2.65% 01/10/2018	287	0.02	300,000	L3 Technologies Inc 4.75% 15/07/2020	321	0.02
605,000	Boston Scientific Corp 2.85% 15/05/2020	614	0.04	1,750,000	L3 Technologies Inc 5.2% 15/10/2019	1,871	0.12
800,000	Boston Scientific Corp 6% 15/01/2020	875	0.06	500,000	Macy's Retail Holdings Inc 3.875% 15/01/2022	497	0.03
2,700,000	Broadcom Corp / Broadcom Cayman Finance Ltd 2.375% 15/01/2020	2,706	0.18	825,000	Marathon Oil Corp 2.7% 01/06/2020	823	0.05
2,700,000	Broadcom Corp / Broadcom Cayman Finance Ltd 3% 15/01/2022	2,721	0.18	625,000	Marathon Oil Corp 5.9% 15/03/2018	642	0.04
1,785,000	Charter Communications Operating LLC / Charter Communications Operating Capital 3.579% 23/07/2020	1,855	0.12	300,000	Marathon Oil Corp 6% 01/10/2017	304	0.02
1,370,000	Crown Castle International Corp 2.25% 01/09/2021	1,355	0.09	1,500,000	Molson Coors Brewing Co 1.45% 15/07/2019	1,484	0.10
750,000	Crown Castle International Corp 3.4% 15/02/2021	774	0.05	550,000	Molson Coors Brewing Co 2.1% 15/07/2021	543	0.04
3,400,000	Dell International LLC / EMC Corp 3.48% 01/06/2019	3,481	0.23	225,000	Mylan Inc 2.55% 28/03/2019	226	0.01
2,900,000	Dell International LLC / EMC Corp 4.42% 15/06/2021	3,056	0.20	144,000	Newell Brands Inc 2.6% 29/03/2019	146	0.01
350,000	Discover Bank 7% 15/04/2020	391	0.03	980,000	Newell Brands Inc 3.15% 01/04/2021	1,010	0.07
400,000	Discovery Communications LLC 5.05% 01/06/2020	431	0.03	520,000	NVIDIA Corp 2.2% 16/09/2021	516	0.03
900,000	Discovery Communications LLC 5.625% 15/08/2019	967	0.06	350,000	Pitney Bowes Inc 3.375% 01/10/2021	348	0.02
1,150,000	Energy Transfer LP 2.5% 15/06/2018	1,156	0.08	50,000	Plains All American Pipeline LP / PAA Finance Corp 2.6% 15/12/2019	50	0.00
1,250,000	Energy Transfer LP 4.15% 01/10/2020	1,309	0.09	550,000	Plains All American Pipeline LP / PAA Finance Corp 5% 01/02/2021	593	0.04
1,000,000	Energy Transfer LP 5.2% 01/02/2022	1,090	0.07	1,830,000	Plains All American Pipeline LP / PAA Finance Corp 6.5% 01/05/2018	1,904	0.12
225,000	Energy Transfer LP 6.7% 01/07/2018	236	0.01	500,000	Qwest Corp 6.75% 01/12/2021	557	0.04
2,100,000	Exelon Corp 2.85% 15/06/2020	2,138	0.14	800,000	Regency Energy Partners LP / Regency Energy Finance Corp 5.875% 01/03/2022	896	0.06
850,000	Exelon Corp 5.15% 01/12/2020	927	0.06	2,250,000	Sabine Pass Liquefaction LLC 5.625% 01/02/2021	2,459	0.16
650,000	Expedia Inc 5.95% 15/08/2020	715	0.05	1,000,000	Sabine Pass Liquefaction LLC 6.25% 15/03/2022	1,142	0.07
215,000	Expedia Inc 7.456% 15/08/2018	228	0.01	735,000	Staples Inc 2.75% 12/01/2018	738	0.05
1,050,000	International Lease Finance Corp 3.875% 15/04/2018	1,067	0.07	35,000	Synchrony Financial 1.875% 15/08/2017	35	0.00
1,400,000	International Lease Finance Corp 5.875% 01/04/2019	1,491	0.10	1,015,000	Synchrony Financial 2.6% 15/01/2019	1,022	0.07
2,250,000	International Lease Finance Corp 7.125% 01/09/2018	2,389	0.16	500,000	Synchrony Financial 2.7% 03/02/2020	504	0.03
				795,000	Synchrony Financial 3% 15/08/2019	807	0.05
				900,000	Time Warner Cable LLC 4.125% 15/02/2021	950	0.06

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 98.64%) (cont)			
United States (31 May 2016: 75.21%) (cont)			
Corporate bonds: BBB- rating (cont)			
2,100,000	Time Warner Cable LLC 5% 01/02/2020	2,242	0.15
2,880,000	Time Warner Cable LLC 6.75% 01/07/2018	3,026	0.20
630,000	Time Warner Cable LLC 8.25% 01/04/2019	699	0.05
850,000	Time Warner Cable LLC 8.75% 14/02/2019	943	0.06
125,000	Total System Services Inc 2.375% 01/06/2018	125	0.01
350,000	Total System Services Inc 3.8% 01/04/2021	365	0.02
900,000	Viacom Inc 3.875% 15/12/2021	944	0.06
400,000	Viacom Inc 4.5% 01/03/2021	426	0.03
200,000	Viacom Inc 5.625% 15/09/2019	215	0.01
1,341,000	Xerox Corp 4.07% 17/03/2022	1,386	0.09
500,000	Xerox Corp 4.5% 15/05/2021	528	0.03
Corporate bonds: BB+ rating			
399,000	Enable Midstream Partners LP 2.4% 15/05/2019	397	0.03
885,000	FirstEnergy Corp 2.75% 15/03/2018	889	0.06
1,150,000	Gap Inc 5.95% 12/04/2021	1,243	0.08
Total United States		1,168,875	76.40
Total bonds		1,506,243	98.44
Total value of investments			
		1,506,243	98.44
Cash equivalents (31 May 2016: 1.94%)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: 1.94%)			
27,166,847	Institutional Cash Series Plc - US Dollar Liquidity Fund*	27,167	1.78
Cash†		306	0.02
Other net liabilities		(3,623)	(0.24)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		1,530,093	100.00

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	1,226,393	79.24
Transferable securities dealt in an another regulated market	279,751	18.08
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	99	0.01
UCITS Collective Investment Schemes - Money Market Funds	27,167	1.76
Other assets	14,076	0.91
Total current assets	1,547,486	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.
* Investments in related party.

All credit ratings are shown as at 31 May 2017.

Fixed and variable income securities are primarily classified by the country of incorporation of the issuer for corporate fixed and variable income securities.

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
3,504,000	Dell International LLC / EMC Corp 1.88% 01/06/2018	3,434	3,650,000	JPMorgan Chase & Co 4.5% 24/01/2022	3,946
3,090,000	ConocoPhillips 5.75% 01/02/2019	3,353	3,850,000	Honeywell International Inc 1.85% 01/11/2021	3,800
2,280,000	Hewlett Packard Enterprise Co 2.45% 05/10/2017	2,293	3,550,000	Aetna Inc 2.4% 15/06/2021	3,612
2,150,000	Chevron Corp 1.72% 24/06/2018	2,156	3,500,000	National Australia Bank Ltd 1.88% 12/07/2021	3,483
2,000,000	Shell International Finance BV 1.38% 10/05/2019	1,984	3,035,000	Bank of America Corp 5% 13/05/2021	3,323
1,885,000	Lockheed Martin Corp 2.5% 23/11/2020	1,913	3,200,000	JPMorgan Chase & Co 2.3% 15/08/2021	3,198
1,895,000	American Express Credit Corp 2.38% 26/05/2020	1,898	2,900,000	ConocoPhillips 5.75% 01/02/2019	3,152
1,750,000	JPMorgan Chase & Co 6% 15/01/2018	1,827	3,100,000	Bank of America Corp 2.63% 19/04/2021	3,148
1,650,000	Westpac Banking Corp 4.88% 19/11/2019	1,787	2,650,000	Rio Tinto Finance USA Ltd 9% 01/05/2019	3,130
1,773,000	Anheuser-Busch InBev Finance Inc 2.15% 01/02/2019	1,784	3,000,000	AT&T Inc 5.5% 01/02/2018	3,126
1,750,000	Walgreens Boots Alliance Inc 2.7% 18/11/2019	1,776	3,145,000	Morgan Stanley 2.63% 17/11/2021	3,125
1,660,000	El du Pont de Nemours & Co 6% 15/07/2018	1,768	3,100,000	Broadcom Corp / Broadcom Cayman Finance Ltd	
1,675,000	Duke Energy Florida LLC 1.85% 15/01/2020	1,675		2.38% 15/01/2020	3,094
1,625,000	Morgan Stanley 4.75% 22/03/2017	1,640	3,000,000	Allergan Funding SCS 3.45% 15/03/2022	3,071
1,600,000	Altria Group Inc 2.63% 14/01/2020	1,629	3,050,000	Chevron Corp 1.56% 16/05/2019	3,051
1,565,000	Commonwealth Bank of Australia 2.4% 02/11/2020	1,570	2,700,000	Goldman Sachs Group Inc 5.75% 24/01/2022	3,039
1,540,000	Oracle Corp 1.2% 15/10/2017	1,539	2,970,000	Bank of America Corp 2.65% 01/04/2019	3,036
1,500,000	UBS AG 2.38% 14/08/2019	1,527	2,810,000	Bank of America Corp 6.88% 25/04/2018	2,994
1,500,000	Berkshire Hathaway Finance Corp 1.6% 23/06/2016	1,503	3,000,000	Apple Inc 1.55% 04/08/2021	2,988
1,350,000	Wal-Mart Stores Inc 4.25% 15/04/2021	1,484	2,650,000	Goldman Sachs Group Inc 5.25% 27/07/2021	2,968
			2,965,000	Shire Acquisitions Investments Ireland DAC	
				2.4% 23/09/2021	2,963

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	41,105	26,372
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	20,277	(18,876)
Total gains		61,382	7,496
Operating expenses	4	(2,992)	(2,062)
Net operating profit		58,390	5,434
Finance costs:			
Distributions to redeemable participating shareholders	6	(31,791)	(8,401)
Interest expense	7	(4)	(2)
Total finance costs		(31,795)	(8,403)
Net profit/(loss) for the financial year before tax		26,595	(2,969)
Taxation		4	(11)
Net profit/(loss) for the financial year after tax		26,599	(2,980)
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		26,599	(2,980)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	586,764	266,058
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	26,599	(2,980)
Share transactions:		
Proceeds from issue of redeemable participating shares	477,324	441,612
Payments on redemption of redeemable participating shares	(270,239)	(117,926)
Increase in net assets resulting from share transactions	207,085	323,686
Net assets attributable to redeemable participating shareholders at the end of the financial year	820,448	586,764

The accompanying notes form an integral part of these financial statements.

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		-	237
Cash equivalents		37,858	14,774
Receivables	11	16,764	10,697
Financial assets at fair value through profit or loss	12	774,679	564,026
Total current assets		829,301	589,734
CURRENT LIABILITIES			
Bank overdrafts		(1,897)	-
Payables	13	(6,956)	(2,970)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(8,853)	(2,970)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	820,448	586,764

The accompanying notes form an integral part of these financial statements.

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	285	58
Bond interest income	40,647	26,206
Securities lending income	173	108
	41,105	26,372

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	20,279	(18,876)
Net losses on foreign currency transactions	(2)	-
	20,277	(18,876)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(2,992)	(2,062)
	(2,992)	(2,062)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.45	0.45

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
June	14,672	-
December	17,656	11,257
	32,328	11,257
Equalisation income	(6,737)	(5,040)
Equalisation expense	6,200	2,184
	31,791	8,401

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(4)	(2)
	(4)	(2)

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	6,279,910	2,738,458
Issued during the financial year	5,110,444	4,851,744
Redeemed during the financial year	(2,922,019)	(1,310,292)
Balance at the end of financial year	8,468,335	6,279,910

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	820,448
As at 31 May 2016	586,764
As at 31 May 2015	266,058

	No. of Shares
Shares in issue	
As at 31 May 2017	8,468,335
As at 31 May 2016	6,279,910
As at 31 May 2015	2,738,458

	\$
Net asset value per share	
As at 31 May 2017	96.88
As at 31 May 2016	93.44
As at 31 May 2015	97.16

11. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	4,026	1,195
Interest receivable	33	5
Securities lending income receivable	21	11
Bond income receivable	12,684	9,486
	16,764	10,697

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in bonds	774,679	564,026
	774,679	564,026

13. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(6,645)	(2,741)
Interest payable	(1)	-
Management fees payable	(310)	(229)
	(6,956)	(2,970)

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 96.12%)			
Bonds (31 May 2016: 96.12%)			
Australia (31 May 2016: 0.12%)			
Corporate bonds: BB+ rating			
250,000	BlueScope Steel Finance Ltd / BlueScope Steel Finance LLC 6.5% 15/05/2021 [^]	264	0.03
75,000	FMG Resources August 2006 Pty Ltd 4.75% 15/05/2022	76	0.01
Corporate bonds: BB-/*+ rating			
250,000	FMG Resources August 2006 Pty Ltd 6.875% 01/04/2022	259	0.03
Corporate bonds: B rating			
400,000	Barmingo Finance Pty Ltd 6.625% 15/05/2022	397	0.05
Corporate bonds: B- rating			
280,000	Virgin Australia Holdings Ltd 7.875% 15/10/2021	292	0.03
150,000	Virgin Australia Holdings Ltd 8.5% 15/11/2019	158	0.02
Total Australia		1,446	0.17
Bermuda (31 May 2016: 1.71%)			
Corporate bonds: BB+ rating			
925,000	Aircastle Ltd 4.625% 15/12/2018	957	0.12
1,275,000	Aircastle Ltd 5.125% 15/03/2021	1,365	0.16
1,500,000	Aircastle Ltd 5.5% 15/02/2022	1,626	0.20
1,065,000	Aircastle Ltd 6.25% 01/12/2019	1,156	0.14
Corporate bonds: BB rating			
300,000	NCL Corp Ltd 4.625% 15/11/2020	308	0.04
350,000	NCL Corp Ltd 4.75% 15/12/2021	360	0.04
Corporate bonds: BB- rating			
900,000	Fly Leasing Ltd 6.75% 15/12/2020	945	0.12
Corporate bonds: B rating			
1,500,000	Weatherford International Ltd 4.5% 15/04/2022	1,391	0.17
980,000	Weatherford International Ltd 5.125% 15/09/2020 [^]	983	0.12
2,015,000	Weatherford International Ltd 7.75% 15/06/2021	2,121	0.26
1,320,000	Weatherford International Ltd 9.625% 01/03/2019	1,445	0.17
Corporate bonds: CCC rating			
550,000	Noble Group Ltd 6.75% 29/01/2020	210	0.03
Total Bermuda		12,867	1.57
Canada (31 May 2016: 3.01%)			
Corporate bonds: BBB rating			
3,115,000	Cenovus Energy Inc 5.7% 15/10/2019	3,340	0.41
Corporate bonds: BB+ rating			
1,450,000	Kinross Gold Corp 5.125% 01/09/2021	1,525	0.18
Corporate bonds: BB rating			
66,000	Gibson Energy Inc 6.75% 15/07/2021	68	0.01

Holding	Investment	Fair value \$'000	% of net asset value
Canada (31 May 2016: 3.01%) (cont)			
Corporate bonds: BB rating (cont)			
305,000	Mattamy Group Corp 6.5% 15/11/2020	311	0.04
750,000	Precision Drilling Corp 6.5% 15/12/2021	752	0.09
1,432,000	Precision Drilling Corp 6.625% 15/11/2020	861	0.10
1,850,000	Teck Resources Ltd 4.75% 15/01/2022	1,938	0.24
Corporate bonds: BB- rating			
175,000	Air Canada 7.75% 15/04/2021	199	0.02
200,000	Baytex Energy Corp 5.125% 01/06/2021	186	0.02
250,000	Cogeco Communications Inc 4.875% 01/05/2020	255	0.03
350,000	Lundin Mining Corp 7.5% 01/11/2020	370	0.05
605,000	Valeant Pharmaceuticals International Inc 6.5% 15/03/2022	635	0.08
Corporate bonds: B+ rating			
600,000	1011778 BC ULC / New Red Finance Inc 4.625% 15/01/2022	617	0.08
250,000	Athabasca Oil Corp 9.875% 24/02/2022	239	0.03
250,000	Brookfield Residential Properties Inc 6.5% 15/12/2020	258	0.03
250,000	Eldorado Gold Corp 6.125% 15/12/2020	256	0.03
Corporate bonds: B-/*+ rating			
225,000	Tembec Industries Inc 9% 15/12/2019	235	0.03
Corporate bonds: B- rating			
1,100,000	1011778 BC ULC / New Red Finance Inc 6% 01/04/2022	1,142	0.14
250,000	Baffinland Iron Mines Corp 12% 01/02/2022	242	0.03
300,000	Bombardier Inc 4.75% 15/04/2019	306	0.04
500,000	Bombardier Inc 5.75% 15/03/2022	497	0.06
459,000	Bombardier Inc 7.75% 15/03/2020	495	0.06
800,000	Bombardier Inc 8.75% 01/12/2021	890	0.11
200,000	Canbriam Energy Inc 9.75% 15/11/2019	208	0.02
90,000	GFL Environmental Inc 5.625% 01/05/2022	90	0.01
350,000	GFL Environmental Inc 9.875% 01/02/2021	381	0.05
250,000	Tervita Escrow Corp 7.625% 01/12/2021	255	0.03
950,000	Valeant Pharmaceuticals International Inc 5.375% 15/03/2020	885	0.11
500,000	Valeant Pharmaceuticals International Inc 5.625% 01/12/2021	430	0.05
263,000	Valeant Pharmaceuticals International Inc 6.75% 15/08/2018 [^]	265	0.03
850,000	Valeant Pharmaceuticals International Inc 7.5% 15/07/2021	788	0.10
Corporate bonds: CCC+ rating			
175,000	Concordia International Corp 9% 01/04/2022	130	0.01
Corporate bonds: C rating			
200,000	Mood Media Corp 9.25% 15/10/2020	136	0.02
Total Canada		19,185	2.34

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				Luxembourg (31 May 2016: 4.56%) (cont)			
Cayman Islands (31 May 2016: 1.19%)				Corporate bonds: BB+ rating (cont)			
Corporate bonds: B+ rating				250,000	Nielsen Co Luxembourg SARL 5.5% 01/10/2021	259	0.03
1,250,000	Transocean Inc 4.5% 15/10/2017	1,265	0.15	1,550,000	Telecom Italia Capital SA 6.999% 04/06/2018	1,622	0.20
2,000,000	Transocean Inc 6% 15/03/2018	2,047	0.25	1,865,000	Telecom Italia Capital SA 7.175% 18/06/2019	2,039	0.25
1,250,000	Transocean Inc 6.5% 15/11/2020	1,269	0.16	Corporate bonds: BB rating			
1,550,000	Transocean Inc 8.375% 15/12/2021	1,616	0.20	500,000	Puma International Financing SA 6.75% 01/02/2021	517	0.06
Corporate bonds: CCC- rating				1,100,000	Wind Acquisition Finance SA 4.75% 15/07/2020	1,115	0.14
500,000	Global A&T Electronics Ltd 10% 01/02/2019	369	0.04	200,000	Wind Acquisition Finance SA 6.5% 30/04/2020	207	0.02
Total Cayman Islands				Corporate bonds: BB- rating			
		6,566	0.80	350,000	Altice Financing SA 6.5% 15/01/2022	367	0.05
Finland (31 May 2016: 0.35%)				350,000	Mallinckrodt International Finance SA / Mallinckrodt CB LLC 4.875% 15/04/2020	349	0.04
Corporate bonds: BB+ rating				Corporate bonds: B rating			
2,299,000	Nokia Oyj 5.375% 15/05/2019	2,426	0.29	1,300,000	Wind Acquisition Finance SA 7.375% 23/04/2021	1,355	0.16
Total Finland				Corporate bonds: B- rating			
		2,426	0.29	300,000	Coveris Holdings SA 7.875% 01/11/2019	293	0.04
France (31 May 2016: 0.03%)				Corporate bonds: CCC rating			
Corporate bonds: B+ rating				300,000	Accudyne Industries Borrower / Accudyne Industries LLC 7.75% 15/12/2020	302	0.04
250,000	SFR Group SA 6% 15/05/2022	262	0.03	Corporate bonds: CC rating			
Total France				432,000	Intelsat Connect Finance SA 12.5% 01/04/2022	375	0.05
		262	0.03	3,631,000	Intelsat Jackson Holdings SA 7.25% 01/04/2019	3,474	0.42
Greece (31 May 2016: 0.04%)				5,300,000	Intelsat Jackson Holdings SA 7.25% 15/10/2020	4,790	0.59
Ireland (31 May 2016: 1.02%)				2,800,000	Intelsat Jackson Holdings SA 7.5% 01/04/2021	2,487	0.30
Corporate bonds: BB rating				Total Luxembourg			
260,000	Ardagh Packaging Finance Plc / Ardagh Holdings Inc 4.25% 15/09/2022	265	0.03			27,818	3.39
Corporate bonds: B rating				Marshall Islands (31 May 2016: Nil)			
200,000	Ardagh Packaging Finance Plc / Ardagh Holdings Inc 6% 30/06/2021	206	0.03	Corporate bonds: B- rating			
Total Ireland				400,000	Navios Maritime Holdings Inc / Navios Maritime Finance II US Inc 7.375% 15/01/2022	319	0.04
		471	0.06	Total Marshall Islands			
Japan (31 May 2016: 0.23%)						319	0.04
Corporate bonds: BB+ rating				Netherlands (31 May 2016: 1.00%)			
1,200,000	SoftBank Group Corp 4.5% 15/04/2020	1,249	0.15	Corporate bonds: BBB-/++ rating			
Total Japan				250,000	NXP BV / NXP Funding LLC 3.75% 01/06/2018	255	0.03
		1,249	0.15	200,000	NXP BV / NXP Funding LLC 4.125% 15/06/2020	210	0.03
Jersey (31 May 2016: 0.04%)				700,000	NXP BV / NXP Funding LLC 4.125% 01/06/2021	738	0.09
Corporate bonds: BB+ rating							
200,000	Lincoln Finance Ltd 7.375% 15/04/2021^	212	0.03				
Corporate bonds: B- rating							
200,000	Aston Martin Capital Holdings Ltd 6.5% 15/04/2022	210	0.02				
Total Jersey							
		422	0.05				
Luxembourg (31 May 2016: 4.56%)							
Corporate bonds: BB+ rating							
1,250,000	ArcelorMittal 5.75% 05/08/2020	1,350	0.16				
1,845,000	ArcelorMittal 6% 01/03/2021	1,994	0.24				
1,500,000	ArcelorMittal 6.125% 01/06/2018	1,556	0.19				
3,000,000	ArcelorMittal 6.75% 25/02/2022	3,367	0.41				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				United Kingdom (31 May 2016: 1.24%) (cont)			
Netherlands (31 May 2016: 1.00%) (cont)				Corporate bonds: CCC+ rating			
Corporate bonds: BB+ rating				200,000	KCA Deutag UK Finance Plc 7.25% 15/05/2021	190	0.03
730,000	Royal Bank of Scotland NV 4.65% 04/06/2018	749	0.09	500,000	KCA Deutag UK Finance Plc 9.875% 01/04/2022	514	0.06
Corporate bonds: BB rating				Corporate bonds: CCC/*- rating			
3,670,000	Fiat Chrysler Automobiles NV 4.5% 15/04/2020	3,753	0.46	500,000	Algeco Scotsman Global Finance Plc 8.5% 15/10/2018	466	0.06
Corporate bonds: B+ rating				Corporate bonds: CCC/*- rating			
250,000	Constellium NV 7.875% 01/04/2021	269	0.03	350,000	Algeco Scotsman Global Finance Plc 10.75% 15/10/2019	263	0.03
Corporate bonds: B- rating				Corporate bonds: NR rating			
150,000	Playa Resorts Holding BV 8% 15/08/2020	157	0.02	227,597	Avanti Communications Group Plc 12% 01/10/2023	68	0.01
Total Netherlands		6,131	0.75	Total United Kingdom		7,599	0.93
Singapore (31 May 2016: 0.03%)				United States (31 May 2016: 81.48%)			
Corporate bonds: B+ rating				Corporate bonds: A rating			
200,000	STATS ChipPAC Pte Ltd 8.5% 24/11/2020	215	0.03	1,381,000	Komatsu Mining Corp 5.125% 15/10/2021	1,538	0.19
Total Singapore		215	0.03	Corporate bonds: BBB- rating			
Sweden (31 May 2016: 0.07%)				975,000	American Equity Investment Life Holding Co 6.625% 15/07/2021	1,010	0.12
Corporate bonds: CCC- rating				3,100,000	Arconic Inc 5.4% 15/04/2021	3,329	0.41
200,000	Perstorp Holding AB 11% 30/09/2021	215	0.03	1,950,000	Arconic Inc 5.72% 23/02/2019	2,059	0.25
Total Sweden		215	0.03	1,600,000	Arconic Inc 5.87% 23/02/2022	1,757	0.21
United Kingdom (31 May 2016: 1.24%)				2,572,000	Arconic Inc 6.15% 15/08/2020	2,817	0.34
Corporate bonds: BB+ rating				1,450,000	CNH Industrial Capital LLC 3.375% 15/07/2019	1,472	0.18
550,000	Anglo American Capital Plc 3.625% 14/05/2020	557	0.07	1,550,000	CNH Industrial Capital LLC 3.625% 15/04/2018	1,565	0.19
250,000	Anglo American Capital Plc 4.125% 15/04/2021	257	0.03	1,775,000	CNH Industrial Capital LLC 3.875% 16/07/2018	1,803	0.22
200,000	Anglo American Capital Plc 4.45% 27/09/2020	208	0.03	1,100,000	CNH Industrial Capital LLC 3.875% 15/10/2021	1,118	0.14
400,000	International Game Technology Plc 5.625% 15/02/2020	421	0.05	1,590,000	CNH Industrial Capital LLC 4.375% 06/11/2020	1,657	0.20
725,000	International Game Technology Plc 6.25% 15/02/2022	783	0.10	1,250,000	CNH Industrial Capital LLC 4.375% 05/04/2022^	1,291	0.16
200,000	Jaguar Land Rover Automotive Plc 3.5% 15/03/2020	203	0.02	1,300,000	CNH Industrial Capital LLC 4.875% 01/04/2021	1,375	0.17
200,000	Jaguar Land Rover Automotive Plc 4.125% 15/12/2018	204	0.02	850,000	EnLink Midstream Partners LP 2.7% 01/04/2019	851	0.10
400,000	Jaguar Land Rover Automotive Plc 4.25% 15/11/2019^	412	0.05	3,840,000	HCA Inc 3.75% 15/03/2019	3,922	0.48
300,000	Tesco Plc 5.5% 15/11/2017	304	0.04	1,505,000	HCA Inc 4.25% 15/10/2019	1,564	0.19
Corporate bonds: BB rating				3,000,000	HCA Inc 5.875% 15/03/2022	3,331	0.41
906,000	Royal Bank of Scotland Group Plc 4.7% 03/07/2018^	926	0.11	7,320,000	HCA Inc 6.5% 15/02/2020	8,043	0.98
Corporate bonds: BB- rating				2,345,000	Hughes Satellite Systems Corp 6.5% 15/06/2019	2,535	0.31
1,000,000	Virgin Media Secured Finance Plc 5.25% 15/01/2021	1,063	0.13	1,100,000	Leidos Holdings Inc 4.45% 01/12/2020	1,156	0.14
Corporate bonds: B- rating				900,000	MPT Operating Partnership LP / MPT Finance Corp 6.375% 15/02/2022	930	0.11
200,000	Ferroglobe Plc / Globe Specialty Metals Inc 9.375% 01/03/2022	212	0.03	1,050,000	Murphy Oil Corp 3.5% 01/12/2017	1,052	0.13
275,000	Tullow Oil Plc 6% 01/11/2020	267	0.03	1,750,000	Nabors Industries Inc 4.625% 15/09/2021	1,737	0.21
300,000	Tullow Oil Plc 6.25% 15/04/2022	281	0.03	1,900,000	Nabors Industries Inc 5% 15/09/2020	1,945	0.24

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
United States (31 May 2016: 81.48%) (cont)				Corporate bonds: BB+ rating (cont)			
997,000	Nabors Industries Inc 6.15% 15/02/2018	1,018	0.12	550,000	Fresenius Medical Care US Finance II Inc 5.625% 31/07/2019	587	0.07
1,669,000	PBF Holding Co LLC / PBF Finance Corp 8.25% 15/02/2020	1,708	0.21	350,000	Fresenius Medical Care US Finance II Inc 5.875% 31/01/2022	387	0.05
950,000	QVC Inc 3.125% 01/04/2019	961	0.12	407,000	Fresenius Medical Care US Finance Inc 5.75% 15/02/2021	447	0.05
175,000	Sanmina Corp 4.375% 01/06/2019	180	0.02	750,000	Fresenius Medical Care US Finance Inc 6.875% 15/07/2017	754	0.09
215,000	Standard Industries Inc 5.125% 15/02/2021	224	0.03	1,220,000	GLP Capital LP / GLP Financing II Inc 4.375% 01/11/2018	1,251	0.15
850,000	Tesoro Corp 4.25% 01/10/2017	853	0.10	940,000	GLP Capital LP / GLP Financing II Inc 4.375% 15/04/2021	990	0.12
Corporate bonds: BB+/*+ rating				2,680,000	GLP Capital LP / GLP Financing II Inc 4.875% 01/11/2020	2,844	0.35
1,275,000	DuPont Fabros Technology LP 5.875% 15/09/2021	1,326	0.16	700,000	Graham Holdings Co 7.25% 01/02/2019	751	0.09
1,300,000	Oneok Inc 4.25% 01/02/2022	1,339	0.17	1,000,000	Graphic Packaging International Inc 4.75% 15/04/2021	1,049	0.13
Corporate bonds: BB+ rating				250,000	Huntington Ingalls Industries Inc 5% 15/12/2021	259	0.03
1,300,000	Ally Financial Inc 3.25% 13/02/2018	1,311	0.16	2,800,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 4.875% 15/03/2019	2,834	0.35
1,800,000	Ally Financial Inc 3.25% 05/11/2018	1,823	0.22	3,400,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 5.875% 01/02/2022	3,483	0.42
1,940,000	Ally Financial Inc 3.5% 27/01/2019	1,966	0.24	4,430,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 6% 01/08/2020	4,564	0.56
2,550,000	Ally Financial Inc 3.6% 21/05/2018	2,587	0.31	1,770,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 6.25% 01/02/2022	1,841	0.22
2,250,000	Ally Financial Inc 3.75% 18/11/2019	2,300	0.28	1,208,000	International Game Technology 7.5% 15/06/2019	1,319	0.16
1,750,000	Ally Financial Inc 4.125% 30/03/2020	1,809	0.22	650,000	IPALCO Enterprises Inc 3.45% 15/07/2020	660	0.08
1,650,000	Ally Financial Inc 4.125% 13/02/2022	1,692	0.21	1,305,000	IPALCO Enterprises Inc 5% 01/05/2018	1,337	0.16
1,400,000	Ally Financial Inc 4.25% 15/04/2021	1,441	0.18	2,600,000	L Brands Inc 5.625% 15/02/2022	2,759	0.34
1,775,000	Ally Financial Inc 4.75% 10/09/2018	1,827	0.22	2,562,000	L Brands Inc 6.625% 01/04/2021	2,837	0.35
1,950,000	Ally Financial Inc 6.25% 01/12/2017	1,989	0.24	945,000	L Brands Inc 7% 01/05/2020	1,048	0.13
1,350,000	Ally Financial Inc 7.5% 15/09/2020	1,528	0.19	1,150,000	L Brands Inc 8.5% 15/06/2019	1,282	0.16
2,267,000	Ally Financial Inc 8% 15/03/2020	2,583	0.31	1,800,000	Newfield Exploration Co 5.75% 30/01/2022	1,916	0.23
2,547,000	Ball Corp 4.375% 15/12/2020	2,676	0.33	1,450,000	Nielsen Finance LLC / Nielsen Finance Co 4.5% 01/10/2020	1,473	0.18
1,800,000	Ball Corp 5% 15/03/2022	1,922	0.23	1,250,000	Nielsen Finance LLC / Nielsen Finance Co 5% 15/04/2022	1,288	0.16
750,000	CCO Holdings LLC / CCO Holdings Capital Corp 5.25% 15/03/2021	773	0.09	1,400,000	NuStar Logistics LP 4.8% 01/09/2020	1,460	0.18
1,000,000	Centene Corp 4.75% 15/05/2022	1,044	0.13	600,000	NuStar Logistics LP 8.15% 15/04/2018	630	0.08
3,430,000	Centene Corp 5.625% 15/02/2021	3,586	0.44	1,750,000	PulteGroup Inc 4.25% 01/03/2021	1,814	0.22
1,550,000	CF Industries Inc 6.875% 01/05/2018	1,618	0.20	1,500,000	QEP Resources Inc 6.875% 01/03/2021	1,579	0.19
2,075,000	CF Industries Inc 7.125% 01/05/2020	2,288	0.28	1,175,000	Range Resources Corp 5.75% 01/06/2021	1,212	0.15
2,910,000	CIT Group Inc 3.875% 19/02/2019	2,990	0.36	385,000	Rockies Express Pipeline LLC 5.625% 15/04/2020	409	0.05
1,820,000	CIT Group Inc 5.375% 15/05/2020	1,961	0.24	275,000	Rockies Express Pipeline LLC 6% 15/01/2019	289	0.04
860,000	CIT Group Inc 5.5% 15/02/2019	906	0.11	290,000	Rockies Express Pipeline LLC 6.85% 15/07/2018	303	0.04
2,050,000	Clean Harbors Inc 5.125% 01/06/2021	2,097	0.26				
2,000,000	Clean Harbors Inc 5.25% 01/08/2020	2,034	0.25				
850,000	Commercial Metals Co 7.35% 15/08/2018	895	0.11				
925,000	Continental Airlines 2012-3 Class C Pass Through Trust 6.125% 29/04/2018	951	0.12				
1,500,000	Edgewell Personal Care Co 4.7% 19/05/2021	1,602	0.19				
1,250,000	Edgewell Personal Care Co 4.7% 24/05/2022	1,330	0.16				
1,100,000	Equinix Inc 4.875% 01/04/2020	1,128	0.14				
1,950,000	Equinix Inc 5.375% 01/01/2022	2,060	0.25				
461,000	Fresenius Medical Care US Finance II Inc 4.125% 15/10/2020	481	0.06				

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
Corporate bonds: BB+ rating (cont)				Corporate bonds: BB rating (cont)			
1,746,000	Steel Dynamics Inc 5.125% 01/10/2021	1,801	0.22	1,400,000	Dollar Tree Inc 5.25% 01/03/2020	1,442	0.18
1,875,000	Symantec Corp 4.2% 15/09/2020	1,970	0.24	1,000,000	Energen Corp 4.625% 01/09/2021	1,018	0.12
550,000	Tegna Inc 4.875% 15/09/2021	566	0.07	150,000	GameStop Corp 5.5% 01/10/2019	154	0.02
1,050,000	Tegna Inc 5.125% 15/10/2019	1,073	0.13	200,000	GameStop Corp 6.75% 15/03/2021^	205	0.03
1,100,000	Tegna Inc 5.125% 15/07/2020	1,131	0.14	650,000	HD Supply Inc 5.25% 15/12/2021	685	0.08
1,225,000	Tesoro Logistics LP / Tesoro Logistics Finance Corp 5.5% 15/10/2019	1,298	0.16	787,000	IAC/InterActiveCorp 4.875% 30/11/2018	795	0.10
1,000,000	Tesoro Logistics LP / Tesoro Logistics Finance Corp 5.875% 01/10/2020	1,025	0.12	1,365,000	Lennar Corp 4.125% 15/01/2022	1,397	0.17
2,000,000	Tesoro Logistics LP / Tesoro Logistics Finance Corp 6.125% 15/10/2021	2,085	0.25	1,550,000	Lennar Corp 4.5% 15/06/2019	1,605	0.20
800,000	Toll Brothers Finance Corp 4% 31/12/2018	819	0.10	1,585,000	Lennar Corp 4.5% 15/11/2019	1,645	0.20
1,100,000	Toll Brothers Finance Corp 5.875% 15/02/2022	1,212	0.15	1,149,000	Lennar Corp 4.75% 15/12/2017	1,157	0.14
600,000	Toll Brothers Finance Corp 8.91% 15/10/2017	613	0.07	1,140,000	Lennar Corp 4.75% 01/04/2021	1,203	0.15
950,000	William Carter Co 5.25% 15/08/2021	979	0.12	644,000	Lennar Corp 12.25% 01/06/2017	644	0.08
335,000	WR Grace & Co-Conn 5.125% 01/10/2021	357	0.04	1,200,000	NCR Corp 4.625% 15/02/2021	1,225	0.15
515,000	ZF North America Capital Inc 4% 29/04/2020	535	0.06	975,000	NCR Corp 5.875% 15/12/2021	1,018	0.12
500,000	ZF North America Capital Inc 4.5% 29/04/2022	525	0.06	950,000	Radian Group Inc 5.25% 15/06/2020	1,005	0.12
Corporate bonds: BB/+ rating				845,000	Radian Group Inc 7% 15/03/2021	949	0.12
1,250,000	Sabra Health Care LP / Sabra Capital Corp 5.5% 01/02/2021	1,302	0.16	1,000,000	Service Corp International 5.375% 15/01/2022	1,030	0.13
200,000	Sealed Air Corp 6.5% 01/12/2020	223	0.03	200,000	Sirius XM Radio Inc 4.25% 15/05/2020	202	0.02
Corporate bonds: BB rating				300,000	Sirius XM Radio Inc 5.75% 01/08/2021	311	0.04
2,448,000	AES Corp 7.375% 01/07/2021	2,794	0.34	1,250,000	T-Mobile Inc 4% 15/04/2022	1,294	0.16
1,671,000	AES Corp 8% 01/06/2020	1,920	0.23	2,500,000	T-Mobile Inc 6.125% 15/01/2022	2,639	0.32
800,000	Amkor Technology Inc 6.625% 01/06/2021	815	0.10	500,000	TreeHouse Foods Inc 4.875% 15/03/2022	516	0.06
50,000	Amsted Industries Inc 5% 15/03/2022	51	0.01	185,000	West Corp 4.75% 15/07/2021	190	0.02
950,000	Anixter Inc 5.125% 01/10/2021	1,009	0.12	500,000	Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp 5.375% 15/03/2022	514	0.06
800,000	Anixter Inc 5.625% 01/05/2019	842	0.10	Corporate bonds: BB/+ rating			
2,550,000	Antero Resources Corp 5.375% 01/11/2021	2,616	0.32	705,000	CenturyLink Inc 5.15% 15/06/2017	705	0.09
1,005,000	CalAtlantic Group Inc 8.375% 15/05/2018	1,063	0.13	2,411,000	CenturyLink Inc 5.625% 01/04/2020	2,556	0.31
1,240,000	CalAtlantic Group Inc 8.375% 15/01/2021	1,457	0.18	3,650,000	CenturyLink Inc 5.8% 15/03/2022	3,819	0.46
1,150,000	Dana Inc 5.375% 15/09/2021	1,190	0.15	3,248,000	CenturyLink Inc 6.45% 15/06/2021	3,512	0.43
935,000	DCP Midstream Operating LP 2.5% 01/12/2017	934	0.11	1,400,000	Pride International LLC 6.875% 15/08/2020	1,488	0.18
375,000	DCP Midstream Operating LP 4.75% 30/09/2021	382	0.05	Corporate bonds: BB/+ rating			
1,000,000	DCP Midstream Operating LP 4.95% 01/04/2022	1,020	0.12	1,100,000	Level 3 Financing Inc 6.125% 15/01/2021	1,135	0.14
250,000	DCP Midstream Operating LP 5.35% 15/03/2020	261	0.03	Corporate bonds: BB- rating			
150,000	DCP Midstream Operating LP 9.75% 15/03/2019	169	0.02	2,500,000	ADT Corp 6.25% 15/10/2021	2,752	0.34
965,000	Dell International LLC / EMC Corp 5.875% 15/06/2021	1,019	0.12	1,125,000	Allegiant Travel Co 5.5% 15/07/2019	1,163	0.14
				1,050,000	Ally Financial Inc 8% 31/12/2018	1,138	0.14
				245,000	American Airlines Group Inc 4.625% 01/03/2020	252	0.03
				645,000	American Airlines Group Inc 5.5% 01/10/2019	675	0.08
				650,000	American Airlines Group Inc 6.125% 01/06/2018	673	0.08
				1,538,000	Ashland LLC 3.875% 15/04/2018	1,558	0.19
				2,575,000	CHS/Community Health Systems Inc 5.125% 01/08/2021	2,610	0.32
				233,000	Cliffs Natural Resources Inc 8.25% 31/03/2020	255	0.03

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SCHEDULE OF INVESTMENTS (continued)

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Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
Corporate bonds: BB- rating (cont)				Corporate bonds: BB- rating (cont)			
300,000	CommScope Inc 5% 15/06/2021	308	0.04	1,400,000	Outfront Media Capital LLC / Outfront Media Capital Corp 5.25% 15/02/2022	1,456	0.18
975,000	Dell Inc 4.625% 01/04/2021	1,009	0.12	250,000	Owens-Brockway Glass Container Inc 5% 15/01/2022	261	0.03
970,000	Dell Inc 5.65% 15/04/2018	1,000	0.12	800,000	Pinnacle Foods Finance LLC / Pinnacle Foods Finance Corp 4.875% 01/05/2021	818	0.10
1,750,000	Dell Inc 5.875% 15/06/2019	1,851	0.23	800,000	RHP Hotel Properties LP / RHP Finance Corp 5% 15/04/2021	816	0.10
1,400,000	Diamond Offshore Drilling Inc 5.875% 01/05/2019	1,455	0.18	190,000	Seminole Hard Rock Entertainment Inc / Seminole Hard Rock International LLC 5.875% 15/05/2021	192	0.02
6,090,000	EMC Corp 1.875% 01/06/2018	6,052	0.74	1,100,000	SESI LLC 6.375% 01/05/2019	1,086	0.13
5,151,000	EMC Corp 2.65% 01/06/2020	5,067	0.62	1,950,000	SESI LLC 7.125% 15/12/2021	1,945	0.24
2,885,000	Energy Transfer Equity LP 7.5% 15/10/2020	3,231	0.39	657,000	Silgan Holdings Inc 5% 01/04/2020	666	0.08
375,000	First Quality Finance Co Inc 4.625% 15/05/2021	372	0.05	2,500,000	Southwestern Energy Co 4.1% 15/03/2022	2,316	0.28
2,260,000	Freeport-McMoRan Inc 2.3% 14/11/2017	2,256	0.27	2,050,000	Southwestern Energy Co 5.8% 23/01/2020	2,081	0.25
2,950,000	Freeport-McMoRan Inc 2.375% 15/03/2018	2,939	0.36	1,720,000	Starwood Property Trust Inc 5% 15/12/2021	1,792	0.22
2,615,000	Freeport-McMoRan Inc 3.1% 15/03/2020	2,576	0.31	500,000	Talen Energy Supply LLC 9.5% 15/07/2022	439	0.05
4,750,000	Freeport-McMoRan Inc 3.55% 01/03/2022	4,465	0.54	1,800,000	Targa Resources Partners LP / Targa Resources Partners Finance Corp 4.125% 15/11/2019	1,827	0.22
1,360,000	Freeport-McMoRan Inc 4% 14/11/2021	1,331	0.16	250,000	Taylor Morrison Communities Inc / Taylor Morrison Holdings II Inc 5.25% 15/04/2021	256	0.03
300,000	Freeport-McMoRan Inc 6.5% 15/11/2020	310	0.04	2,600,000	Tenet Healthcare Corp 4.375% 01/10/2021	2,669	0.33
200,000	Freeport-McMoRan Inc 6.75% 01/02/2022	207	0.03	2,075,000	Tenet Healthcare Corp 4.5% 01/04/2021	2,130	0.26
1,750,000	Griffon Corp 5.25% 01/03/2022	1,787	0.22	1,065,000	Tenet Healthcare Corp 4.75% 01/06/2020	1,101	0.13
1,675,000	HRG Group Inc 7.875% 15/07/2019	1,734	0.21	4,370,000	Tenet Healthcare Corp 6% 01/10/2020	4,679	0.57
2,200,000	Hughes Satellite Systems Corp 7.625% 15/06/2021	2,500	0.30	2,250,000	Tenet Healthcare Corp 6.25% 01/11/2018	2,369	0.29
300,000	Iron Mountain Inc 4.375% 01/06/2021	310	0.04	1,200,000	TRI Pointe Group Inc / TRI Pointe Homes Inc 4.375% 15/06/2019	1,229	0.15
475,000	Iron Mountain Inc 6% 01/10/2020	494	0.06	350,000	Ultra Resources Inc 6.875% 15/04/2022	353	0.04
2,650,000	LifePoint Health Inc 5.5% 01/12/2021	2,746	0.33	1,450,000	Unit Corp 6.625% 15/05/2021	1,421	0.17
1,162,000	MGM Resorts International 5.25% 31/03/2020	1,231	0.15	595,000	United States Steel Corp 8.375% 01/07/2021	651	0.08
2,850,000	MGM Resorts International 6.625% 15/12/2021	3,190	0.39	1,000,000	WESCO Distribution Inc 5.375% 15/12/2021	1,039	0.13
2,626,000	MGM Resorts International 6.75% 01/10/2020	2,918	0.36	2,600,000	Whiting Petroleum Corp 5% 15/03/2019	2,592	0.32
2,500,000	MGM Resorts International 7.75% 15/03/2022	2,920	0.36	2,150,000	Whiting Petroleum Corp 5.75% 15/03/2021^	2,114	0.26
2,310,000	MGM Resorts International 8.625% 01/02/2019	2,553	0.31	Corporate bonds: BB-/+- rating			
1,200,000	MGM Resorts International 11.375% 01/03/2018	1,287	0.16	200,000	KCG Holdings Inc 6.875% 15/03/2020	208	0.03
1,035,000	NewStar Financial Inc 7.25% 01/05/2020	1,062	0.13	Corporate bonds: B+/+ rating			
625,000	NGPL PipeCo LLC 7.119% 15/12/2017	640	0.08	950,000	Chemtura Corp 5.75% 15/07/2021	980	0.12
250,000	NGPL PipeCo LLC 9.625% 01/06/2019	256	0.03	Corporate bonds: B+ rating			
650,000	Northern Tier Energy LLC / Northern Tier Finance Corp 7.125% 15/11/2020	673	0.08	1,000,000	AMC Entertainment Holdings Inc 5.875% 15/02/2022	1,046	0.13
750,000	NRG Energy Inc 7.625% 15/01/2018	772	0.09	1,725,000	B&G Foods Inc 4.625% 01/06/2021	1,762	0.21
297,000	Nuance Communications Inc 5.375% 15/08/2020	303	0.04				
200,000	Och-Ziff Finance Co LLC 4.5% 20/11/2019	190	0.02				

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
United States (31 May 2016: 81.48%) (cont)				Corporate bonds: B+ rating (cont)			
250,000	Calumet Specialty Products Partners LP / Calumet Finance Corp 11.5% 15/01/2021	292	0.04	800,000	Navient Corp 4.625% 25/09/2017	804	0.10
1,462,000	Carrizo Oil & Gas Inc 7.5% 15/09/2020	1,491	0.18	2,500,000	Navient Corp 4.875% 17/06/2019	2,585	0.31
200,000	Cogent Communications Group Inc 5.375% 01/03/2022	210	0.03	1,260,000	Navient Corp 5% 26/10/2020	1,285	0.16
4,500,000	CONSOL Energy Inc 5.875% 15/04/2022	4,455	0.54	2,814,000	Navient Corp 5.5% 15/01/2019	2,920	0.36
160,000	Crescent Communities LLC/Crescent Ventures Inc 8.875% 15/10/2021	168	0.02	1,275,000	Navient Corp 5.875% 25/03/2021	1,327	0.16
200,000	CrownRock LP / CrownRock Finance Inc 7.125% 15/04/2021	206	0.03	1,925,000	Navient Corp 6.625% 26/07/2021	2,046	0.25
3,052,000	DISH DBS Corp 4.25% 01/04/2018	3,097	0.38	1,850,000	Navient Corp 7.25% 25/01/2022	1,988	0.24
2,152,000	DISH DBS Corp 4.625% 15/07/2017	2,156	0.26	3,873,000	Navient Corp 8% 25/03/2020	4,280	0.52
2,715,000	DISH DBS Corp 5.125% 01/05/2020	2,862	0.35	4,200,000	Navient Corp 8.45% 15/06/2018	4,457	0.54
5,075,000	DISH DBS Corp 6.75% 01/06/2021	5,621	0.69	1,000,000	Netflix Inc 5.375% 01/02/2021	1,083	0.13
3,385,000	DISH DBS Corp 7.875% 01/09/2019	3,757	0.46	2,000,000	Netflix Inc 5.5% 15/02/2022	2,170	0.26
1,941,000	DPL Inc 7.25% 15/10/2021	2,072	0.25	900,000	NGL Energy Partners LP / NGL Energy Finance Corp 5.125% 15/07/2019	905	0.11
5,225,000	Dynegy Inc 6.75% 01/11/2019	5,375	0.66	918,000	NGL Energy Partners LP / NGL Energy Finance Corp 6.875% 15/10/2021	931	0.11
305,000	Endeavor Energy Resources LP / EER Finance Inc 7% 15/08/2021	316	0.04	950,000	Oasis Petroleum Inc 6.5% 01/11/2021	963	0.12
325,000	FBM Finance Inc 8.25% 15/08/2021	349	0.04	2,250,000	Oasis Petroleum Inc 6.875% 15/03/2022	2,275	0.28
1,950,000	Frontier Communications Corp 6.25% 15/09/2021	1,825	0.22	235,000	Peabody Energy Corp 6% 31/03/2022	236	0.03
1,100,000	Frontier Communications Corp 7.125% 15/03/2019	1,162	0.14	200,000	Plastipak Holdings Inc 6.5% 01/10/2021	206	0.03
1,250,000	Frontier Communications Corp 8.125% 01/10/2018	1,323	0.16	550,000	Platform Specialty Products Corp 6.5% 01/02/2022	568	0.07
2,475,000	Frontier Communications Corp 8.5% 15/04/2020	2,624	0.32	250,000	Platform Specialty Products Corp 10.375% 01/05/2021	277	0.03
1,250,000	Frontier Communications Corp 8.75% 15/04/2022	1,172	0.14	250,000	Provident Funding Associates LP / PFG Finance Corp 6.75% 15/06/2021	259	0.03
2,586,000	Frontier Communications Corp 8.875% 15/09/2020	2,754	0.34	175,000	Realogy Group LLC / Realogy Co-Issuer Corp 4.5% 15/04/2019	182	0.02
1,250,000	Frontier Communications Corp 9.25% 01/07/2021	1,270	0.15	300,000	Realogy Group LLC / Realogy Co-Issuer Corp 5.25% 01/12/2021	315	0.04
875,000	Genesis Energy LP / Genesis Energy Finance Corp 5.75% 15/02/2021	888	0.11	7,925,000	Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 5.75% 15/10/2020	8,137	0.99
2,250,000	HCA Healthcare Inc 6.25% 15/02/2021	2,458	0.30	1,551,000	Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 6.875% 15/02/2021	1,032	0.13
4,900,000	HCA Inc 7.5% 15/02/2022	5,647	0.69	750,000	RR Donnelley & Sons Co 7.625% 15/06/2020	829	0.10
1,050,000	HCA Inc 8% 01/10/2018	1,134	0.14	1,175,000	RR Donnelley & Sons Co 7.875% 15/03/2021	1,276	0.16
1,325,000	iStar Inc 4% 01/11/2017	1,329	0.16	1,155,000	Scientific Games International Inc 7% 01/01/2022	1,233	0.15
1,800,000	iStar Inc 5% 01/07/2019	1,820	0.22	1,400,000	Sinclair Television Group Inc 5.375% 01/04/2021	1,439	0.18
1,000,000	iStar Inc 6% 01/04/2022	1,016	0.12	675,000	Sprint Communications Inc 7% 01/03/2020	745	0.09
400,000	Jack Ohio Finance LLC / Jack Ohio Finance 1 Corp 6.75% 15/11/2021	414	0.05	1,525,000	Sprint Communications Inc 9% 15/11/2018	1,674	0.20
240,000	Ladder Capital Finance Holdings LLLP / Ladder Capital Finance Corp 5.25% 15/03/2022	247	0.03	1,265,000	Sunoco LP / Sunoco Finance Corp 5.5% 01/08/2020	1,306	0.16
1,050,000	Nationstar Mortgage LLC / Nationstar Capital Corp 6.5% 01/08/2018	1,056	0.13	2,150,000	Sunoco LP / Sunoco Finance Corp 6.25% 15/04/2021	2,268	0.28
1,450,000	Nationstar Mortgage LLC / Nationstar Capital Corp 6.5% 01/07/2021	1,482	0.18	825,000	ViaSat Inc 6.875% 15/06/2020	841	0.10
1,000,000	Nationstar Mortgage LLC / Nationstar Capital Corp 7.875% 01/10/2020	1,036	0.13	1,745,000	Windstream Services LLC 7.75% 15/10/2020	1,754	0.21
				1,968,000	Windstream Services LLC 7.75% 01/10/2021	1,908	0.23

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Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
United States (31 May 2016: 81.48%) (cont)				Corporate bonds: B rating (cont)			
Corporate bonds: B+ rating (cont)				1,100,000	KB Home 7% 15/12/2021	1,233	0.15
2,650,000	WPX Energy Inc 6% 15/01/2022	2,682	0.33	850,000	KB Home 8% 15/03/2020	955	0.12
1,350,000	WPX Energy Inc 7.5% 01/08/2020	1,433	0.17	400,000	Kinetic Concepts Inc / KCI Inc 7.875% 15/02/2021	426	0.05
1,000,000	Yum! Brands Inc 3.75% 01/11/2021	1,017	0.12	1,100,000	Laredo Petroleum Inc 5.625% 15/01/2022	1,084	0.13
700,000	Yum! Brands Inc 3.875% 01/11/2020	718	0.09	250,000	Michaels Stores Inc 5.875% 15/12/2020	257	0.03
Corporate bonds: B/+ rating				400,000	OneMain Financial Holdings LLC 6.75% 15/12/2019	420	0.05
900,000	Alere Inc 7.25% 01/07/2018	903	0.11	350,000	OneMain Financial Holdings LLC 7.25% 15/12/2021	369	0.04
525,000	Florida East Coast Holdings Corp 6.75% 01/05/2019	539	0.07	1,434,000	PHI Inc 5.25% 15/03/2019	1,314	0.16
Corporate bonds: B rating				500,000	Regal Entertainment Group 5.75% 15/03/2022	522	0.06
385,000	Aleris International Inc 9.5% 01/04/2021	402	0.05	1,300,000	Revlon Consumer Products Corp 5.75% 15/02/2021	1,210	0.15
1,250,000	Allegheny Technologies Inc 5.95% 15/01/2021	1,244	0.15	125,000	Rialto Holdings LLC / Rialto Corp 7% 01/12/2018	127	0.02
1,100,000	Allegheny Technologies Inc 9.375% 01/06/2019	1,199	0.15	315,000	Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp 6.125% 15/08/2021	318	0.04
1,050,000	American Axle & Manufacturing Inc 6.25% 15/03/2021	1,083	0.13	200,000	Simmons Foods Inc 7.875% 01/10/2021	213	0.03
1,093,000	APX Group Inc 6.375% 01/12/2019	1,128	0.14	1,920,000	Springleaf Finance Corp 5.25% 15/12/2019	1,969	0.24
1,000,000	Avon Products Inc 6.6% 15/03/2020	1,011	0.12	1,000,000	Springleaf Finance Corp 6.125% 15/05/2022	1,032	0.13
375,000	Denbury Resources Inc 9% 15/05/2021	386	0.05	2,750,000	Springleaf Finance Corp 6.9% 15/12/2017	2,819	0.34
200,000	DriveTime Automotive Group Inc / Bridgecrest Acceptance Corp 8% 01/06/2021	200	0.02	1,600,000	Springleaf Finance Corp 7.75% 01/10/2021	1,742	0.21
300,000	Extraction Oil & Gas Inc / Extraction Finance Corp 7.875% 15/07/2021	312	0.04	2,450,000	Springleaf Finance Corp 8.25% 15/12/2020	2,693	0.33
1,250,000	Ferrellgas LP / Ferrellgas Finance Corp 6.5% 01/05/2021	1,212	0.15	1,350,000	Springs Industries Inc 6.25% 01/06/2021	1,393	0.17
1,150,000	Ferrellgas LP / Ferrellgas Finance Corp 6.75% 15/01/2022	1,113	0.14	3,675,000	Sprint Communications Inc 7% 15/08/2020	4,065	0.50
900,000	Forum Energy Technologies Inc 6.25% 01/10/2021	895	0.11	1,450,000	Sprint Communications Inc 11.5% 15/11/2021	1,863	0.23
1,680,000	Genworth Holdings Inc 6.515% 22/05/2018^	1,684	0.21	6,750,000	Sprint Corp 7.25% 15/09/2021	7,663	0.93
1,050,000	Genworth Holdings Inc 7.2% 15/02/2021	988	0.12	246,000	Syniverse Foreign Holdings Corp 9.125% 15/01/2022	246	0.03
1,850,000	Genworth Holdings Inc 7.625% 24/09/2021	1,750	0.21	1,900,000	Talen Energy Supply LLC 4.6% 15/12/2021^	1,480	0.18
925,000	Genworth Holdings Inc 7.7% 15/06/2020	902	0.11	120,000	Talen Energy Supply LLC 4.625% 15/07/2019	117	0.01
125,000	Hot Topic Inc 9.25% 15/06/2021	127	0.02	725,000	Talen Energy Supply LLC 6.5% 01/05/2018	732	0.09
2,250,000	HRG Group Inc 7.75% 15/01/2022	2,378	0.29	275,000	Time Inc 5.75% 15/04/2022^	282	0.03
1,644,000	Huntsman International LLC 4.875% 15/11/2020	1,743	0.21	925,000	Triumph Group Inc 4.875% 01/04/2021	921	0.11
275,000	Infor US Inc 5.75% 15/08/2020	285	0.03	1,032,000	United States Steel Corp 7.375% 01/04/2020^	1,110	0.14
250,000	Isle of Capri Casinos Inc 8.875% 15/06/2020	256	0.03	950,000	United States Steel Corp 7.5% 15/03/2022^	969	0.12
1,000,000	JC Penney Corp Inc 5.65% 01/06/2020	994	0.12	200,000	Urban One Inc 7.375% 15/04/2022	207	0.02
340,000	JC Penney Corp Inc 8.125% 01/10/2019	377	0.05	325,000	Western Refining Inc 6.25% 01/04/2021	335	0.04
200,000	Jefferies Finance LLC / JFIN Co-Issuer Corp 7.375% 01/04/2020	206	0.03	1,250,000	Xerium Technologies Inc 9.5% 15/08/2021	1,319	0.16
400,000	Jefferies Finance LLC / JFIN Co-Issuer Corp 7.5% 15/04/2021	415	0.05				
300,000	Joseph T Ryerson & Son Inc 11% 15/05/2022	341	0.04				
1,075,000	KB Home 4.75% 15/05/2019	1,108	0.13				

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
Corporate bonds: B-/*+ rating				Corporate bonds: B- rating (cont)			
1,150,000	Atwood Oceanics Inc 6.5% 01/02/2020^	1,152	0.14	250,000	Michael Baker International LLC / CDL Acquisition Co Inc 8.25% 15/10/2018	250	0.03
1,750,000	Rite Aid Corp 6.75% 15/06/2021	1,771	0.22	2,700,000	Momentive Performance Materials Inc 3.88% 24/10/2021	2,730	0.33
2,035,000	Rite Aid Corp 9.25% 15/03/2020	2,100	0.25	671,000	Nature's Bounty Co 7.625% 15/05/2021	702	0.09
Corporate bonds: B- rating				200,000	Prestige Brands Inc 5.375% 15/12/2021	205	0.02
1,150,000	AK Steel Corp 7.625% 01/10/2021^	1,190	0.14	1,450,000	Sanchez Energy Corp 7.75% 15/06/2021	1,373	0.17
1,105,000	Aleris International Inc 7.875% 01/11/2020	1,088	0.13	1,800,000	Select Medical Corp 6.375% 01/06/2021	1,844	0.22
250,000	Apex Tool Group LLC 7% 01/02/2021	232	0.03	950,000	SUPERVALU Inc 6.75% 01/06/2021	971	0.12
973,000	Archrock Partners LP / Archrock Partners Finance Corp 6% 01/04/2021	974	0.12	550,000	Tenet Healthcare Corp 7.5% 01/01/2022	598	0.07
715,000	Ascent Resources Utica Holdings LLC / ARU Finance Corp 10% 01/04/2022	732	0.09	1,000,000	Titan International Inc 6.875% 01/10/2020	1,029	0.13
200,000	Ashton Woods LLC / Ashton Woods Finance Co 6.875% 15/02/2021	204	0.02	350,000	TMX Finance LLC / TitleMax Finance Corp 8.5% 15/09/2018	332	0.04
1,010,000	AV Homes Inc 6.625% 15/05/2022	1,035	0.13	1,350,000	TransDigm Inc 5.5% 15/10/2020	1,378	0.17
1,200,000	Beazer Homes Inc 8.75% 15/03/2022	1,338	0.16	2,200,000	Tronox Finance LLC 6.375% 15/08/2020	2,222	0.27
375,000	Cenveo Corp 6% 01/08/2019	321	0.04	500,000	Tronox Finance LLC 7.5% 15/03/2022	521	0.06
550,000	Cequel Communications Holdings I LLC / Cequel Capital Corp 5.125% 15/12/2021	562	0.07	333,000	TRU Taj LLC / TRU Taj Finance Inc 12% 15/08/2021	307	0.04
560,000	Cequel Communications Holdings I LLC / Cequel Capital Corp 6.375% 15/09/2020	574	0.07	1,450,000	Universal Hospital Services Inc 7.625% 15/08/2020	1,479	0.18
725,000	Citgo Holding Inc 10.75% 15/02/2020	785	0.10	1,180,000	Valeant Pharmaceuticals International 6.375% 15/10/2020	1,112	0.14
4,733,000	Clear Channel Worldwide Holdings Inc 7.625% 15/03/2020	4,757	0.58	250,000	Valeant Pharmaceuticals International 6.75% 15/08/2021	224	0.03
2,575,000	CSC Holdings LLC 6.75% 15/11/2021	2,842	0.35	350,000	Valeant Pharmaceuticals International 7% 01/10/2020	334	0.04
1,550,000	CSC Holdings LLC 8.625% 15/02/2019	1,701	0.21	325,000	WMG Acquisition Corp 6.75% 15/04/2022	342	0.04
255,000	CURO Financial Technologies Corp 12% 01/03/2022	268	0.03	Corporate bonds: CCC+/*+ rating			
418,000	Endo Finance LLC 5.75% 15/01/2022	401	0.05	1,200,000	Alere Inc 6.5% 15/06/2020	1,222	0.15
200,000	Endo Finance LLC / Endo Finco Inc 7.25% 15/01/2022	200	0.02	2,150,000	Caesars Entertainment Resort Properties LLC / Caesars Entertainment Resort Prope 8% 01/10/2020	2,234	0.27
1,263,000	Enova International Inc 9.75% 01/06/2021	1,301	0.16	Corporate bonds: CCC+ rating			
150,000	Euramax International Inc 12% 15/08/2020	164	0.02	490,000	American Tire Distributors Inc 10.25% 01/03/2022	510	0.06
325,000	Harland Clarke Holdings Corp 9.25% 01/03/2021	318	0.04	2,250,000	APX Group Inc 8.75% 01/12/2020	2,332	0.28
245,000	HC2 Holdings Inc 11% 01/12/2019	252	0.03	150,000	BI-LO LLC / BI-LO Finance Corp 9.25% 15/02/2019	128	0.02
1,050,000	Hecla Mining Co 6.875% 01/05/2021	1,083	0.13	155,000	Blackboard Inc 9.75% 15/10/2021	154	0.02
1,700,000	Hertz Corp 5.875% 15/10/2020^	1,605	0.20	900,000	BMC Software Finance Inc 8.125% 15/07/2021	920	0.11
1,076,000	Hertz Corp 6.75% 15/04/2019^	1,079	0.13	200,000	Brand Energy & Infrastructure Services Inc 8.5% 01/12/2021	213	0.03
1,350,000	Hertz Corp 7.375% 15/01/2021^	1,272	0.15	2,000,000	Cablevision Systems Corp 7.75% 15/04/2018	2,084	0.25
1,250,000	Kindred Healthcare Inc 6.375% 15/04/2022	1,219	0.15	1,270,000	Cablevision Systems Corp 8% 15/04/2020	1,421	0.17
1,850,000	Kindred Healthcare Inc 8% 15/01/2020	1,935	0.24	784,000	Cablevision Systems Corp 8.625% 15/09/2017	798	0.10
190,000	Kinetic Concepts Inc / KCI Inc 12.5% 01/11/2021	213	0.03	2,200,000	Calumet Specialty Products Partners LP / Calumet Finance Corp 6.5% 15/04/2021	1,969	0.24
1,085,000	Kratos Defense & Security Solutions Inc 7% 15/05/2019	1,110	0.13				
200,000	Lee Enterprises Inc 9.5% 15/03/2022	205	0.02				
1,050,000	Martin Midstream Partners LP / Martin Midstream Finance Corp 7.25% 15/02/2021	1,076	0.13				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.12%) (cont)				United States (31 May 2016: 81.48%) (cont)			
United States (31 May 2016: 81.48%) (cont)				Corporate bonds: CCC rating (cont)			
950,000	Calumet Specialty Products Partners LP / Calumet Finance Corp 7.625% 15/01/2022	850	0.10	263,000	Bumble Bee Holdings Inc 9% 15/12/2017	263	0.03
7,500,000	CHS/Community Health Systems Inc 6.875% 01/02/2022	6,675	0.81	225,000	Ceridian HCM Holding Inc 11% 15/03/2021	237	0.03
2,930,000	CHS/Community Health Systems Inc 7.125% 15/07/2020	2,888	0.35	1,100,000	Chesapeake Energy Corp 4.875% 15/04/2022^	1,025	0.12
4,908,000	CHS/Community Health Systems Inc 8% 15/11/2019^	4,939	0.60	1,350,000	Chesapeake Energy Corp 6.125% 15/02/2021	1,359	0.17
3,475,000	EP Energy LLC / Everest Acquisition Finance Inc 9.375% 01/05/2020	3,163	0.39	1,400,000	Chesapeake Energy Corp 6.625% 15/08/2020	1,456	0.18
900,000	Everi Payments Inc 10% 15/01/2022	982	0.12	550,000	DJO Finco Inc / DJO Finance LLC / DJO Finance Corp 8.125% 15/06/2021	511	0.06
325,000	Guitar Center Inc 6.5% 15/04/2019	280	0.03	150,000	Gibson Brands Inc 8.875% 01/08/2018	135	0.02
3,755,000	Hexion Inc 6.625% 15/04/2020	3,502	0.43	1,400,000	Hexion Inc / Hexion Nova Scotia Finance ULC 9% 15/11/2020	1,015	0.12
335,000	Hexion Inc 10.375% 01/02/2022	339	0.04	1,050,000	Hornbeck Offshore Services Inc 5% 01/03/2021	579	0.07
550,000	HUB International Ltd 7.875% 01/10/2021	575	0.07	900,000	Hornbeck Offshore Services Inc 5.875% 01/04/2020	513	0.06
2,050,000	IASIS Healthcare LLC / IASIS Capital Corp 8.375% 15/05/2019	2,076	0.25	675,000	Jones Energy Holdings LLC / Jones Energy Finance Corp 6.75% 01/04/2022	555	0.07
2,500,000	Infor US Inc 6.5% 15/05/2022	2,612	0.32	800,000	LSB Industries Inc 8.5% 01/08/2019	793	0.10
265,000	K Hovnanian Enterprises Inc 7.25% 15/10/2020	263	0.03	1,425,000	Monitronics International Inc 9.125% 01/04/2020^	1,364	0.17
3,530,000	Navistar International Corp 8.25% 01/11/2021	3,579	0.44	550,000	Murray Energy Corp 11.25% 15/04/2021	424	0.05
175,000	Neovia Logistics Services LLC / SPL Logistics Finance Corp 8.875% 01/08/2020	141	0.02	1,280,000	Northern Oil and Gas Inc 8% 01/06/2020	1,011	0.12
350,000	NFP Corp 9% 15/07/2021	367	0.04	350,000	Opal Acquisition Inc 8.875% 15/12/2021	317	0.04
135,000	PaperWorks Industries Inc 9.5% 15/08/2019	104	0.01	355,000	Ortho-Clinical Diagnostics Inc / Ortho-Clinical Diagnostics SA 6.625% 15/05/2022	339	0.04
1,050,000	Resolute Energy Corp 8.5% 01/05/2020	1,063	0.13	200,000	Sungard Availability Services Capital Inc 8.75% 01/04/2022	159	0.02
250,000	Surgery Center Holdings Inc 8.875% 15/04/2021	268	0.03	Corporate bonds: CCC- rating			
129,000	Syniverse Holdings Inc 9.125% 15/01/2019	126	0.02	250,000	Calfrac Holdings LP 7.5% 01/12/2020	224	0.03
2,805,000	Tenet Healthcare Corp 5% 01/03/2019	2,865	0.35	900,000	ImmuCor Inc 11.125% 15/08/2019	904	0.11
1,175,000	Tenet Healthcare Corp 5.5% 01/03/2019	1,205	0.15	200,000	Jurassic Holdings III Inc 6.875% 15/02/2021	165	0.02
1,906,000	Tenet Healthcare Corp 8% 01/08/2020	1,938	0.24	250,000	Transworld Systems Inc 9.5% 15/08/2021	182	0.02
6,250,000	Tenet Healthcare Corp 8.125% 01/04/2022	6,602	0.80	Corporate bonds: CC/*+ rating			
470,000	TIBCO Software Inc 11.375% 01/12/2021	519	0.06	2,450,000	Caesars Entertainment Resort Properties LLC / Caesars Entertainment Resort Prope 11% 01/10/2021	2,643	0.32
500,000	TPC Group Inc 8.75% 15/12/2020	472	0.06	Corporate bonds: CC rating			
301,000	WaveDivision Escrow LLC / WaveDivision Escrow Corp 8.125% 01/09/2020	312	0.04	3,669,000	iHeartCommunications Inc 9% 15/12/2019	2,910	0.36
150,000	Westmoreland Coal Co 8.75% 01/01/2022	135	0.02	4,375,000	iHeartCommunications Inc 9% 01/03/2021	3,232	0.39
1,791,000	WideOpenWest Finance LLC / WideOpenWest Capital Corp 10.25% 15/07/2019	1,853	0.23	1,300,000	iHeartCommunications Inc 11.25% 01/03/2021	968	0.12
Corporate bonds: CCC rating				225,000	iHeartCommunications Inc 11.25% 01/03/2021	168	0.02
1,800,000	Alliance One International Inc 9.875% 15/07/2021	1,575	0.19				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Bonds (31 May 2016: 96.12%) (cont)				Transferable securities admitted to an official stock exchange listing	504,117	60.79
United States (31 May 2016: 81.48%) (cont)				Transferable securities dealt in an another regulated market	269,918	32.55
Corporate bonds: CC rating (cont)				Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	644	0.08
1,000,000	Legacy Reserves LP / Legacy Reserves Finance Corp 6.625% 01/12/2021	743	0.09	UCITS collective investment schemes - Money Market Funds	37,858	4.57
Corporate bonds: C rating				Other assets	16,764	2.01
1,000,000	Production Resource Group Inc 8.875% 01/05/2019	670	0.08	Total current assets	829,301	100.00
Corporate bonds: D rating						
1,280,000	GenOn Energy Inc 7.875% 15/06/2017	927	0.11			
1,525,000	GenOn Energy Inc 9.5% 15/10/2018	1,068	0.13			
1,200,000	GenOn Energy Inc 9.875% 15/10/2020	840	0.10			
250,000	Permian Resources LLC / AEPB Finance Corp 7.125% 01/11/2020	227	0.03			
375,000	Permian Resources LLC / AEPB Finance Corp 7.375% 01/11/2021	339	0.04			
Corporate bonds: NR rating						
1,135,000	Affinion Group Inc 7.875% 15/12/2018	1,135	0.14			
2,550,000	MMC Energy Inc 8.875% 15/10/2020	-	0.00			
Total United States		687,488	83.79			
Total bonds		774,679	94.42			
Total value of investments						
		774,679	94.42			
Cash equivalents (31 May 2016: 2.52%)						
UCITS collective investment schemes - Money Market Funds (31 May 2016: 2.52%)						
37,858,404	Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund*	37,858	4.61			
Bank overdraft[†]		(1,897)	(0.23)			
Other net assets		9,808	1.20			
Net asset value attributable to redeemable participating shareholders at the end of the financial year						
		820,448	100.00			

[†]Substantially all cash positions are held with State Street Bank and Trust Company.[^] These securities are partially or fully transferred as securities lent.

* Investment in related party.

All credit ratings are shown as at 31 May 2017.

Fixed income securities are primarily classified by the country of incorporation of the issuer for corporate fixed income securities.

iShares \$ Short Duration High Yield Corp Bond UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
4,900,000	Sabine Pass Liquefaction LLC 5.625% 01/02/2021	5,270	8,200,000	Sprint Corp 7.25% 15/09/2021	8,449
4,475,000	EP Energy LLC / Everest Acquisition Finance Inc 9.375% 01/05/2020	3,059	6,740,000	EMC Corp 1.875% 01/06/2018	6,690
2,621,000	International Lease Finance Corp 8.75% 15/03/2017	2,740	7,500,000	CHS/Community Health Systems Inc 6.875% 01/02/2022	6,561
2,210,000	International Lease Finance Corp 6.25% 15/05/2019	2,383	6,250,000	Tenet Healthcare Corp 8.125% 01/04/2022	6,395
2,250,000	CIT Group Inc 5% 15/05/2018	2,264	5,975,000	DISH DBS Corp 6.75% 01/06/2021	6,336
2,000,000	Sprint Communications Inc 9% 15/11/2018	2,172	4,900,000	HCA Inc 7.5% 15/02/2022	5,613
1,750,000	International Lease Finance Corp 8.25% 15/12/2020	2,116	5,401,000	EMC Corp 2.65% 01/06/2020	5,290
1,800,000	HCA Inc 6.5% 15/02/2020	1,973	5,950,000	EP Energy LLC / Everest Acquisition Finance Inc 9.375% 01/05/2020	4,817
1,750,000	Ally Financial Inc 8% 15/03/2020	1,968	4,252,000	T-Mobile USA Inc 6.25% 01/04/2021	4,468
1,750,000	DISH DBS Corp 7.875% 01/09/2019	1,931	4,500,000	CONSOL Energy Inc 5.875% 15/04/2022	4,410
1,850,000	AerCap Ireland Capital DAC 3.75% 15/05/2019	1,914	4,750,000	Freeport-McMoRan Inc 3.55% 01/03/2022	4,404
1,850,000	Navient Corp 5.5% 15/01/2019	1,888	3,870,000	HCA Inc 6.5% 15/02/2020	4,272
1,650,000	ArcelorMittal 6% 01/03/2021	1,766	3,868,000	Cenovus Energy Inc 5.7% 15/10/2019	4,063
1,635,000	AerCap Ireland Capital DAC 4.63% 30/10/2020	1,729	3,805,000	Navistar International Corp 8.25% 01/11/2021	3,864
1,600,000	Navient Corp 8% 25/03/2020	1,710	3,698,000	CenturyLink Inc 6.45% 15/06/2021	3,845
1,700,000	CHS/Community Health Systems Inc 8% 15/11/2019	1,595	3,650,000	CenturyLink Inc 5.8% 15/03/2022	3,771
1,500,000	AerCap Ireland Capital DAC 4.5% 15/05/2021	1,579	3,350,000	MGM Resorts International 6.625% 15/12/2021	3,766
1,450,000	Sprint Corp 7.25% 15/09/2021	1,526	3,650,000	Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 5.75% 15/10/2020	3,762
1,500,000	Sprint Communications Inc 7% 15/08/2020	1,495	3,250,000	DT Corp 6.25% 15/10/2021	3,562
1,350,000	International Lease Finance Corp 5.88% 01/04/2019	1,471	3,400,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 5.875% 01/02/2022	3,472

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares \$ Treasury Bond 20+yr UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	5,771	2,530
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(590)	4,747
Total gains		5,181	7,277
Operating expenses	4	(439)	(188)
Net operating profit		4,742	7,089
Finance costs:			
Distributions to redeemable participating shareholders	6	(3,628)	184
Interest expense	7	(2)	-
Total finance costs		(3,630)	184
Net profit for the financial year		1,112	7,273
Increase in net assets attributable to redeemable participating shareholders from operations		1,112	7,273

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	204,821	37,061
Increase in net assets attributable to redeemable participating shareholders from operations	1,112	7,273
Share transactions:		
Proceeds from issue of redeemable participating shares	433,143	226,503
Payments on redemption of redeemable participating shares	(316,335)	(66,016)
Increase in net assets resulting from share transactions	116,808	160,487
Net assets attributable to redeemable participating shareholders at the end of the financial year	322,741	204,821

The accompanying notes form an integral part of these financial statements.

iShares \$ Treasury Bond 20+yr UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		187	300
Cash equivalents		2,315	1,216
Receivables	11	1,869	1,054
Financial assets at fair value through profit or loss	12	318,420	202,287
Total current assets		322,791	204,857
CURRENT LIABILITIES			
Payables	13	(50)	(36)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(50)	(36)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	322,741	204,821

The accompanying notes form an integral part of these financial statements.

iShares \$ Treasury Bond 20+yr UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	30	4
Bond interest income	5,717	2,524
Securities lending income	24	2
	5,771	2,530

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(590)	4,747
Net gains/(losses) on foreign currency transactions*	-	-
	(590)	4,747

* Amounts which are less than \$500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(439)	(188)
	(439)	(188)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.20	0.20

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
June	2,382	-
December	1,596	891
	3,978	891
Equalisation income	(2,888)	(1,527)
Equalisation expense	2,538	452
	3,628	(184)

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(2)	-
	(2)	-

iShares \$ Treasury Bond 20+yr UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	41,500,000	8,000,000
Issued during the financial year	92,000,000	47,500,000
Redeemed during the financial year	(65,000,000)	(14,000,000)
Balance at the end of financial year	68,500,000	41,500,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	322,741
As at 31 May 2016	204,821
As at 31 May 2015	37,061

	No. of Shares
Shares in issue	
As at 31 May 2017	68,500,000
As at 31 May 2016	41,500,000
As at 31 May 2015	8,000,000

	\$
Net asset value per share	
As at 31 May 2017	4.71
As at 31 May 2016	4.94
As at 31 May 2015	4.63

11. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Interest receivable	3	-
Securities lending income receivable	2	1
Bond income receivable	1,864	1,053
	1,869	1,054

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in bonds	318,420	202,287
	318,420	202,287

13. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Management fees payable	(50)	(36)
	(50)	(36)

iShares \$ Treasury Bond 20+yr UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 98.76%)			
Bonds (31 May 2016: 98.76%)			
United States (31 May 2016: 98.76%)			
Government bonds: AA+ rating			
12,330,000	United States Treasury Note/Bond 2.25% 15/08/2046	10,804	3.35
13,015,000	United States Treasury Note/Bond 2.5% 15/02/2045	12,104	3.75
11,508,000	United States Treasury Note/Bond 2.5% 15/02/2046	10,669	3.31
12,056,000	United States Treasury Note/Bond 2.5% 15/05/2046	11,172	3.46
7,535,000	United States Treasury Note/Bond 2.75% 15/08/2042	7,424	2.30
8,905,000	United States Treasury Note/Bond 2.75% 15/11/2042	8,763	2.72
12,467,000	United States Treasury Note/Bond 2.875% 15/05/2043	12,536	3.88
13,152,000	United States Treasury Note/Bond 2.875% 15/08/2045^	13,181	4.08
11,919,000	United States Treasury Note/Bond 2.875% 15/11/2046^	11,942	3.70
4,932,000	United States Treasury Note/Bond 3% 15/05/2042	5,090	1.58
12,467,000	United States Treasury Note/Bond 3% 15/11/2044	12,828	3.97
12,604,000	United States Treasury Note/Bond 3% 15/05/2045	12,949	4.01
13,015,000	United States Treasury Note/Bond 3% 15/11/2045	13,364	4.14
11,097,000	United States Treasury Note/Bond 3% 15/02/2047	11,406	3.53
4,521,000	United States Treasury Note/Bond 3.125% 15/11/2041	4,777	1.48
5,343,000	United States Treasury Note/Bond 3.125% 15/02/2042	5,642	1.75
8,768,000	United States Treasury Note/Bond 3.125% 15/02/2043	9,232	2.86
13,015,000	United States Treasury Note/Bond 3.125% 15/08/2044	13,708	4.25
13,015,000	United States Treasury Note/Bond 3.375% 15/05/2044	14,335	4.44
4,384,000	United States Treasury Note/Bond 3.5% 15/02/2039	4,964	1.54
10,275,000	United States Treasury Note/Bond 3.625% 15/08/2043	11,789	3.65
13,015,000	United States Treasury Note/Bond 3.625% 15/02/2044^	14,957	4.63
4,932,000	United States Treasury Note/Bond 3.75% 15/08/2041	5,766	1.79
13,015,000	United States Treasury Note/Bond 3.75% 15/11/2043^	15,256	4.73
4,932,000	United States Treasury Note/Bond 3.875% 15/08/2040	5,870	1.82
3,699,000	United States Treasury Note/Bond 4.25% 15/05/2039	4,643	1.44

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 98.76%) (cont)			
Government bonds: AA+ rating (cont)			
4,521,000	United States Treasury Note/Bond 4.25% 15/11/2040	5,681	1.76
2,055,000	United States Treasury Note/Bond 4.375% 15/02/2038	2,630	0.82
4,384,000	United States Treasury Note/Bond 4.375% 15/11/2039	5,595	1.73
5,754,000	United States Treasury Note/Bond 4.375% 15/05/2040	7,349	2.28
3,836,000	United States Treasury Note/Bond 4.375% 15/05/2041^	4,914	1.52
2,603,000	United States Treasury Note/Bond 4.5% 15/05/2038	3,387	1.05
3,699,000	United States Treasury Note/Bond 4.5% 15/08/2039	4,799	1.49
6,576,000	United States Treasury Note/Bond 4.625% 15/02/2040	8,684	2.69
5,754,000	United States Treasury Note/Bond 4.75% 15/02/2041	7,755	2.40
1,781,000	United States Treasury Note/Bond 5% 15/05/2037	2,455	0.76
Total United States		318,420	98.66
Total bonds		318,420	98.66
Total value of investments		318,420	98.66
Cash equivalents (31 May 2016: 0.59%)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: 0.59%)			
2,315,351	Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund*	2,315	0.72
Cash[†]		187	0.06
Other net assets		1,819	0.56
Net asset value attributable to redeemable participating shareholders at the end of the financial year		322,741	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

^ These securities are partially or fully transferred as securities lent.

* Investment in related party

All credit ratings are shown as at 31 May 2017.

Fixed income securities are primarily classified by country of issuer for government type fixed income securities.

iShares \$ Treasury Bond 20+yr UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	306,316	94.89
Transferable securities dealt in an another regulated market	12,104	3.75
UCITS collective investment schemes - Money Market Funds	2,315	0.72
Other assets	2,056	0.64
Total current assets	322,791	100.00

iShares \$ Treasury Bond 20+yr UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
13,974,000	United States Treasury Note/Bond 3.75% 15/11/2043	17,313	23,617,000	United States Treasury Note/Bond 2.5% 15/05/2046	22,820
14,134,000	United States Treasury Note/Bond 3.625% 15/02/2044	17,122	18,108,000	United States Treasury Note/Bond 3.75% 15/11/2043	21,653
14,293,000	United States Treasury Note/Bond 3.375% 15/05/2044	16,577	18,185,000	United States Treasury Note/Bond 3.625% 15/02/2044	21,267
14,731,000	United States Treasury Note/Bond 3% 15/11/2044	15,881	18,261,000	United States Treasury Note/Bond 3.375% 15/05/2044	20,436
14,343,000	United States Treasury Note/Bond 3.125% 15/08/2044	15,838	18,311,000	United States Treasury Note/Bond 3.125% 15/08/2044	19,579
14,446,000	United States Treasury Note/Bond 3% 15/11/2045	15,626	18,414,000	United States Treasury Note/Bond 3% 15/11/2045	19,221
14,475,000	United States Treasury Note/Bond 3% 15/05/2045	15,614	18,234,000	United States Treasury Note/Bond 3% 15/11/2044	19,036
14,566,000	United States Treasury Note/Bond 2.875% 15/05/2043	15,386	20,923,000	United States Treasury Note/Bond 2.25% 15/08/2046	19,006
14,264,000	United States Treasury Note/Bond 2.875% 15/08/2045	15,048	18,198,000	United States Treasury Note/Bond 3% 15/05/2045	18,983
11,844,000	United States Treasury Note/Bond 3.625% 15/08/2043	14,327	18,369,000	United States Treasury Note/Bond 2.875% 15/08/2045	18,694
14,369,000	United States Treasury Note/Bond 2.5% 15/02/2045	14,044	18,069,000	United States Treasury Note/Bond 2.875% 15/05/2043	18,444
13,451,000	United States Treasury Note/Bond 2.5% 15/02/2046	13,037	14,898,000	United States Treasury Note/Bond 3.625% 15/08/2043	17,423
11,561,000	United States Treasury Note/Bond 2.5% 15/05/2046	11,203	18,337,000	United States Treasury Note/Bond 2.5% 15/02/2045	17,291
10,156,000	United States Treasury Note/Bond 3.125% 15/02/2043	11,166	16,908,000	United States Treasury Note/Bond 2.5% 15/02/2046	15,916
7,532,000	United States Treasury Note/Bond 4.625% 15/02/2040	10,420	12,865,000	United States Treasury Note/Bond 3.125% 15/02/2043	13,758
9,976,000	United States Treasury Note/Bond 2.75% 15/11/2042	10,304	13,722,000	United States Treasury Note/Bond 2.875% 15/11/2046	13,305
6,417,000	United States Treasury Note/Bond 4.75% 15/02/2041	9,046	12,573,000	United States Treasury Note/Bond 2.75% 15/11/2042	12,558
7,985,000	United States Treasury Note/Bond 2.75% 15/08/2042	8,246	9,294,000	United States Treasury Note/Bond 4.625% 15/02/2040	12,507
6,184,000	United States Treasury Note/Bond 4.375% 15/05/2040	8,230	11,394,000	United States Treasury Note/Bond 3% 15/02/2047	11,441
8,593,000	United States Treasury Note/Bond 2.25% 15/08/2046	7,813	8,187,000	United States Treasury Note/Bond 4.75% 15/02/2041	11,223
5,766,000	United States Treasury Note/Bond 4.375% 15/05/2041	7,697	8,120,000	United States Treasury Note/Bond 4.375% 15/05/2040	10,536
5,730,000	United States Treasury Note/Bond 4.25% 15/11/2040	7,490	10,291,000	United States Treasury Note/Bond 2.75% 15/08/2042	10,278
6,380,000	United States Treasury Note/Bond 3.125% 15/02/2042	7,031	6,765,000	United States Treasury Note/Bond 4.25% 15/11/2040	8,671
5,428,000	United States Treasury Note/Bond 3.875% 15/08/2040	6,732	7,040,000	United States Treasury Note/Bond 3.875% 15/08/2040	8,509
5,425,000	United States Treasury Note/Bond 3.75% 15/08/2041	6,623	6,448,000	United States Treasury Note/Bond 4.375% 15/05/2041	8,399
4,703,000	United States Treasury Note/Bond 4.375% 15/11/2039	6,253	6,954,000	United States Treasury Note/Bond 3.75% 15/08/2041	8,270
4,558,000	United States Treasury Note/Bond 4.5% 15/08/2039	6,154	7,656,000	United States Treasury Note/Bond 3.125% 15/02/2042	8,209
5,094,000	United States Treasury Note/Bond 3% 15/05/2042	5,531	6,182,000	United States Treasury Note/Bond 4.375% 15/11/2039	8,017
4,905,000	United States Treasury Note/Bond 3.125% 15/11/2041	5,466	5,518,000	United States Treasury Note/Bond 4.5% 15/08/2039	7,274
4,062,000	United States Treasury Note/Bond 4.25% 15/05/2039	5,357	6,789,000	United States Treasury Note/Bond 3% 15/05/2042	7,116
4,160,000	United States Treasury Note/Bond 3.5% 15/02/2039	4,918	5,888,000	United States Treasury Note/Bond 3.5% 15/02/2039	6,760
2,657,000	United States Treasury Note/Bond 4.5% 15/05/2038	3,608	6,272,000	United States Treasury Note/Bond 3.125% 15/11/2041	6,730
			5,188,000	United States Treasury Note/Bond 4.25% 15/05/2039	6,633
			3,600,000	United States Treasury Note/Bond 4.5% 15/05/2038	4,765

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares \$ Ultrashort Bond UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	2,017	1,171
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	50	(152)
Total gains		2,067	1,019
Operating expenses	4	(144)	(112)
Net operating profit		1,923	907
Finance costs:			
Distributions to redeemable participating shareholders	6	(1,238)	(463)
Interest expense	7	(1)	(1)
Total finance costs		(1,239)	(464)
Net profit for the financial year		684	443
Increase in net assets attributable to redeemable participating shareholders from operations		684	443

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	127,540	108,909
Increase in net assets attributable to redeemable participating shareholders from operations	684	443
Share transactions:		
Proceeds from issue of redeemable participating shares	110,442	62,318
Payments on redemption of redeemable participating shares	(40,751)	(44,130)
Increase in net assets resulting from share transactions	69,691	18,188
Net assets attributable to redeemable participating shareholders at the end of the financial year	197,915	127,540

The accompanying notes form an integral part of these financial statements.

iShares \$ Ultrashort Bond UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		300	301
Cash equivalents		17,123	7,018
Receivables	11	1,201	598
Financial assets at fair value through profit or loss	12	197,784	119,633
Total current assets		216,408	127,550
CURRENT LIABILITIES			
Payables	13	(18,493)	(10)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(18,493)	(10)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	197,915	127,540

The accompanying notes form an integral part of these financial statements.

iShares \$ Ultrashort Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	76	21
Bond interest income	1,940	1,150
Securities lending income*	1	-
	2,017	1,171

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	50	(152)
Net gains on foreign currency transactions*	-	-
	50	(152)

* Amounts which are less than \$500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(144)	(112)
	(144)	(112)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.09*	0.09*

* The TER for this fund is currently discounted from 0.20 to 0.09, for further information please see the background section.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
June	604	-
December	909	490
	1,513	490
Equalisation income	(427)	(141)
Equalisation expense	152	114
	1,238	463

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

iShares \$ Ultrashort Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(1)	(1)
	(1)	(1)

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	1,271,725	1,089,923
Issued during the financial year	1,105,400	624,302
Redeemed during the financial year	(408,000)	(442,500)
Balance at the end of financial year	1,969,125	1,271,725

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	197,915
As at 31 May 2016	127,540
As at 31 May 2015	108,909

	No. of Shares
Shares in issue	
As at 31 May 2017	1,969,125
As at 31 May 2016	1,271,725
As at 31 May 2015	1,089,923

	\$
Net asset value per share	
As at 31 May 2017	100.51
As at 31 May 2016	100.29
As at 31 May 2015	99.92

11. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Interest receivable	8	2
Bond income receivable	1,193	596
	1,201	598

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in bonds	197,784	119,633
	197,784	119,633

13. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchases of securities awaiting settlement	(18,479)	-
Management fees payable	(14)	(10)
	(18,493)	(10)

iShares \$ Ultrashort Bond UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 93.80%)			
Bonds (31 May 2016: 93.80%)			
Australia (31 May 2016: 7.30%)			
Corporate bonds: AA- rating			
1,500,000	Australia & New Zealand Banking Group Ltd 1.25% 13/06/2017	1,500	0.76
400,000	Australia & New Zealand Banking Group Ltd FRN 15/05/2018	402	0.20
250,000	Australia & New Zealand Banking Group Ltd FRN 16/11/2018	252	0.13
1,000,000	Commonwealth Bank of Australia 18/09/2017	1,001	0.51
250,000	Commonwealth Bank of Australia FRN 08/09/2017	250	0.13
350,000	Commonwealth Bank of Australia FRN 12/03/2018	351	0.18
1,000,000	Commonwealth Bank of Australia FRN 10/03/2020	1,001	0.50
125,000	Commonwealth Bank of Australia FRN 02/11/2018	126	0.06
250,000	National Australia Bank Ltd 1.3% 30/06/2017	250	0.13
250,000	National Australia Bank Ltd FRN 23/07/2018	251	0.13
500,000	National Australia Bank Ltd FRN 14/01/2019	503	0.25
1,000,000	Westpac Banking Corp 1.5% 01/12/2017	1,001	0.50
250,000	Westpac Banking Corp 2% 14/08/2017	250	0.13
500,000	Westpac Banking Corp FRN 01/12/2017	501	0.25
450,000	Westpac Banking Corp FRN 25/05/2018	451	0.23
500,000	Westpac Banking Corp FRN 19/08/2019	502	0.25
Corporate bonds: A rating			
1,000,000	Macquarie Bank Ltd 1.6% 27/10/2017	1,000	0.50
250,000	Macquarie Bank Ltd FRN 27/10/2017	251	0.13
Total Australia			
		9,843	4.97
Bermuda (31 May 2016: 0.13%)			
Canada (31 May 2016: 8.52%)			
Corporate bonds: AA- rating			
250,000	Royal Bank of Canada 1.25% 16/06/2017	250	0.13
1,000,000	Royal Bank of Canada 1.4% 13/10/2017	1,000	0.50
1,500,000	Royal Bank of Canada FRN 02/03/2020	1,499	0.76
2,000,000	Toronto-Dominion Bank 1.4% 30/04/2018	1,999	1.01
250,000	Toronto-Dominion Bank FRN 30/04/2018	251	0.13
Corporate bonds: A+ rating			
250,000	Bank of Montreal 1.4% 11/09/2017	250	0.12
1,250,000	Bank of Montreal 1.45% 09/04/2018	1,250	0.63
250,000	Bank of Montreal FRN 31/07/2018	251	0.13
1,500,000	Bank of Nova Scotia 1.45% 25/04/2018	1,500	0.76
Corporate bonds: BBB+ rating			
500,000	Thomson Reuters Corp 1.65% 29/09/2017	500	0.25

Holding	Investment	Fair value \$'000	% of net asset value
Canada (31 May 2016: 8.52%) (cont)			
Corporate bonds: BBB rating			
500,000	Glencore Finance Canada Ltd 2.7% 25/10/2017	501	0.25
Total Canada			
		9,251	4.67
Cayman Islands (31 May 2016: Nil)			
Corporate bonds: A- rating			
1,000,000	Hutchison Whampoa International 14 Ltd 1.625% 31/10/2017	999	0.50
Total Cayman Islands			
		999	0.50
France (31 May 2016: 2.08%)			
Corporate bonds: AA rating			
1,000,000	Sanofi 1.25% 10/04/2018	1,000	0.50
Corporate bonds: A+ rating			
750,000	Total Capital International SA 1.55% 28/06/2017	750	0.38
750,000	Total Capital International SA FRN 10/08/2018	754	0.38
Corporate bonds: A rating			
800,000	BNP Paribas SA 2.375% 14/09/2017	802	0.41
250,000	BPCE SA FRN 17/06/2017	250	0.13
500,000	Credit Agricole SA FRN 12/06/2017	500	0.25
500,000	Societe Generale SA 2.75% 12/10/2017	502	0.25
Total France			
		4,558	2.30
Germany (31 May 2016: 0.94%)			
Corporate bonds: BBB- rating			
1,000,000	Deutsche Bank AG 1.875% 13/02/2018	999	0.50
500,000	Deutsche Bank AG 6% 01/09/2017	505	0.26
500,000	Deutsche Bank AG FRN 10/05/2019	509	0.26
Total Germany			
		2,013	1.02
Italy (31 May 2016: Nil)			
Corporate bonds: BBB- rating			
1,400,000	Intesa Sanpaolo SpA 3.875% 16/01/2018	1,413	0.71
Total Italy			
		1,413	0.71
Japan (31 May 2016: 3.28%)			
Corporate bonds: AA- rating			
500,000	Nippon Telegraph & Telephone Corp 1.4% 18/07/2017	500	0.25
Corporate bonds: A+ rating			
1,000,000	Bank of Tokyo-Mitsubishi UFJ Ltd 1.7% 05/03/2018	1,000	0.51
500,000	Bank of Tokyo-Mitsubishi UFJ Ltd FRN 14/09/2018	504	0.25
Corporate bonds: A rating			
1,000,000	Mizuho Bank Ltd 1.55% 17/10/2017	1,000	0.51
200,000	Mizuho Bank Ltd FRN 25/09/2017	200	0.10

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 93.80%) (cont)			
Japan (31 May 2016: 3.28%) (cont)			
Corporate bonds: A rating (cont)			
250,000	Mizuho Bank Ltd FRN 20/10/2018	252	0.13
1,000,000	Sumitomo Mitsui Banking Corp 1.35% 11/07/2017	1,000	0.51
500,000	Sumitomo Mitsui Banking Corp FRN 16/01/2018	501	0.25
750,000	Sumitomo Mitsui Banking Corp FRN 19/10/2018	752	0.38
530,000	Sumitomo Mitsui Banking Corp FRN 23/07/2018	532	0.27
500,000	Sumitomo Mitsui Trust Bank Ltd FRN 06/03/2019	500	0.25
Total Japan		6,741	3.41
Luxembourg (31 May 2016: 0.98%)			
Corporate bonds: AA- rating			
1,000,000	Schlumberger Investment SA 1.25% 01/08/2017	999	0.51
Corporate bonds: A rating			
1,000,000	Coviden International Finance SA 6% 15/10/2017	1,017	0.51
Corporate bonds: BBB rating			
800,000	Allergan Funding SCS 2.35% 12/03/2018	804	0.40
250,000	Allergan Funding SCS FRN 12/03/2018	251	0.13
Total Luxembourg		3,071	1.55
Netherlands (31 May 2016: 4.89%)			
Corporate bonds: A+ rating			
1,000,000	Cooperatieve Rabobank UA 1.7% 19/03/2018	1,002	0.50
250,000	Siemens Financieringsmaatschappij NV FRN 25/05/2018	250	0.13
Corporate bonds: A rating			
1,000,000	ING Bank NV 1.8% 16/03/2018	1,002	0.51
500,000	Shell International Finance BV 1.25% 10/11/2017	500	0.25
250,000	Shell International Finance BV FRN 10/11/2018	252	0.13
Corporate bonds: BBB rating			
500,000	Enel Finance International NV 6.25% 15/09/2017	506	0.25
Total Netherlands		3,512	1.77
Norway (31 May 2016: 1.27%)			
Corporate bonds: A+ rating			
500,000	Statoil ASA 3.125% 17/08/2017	502	0.25
100,000	Statoil ASA FRN 09/11/2017	100	0.05
750,000	Statoil ASA FRN 15/05/2018	752	0.38
500,000	Statoil ASA FRN 08/11/2018	502	0.26
Total Norway		1,856	0.94

Holding	Investment	Fair value \$'000	% of net asset value
Spain (31 May 2016: 0.51%)			
Corporate bonds: BBB rating			
800,000	Telefonica Emisiones SAU 3.192% 27/04/2018	810	0.41
250,000	Telefonica Emisiones SAU FRN 23/06/2017	250	0.13
Total Spain		1,060	0.54
Sweden (31 May 2016: 0.75%)			
Corporate bonds: AA- rating			
200,000	Nordea Bank AB FRN 17/09/2018	201	0.10
1,000,000	Svenska Handelsbanken AB 1.625% 21/03/2018	1,000	0.51
Total Sweden		1,201	0.61
Switzerland (31 May 2016: 1.33%)			
Corporate bonds: A+ rating			
500,000	UBS AG 1.375% 01/06/2017	500	0.25
500,000	UBS AG 1.375% 14/08/2017	500	0.25
250,000	UBS AG 1.8% 26/03/2018	251	0.13
1,000,000	UBS AG 5.875% 20/12/2017	1,023	0.52
750,000	UBS AG FRN 01/06/2017	750	0.38
250,000	UBS AG FRN 26/03/2018	251	0.13
Corporate bonds: A rating			
2,000,000	Credit Suisse AG 1.75% 29/01/2018	2,002	1.01
Total Switzerland		5,277	2.67
United Kingdom (31 May 2016: 3.15%)			
Corporate bonds: A rating			
750,000	Lloyds Bank Plc FRN 16/03/2018	751	0.38
Corporate bonds: A- rating			
1,000,000	AstraZeneca Plc 5.9% 15/09/2017	1,012	0.51
500,000	BP Capital Markets Plc 1.375% 06/11/2017	500	0.25
300,000	BP Capital Markets Plc 1.375% 10/05/2018	300	0.15
1,000,000	BP Capital Markets Plc 1.674% 13/02/2018	1,001	0.51
90,000	BP Capital Markets Plc FRN 14/08/2018	90	0.05
200,000	BP Capital Markets Plc FRN 126/09/2018	201	0.10
1,000,000	Diageo Capital Plc 5.75% 23/10/2017	1,017	0.51
Corporate bonds: BBB+ rating			
250,000	BAT International Finance Plc FRN 15/06/2018	251	0.13
500,000	British Telecommunications Plc 5.95% 15/01/2018	513	0.26
200,000	Standard Chartered Plc FRN 08/09/2017	200	0.10
500,000	Standard Chartered Plc FRN 19/08/2019	504	0.25
1,000,000	Vodafone Group Plc 1.5% 19/02/2018	999	0.51
Corporate bonds: BBB rating			
750,000	Barclays Plc 2% 16/03/2018	751	0.38
500,000	Imperial Brands Finance Plc 2.05% 11/02/2018	501	0.25
Total United Kingdom		8,591	4.34

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 93.80%) (cont)				United States (31 May 2016: 58.67%) (cont)			
United States (31 May 2016: 58.67%)				Corporate bonds: AA- rating (cont)			
Corporate bonds: AAA rating				1,000,000	US Bank NA 1.375% 11/09/2017	1,000	0.51
500,000	Johnson & Johnson 5.55% 15/08/2017	504	0.26	1,000,000	US Bank NA FRN 29/01/2018	1,003	0.51
Corporate bonds: AA+ rating				1,000,000	Wells Fargo Bank NA 1.65% 22/01/2018	1,001	0.51
1,000,000	Apple Inc 1.3% 23/02/2018	1,000	0.50	500,000	Wells Fargo Bank NA FRN 07/09/2017	501	0.25
1,500,000	Apple Inc FRN 11/05/2020	1,496	0.76	800,000	Wells Fargo Bank NA FRN 06/12/2019	807	0.41
750,000	Apple Inc FRN 03/05/2018	752	0.38	250,000	Wells Fargo Bank NA FRN 24/05/2019	252	0.13
300,000	Apple Inc FRN 06/05/2019	301	0.15	250,000	Wells Fargo Bank NA FRN 22/01/2018	251	0.13
1,000,000	Exxon Mobil Corp 1.439% 01/03/2018	1,001	0.51	Corporate bonds: A+ rating			
150,000	Exxon Mobil Corp FRN 01/03/2018	150	0.08	1,000,000	American Honda Finance Corp 1.2% 14/07/2017	1,000	0.51
500,000	Exxon Mobil Corp FRN 15/03/2019	501	0.25	500,000	American Honda Finance Corp FRN 14/02/2020	501	0.25
Corporate bonds: AA rating				500,000	American Honda Finance Corp FRN 13/07/2018	502	0.25
250,000	Berkshire Hathaway Finance Corp 1.45% 07/03/2018	250	0.13	500,000	General Dynamics Corp 1% 15/11/2017	499	0.25
200,000	Berkshire Hathaway Finance Corp FRN 12/01/2018	200	0.10	1,000,000	GlaxoSmithKline Capital Inc 5.65% 15/05/2018	1,040	0.53
580,000	Berkshire Hathaway Finance Corp FRN 07/03/2018	582	0.29	1,500,000	Intel Corp 1.35% 15/12/2017	1,500	0.76
500,000	Berkshire Hathaway Finance Corp FRN 15/03/2019	505	0.26	1,000,000	International Business Machines Corp 1.125% 06/02/2018	999	0.51
500,000	Merck & Co Inc 1.1% 31/01/2018	499	0.25	1,000,000	International Business Machines Corp 5.7% 14/09/2017	1,012	0.51
1,350,000	Merck & Co Inc FRN 18/05/2018	1,355	0.69	100,000	International Business Machines Corp FRN 06/02/2018	100	0.05
500,000	Pfizer Inc FRN 15/06/2018	501	0.25	500,000	International Business Machines Corp FRN 18/08/2017	501	0.25
500,000	Roche Holdings Inc 1.35% 29/09/2017	500	0.25	500,000	JPMorgan Chase Bank NA FRN 23/09/2019	503	0.25
1,000,000	Wal-Mart Stores Inc 5.8% 15/02/2018	1,032	0.52	500,000	PepsiCo Inc 1.125% 17/07/2017	500	0.25
Corporate bonds: AA- rating				500,000	PepsiCo Inc 1.25% 13/08/2017	500	0.25
500,000	Amazon.com Inc 1.2% 29/11/2017	500	0.25	500,000	PepsiCo Inc FRN 13/10/2017	500	0.25
800,000	Chevron Corp 1.104% 05/12/2017	799	0.40	720,000	UnitedHealth Group Inc 1.4% 15/10/2017	720	0.36
500,000	Chevron Corp 1.345% 15/11/2017	500	0.25	500,000	UnitedHealth Group Inc 6% 15/02/2018	515	0.26
500,000	Chevron Corp 1.365% 02/03/2018	500	0.25	250,000	US Bancorp FRN 15/11/2018	251	0.13
400,000	Chevron Corp FRN 02/03/2018	400	0.20	1,000,000	Visa Inc 1.2% 14/12/2017	1,000	0.51
500,000	Chevron Corp FRN 09/11/2017	501	0.25	1,000,000	Walt Disney Co 1.1% 01/12/2017	999	0.51
500,000	Chevron Corp FRN 16/05/2018	502	0.25	Corporate bonds: A rating			
1,000,000	Cisco Systems Inc 1.4% 28/02/2018	1,001	0.51	500,000	Aetna Inc 1.5% 15/11/2017	500	0.25
500,000	Cisco Systems Inc FRN 20/09/2019	502	0.25	250,000	Amgen Inc 5.85% 01/06/2017	250	0.13
1,000,000	Coca-Cola Co 1.15% 01/04/2018	997	0.50	366,000	Anthem Inc 5.875% 15/06/2017	367	0.18
600,000	Coca-Cola Co 1.65% 14/03/2018	602	0.30	700,000	Bank of New York Mellon Corp 1.35% 06/03/2018	699	0.35
1,500,000	General Electric Co 5.25% 06/12/2017	1,530	0.77	150,000	Bank of New York Mellon Corp FRN 01/08/2018	151	0.08
1,000,000	General Electric Co 5.625% 15/09/2017	1,005	0.51	500,000	Caterpillar Financial Services Corp 1.5% 23/02/2018	499	0.25
1,500,000	General Electric Co 5.625% 01/05/2018	1,557	0.79	1,550,000	Caterpillar Inc 1.5% 26/06/2017	1,550	0.78
1,000,000	Metropolitan Life Global Funding I 1.5% 10/01/2018	1,001	0.51	1,000,000	Daimler Finance North America LLC 1.375% 01/08/2017	1,000	0.51
1,000,000	Oracle Corp 1.2% 15/10/2017	999	0.51	600,000	Daimler Finance North America LLC 1.65% 02/03/2018	600	0.30
1,500,000	Oracle Corp 5.75% 15/04/2018	1,555	0.79				
400,000	Oracle Corp FRN 07/07/2017	400	0.20				
500,000	Precision Castparts Corp 1.25% 15/01/2018	500	0.25				
1,500,000	Toyota Motor Credit Corp 1.25% 05/10/2017	1,500	0.76				
500,000	Toyota Motor Credit Corp 1.375% 10/01/2018	500	0.25				
1,000,000	Toyota Motor Credit Corp 1.45% 12/01/2018	1,001	0.51				
500,000	Toyota Motor Credit Corp FRN 13/07/2018	502	0.25				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 93.80%) (cont)				United States (31 May 2016: 58.67%) (cont)			
Corporate bonds: A rating (cont)				Corporate bonds: A- rating (cont)			
250,000	Daimler Finance North America LLC FRN 02/03/2018	250	0.13	500,000	United Technologies Corp 1.8% 01/06/2017	500	0.25
500,000	HSBC USA Inc 1.3% 23/06/2017	500	0.25	Corporate bonds: BBB+ rating			
1,000,000	HSBC USA Inc 1.5% 13/11/2017	1,000	0.50	1,500,000	American Express Co 7% 19/03/2018	1,563	0.79
600,000	HSBC USA Inc 1.625% 16/01/2018	601	0.30	100,000	American Express Co FRN 22/05/2018	100	0.05
1,000,000	John Deere Capital Corp 1.125% 12/06/2017	1,000	0.51	500,000	American International Group Inc 5.85% 16/01/2018	513	0.26
500,000	Kimberly-Clark Corp 6.125% 01/08/2017	504	0.25	1,000,000	Bank of America Corp 1.7% 25/08/2017	1,000	0.51
1,000,000	Philip Morris International Inc 1.125% 21/08/2017	1,000	0.51	2,000,000	Bank of America Corp 2% 11/01/2018	2,004	1.01
1,000,000	Philip Morris International Inc 5.65% 16/05/2018	1,039	0.52	1,000,000	Bank of America Corp 6% 01/09/2017	1,011	0.51
1,000,000	PNC Bank NA 1.5% 23/02/2018	1,000	0.51	1,000,000	Bank of America Corp 6.4% 28/08/2017	1,011	0.51
350,000	PNC Bank NA FRN 01/06/2018	351	0.18	500,000	Bank of America Corp FRN 22/03/2018	503	0.25
1,000,000	QUALCOMM Inc FRN 20/05/2020	1,001	0.51	500,000	Bank of America NA 6.1% 15/06/2017	501	0.25
200,000	Simon Property Group LP 2.15% 15/09/2017	200	0.10	250,000	Bank of America NA FRN 15/06/2017	250	0.13
1,000,000	Target Corp 6% 15/01/2018	1,028	0.52	250,000	Capital One NA/Mclean VA 1.5% 05/09/2017	250	0.13
1,000,000	Wachovia Corp 5.75% 15/06/2017	1,001	0.51	1,000,000	Capital One NA/Mclean VA 1.65% 05/02/2018	1,000	0.51
750,000	Wachovia Corp 5.75% 01/02/2018	770	0.39	500,000	Capital One NA/Mclean VA FRN 13/09/2019	502	0.25
1,000,000	Wells Fargo & Co 1.4% 08/09/2017	1,000	0.50	1,000,000	Celgene Corp 1.9% 15/08/2017	1,001	0.51
350,000	Wells Fargo & Co FRN 02/06/2017	350	0.18	1,000,000	Citigroup Inc 1.8% 05/02/2018	1,001	0.51
Corporate bonds: A- rating				2,000,000	Citigroup Inc 1.85% 24/11/2017	2,003	1.01
1,500,000	AbbVie Inc 1.8% 14/05/2018	1,504	0.76	750,000	Citigroup Inc FRN 27/04/2018	753	0.38
800,000	American Express Centurion Bank 6% 13/09/2017	810	0.41	400,000	Citigroup Inc FRN 07/06/2019	404	0.20
750,000	American Express Credit Corp FRN 05/06/2017	750	0.38	1,500,000	Citigroup Inc FRN 30/07/2018	1,510	0.76
500,000	American Express Credit Corp FRN 18/03/2019	502	0.25	500,000	Duke Energy Corp 1.625% 15/08/2017	500	0.25
1,000,000	Anheuser-Busch InBev Finance Inc 1.25% 17/01/2018	999	0.50	500,000	eBay Inc 1.35% 15/07/2017	500	0.25
500,000	Anheuser-Busch InBev Worldwide Inc 1.375% 15/07/2017	500	0.25	1,000,000	Goldman Sachs Group Inc 2.375% 22/01/2018	1,005	0.51
1,000,000	BB&T Corp 1.6% 15/08/2017	1,000	0.51	2,000,000	Goldman Sachs Group Inc 5.95% 18/01/2018	2,053	1.04
1,000,000	Bear Stearns Cos LLC 6.4% 02/10/2017	1,016	0.51	1,500,000	Goldman Sachs Group Inc FRN 13/12/2019	1,509	0.76
1,500,000	Bear Stearns Cos LLC 7.25% 01/02/2018	1,554	0.79	250,000	Goldman Sachs Group Inc FRN 15/12/2017	251	0.13
800,000	Comcast Corp 5.7% 15/05/2018	832	0.42	1,000,000	Goldman Sachs Group Inc FRN 25/04/2019	1,011	0.51
500,000	Comcast Corp 5.875% 15/02/2018	515	0.26	250,000	Goldman Sachs Group Inc FRN 15/11/2018	253	0.13
500,000	Comcast Corp 6.3% 15/11/2017	511	0.26	500,000	Huntington National Bank 1.7% 26/02/2018	500	0.25
500,000	ConocoPhillips Co 1.05% 15/12/2017	499	0.25	500,000	McDonald's Corp 5.8% 15/10/2017	508	0.26
800,000	ConocoPhillips Co 1.5% 15/05/2018	799	0.40	2,500,000	Morgan Stanley 1.875% 05/01/2018	2,504	1.26
700,000	Eaton Corp 1.5% 02/11/2017	700	0.35	250,000	Morgan Stanley FRN 05/01/2018	251	0.13
500,000	Fifth Third Bank 1.45% 28/02/2018	500	0.25	500,000	Morgan Stanley FRN 23/07/2019	503	0.25
250,000	JPMorgan Chase & Co 1.7% 01/03/2018	250	0.13	2,000,000	Morgan Stanley FRN 14/02/2020	2,009	1.01
1,000,000	JPMorgan Chase & Co 1.8% 25/01/2018	1,002	0.51	200,000	Morgan Stanley FRN 24/01/2019	202	0.10
300,000	JPMorgan Chase & Co FRN 25/04/2018	301	0.15	350,000	Morgan Stanley FRN 25/04/2018	353	0.18
1,000,000	JPMorgan Chase & Co FRN 28/01/2019	1,006	0.51	1,000,000	NextEra Energy Capital Holdings Inc 1.586% 01/06/2017	1,000	0.51
250,000	KeyBank NA 1.65% 01/02/2018	250	0.13	700,000	United Technologies Corp 1.778% 04/05/2018	701	0.35
250,000	NBCUniversal Enterprise Inc FRN 15/04/2018	251	0.13				

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 93.80%) (cont)			
United States (31 May 2016: 58.67%) (cont)			
Corporate bonds: BBB+ rating (cont)			
100,000	Verizon Communications Inc FRN 09/06/2017	100	0.05
1,750,000	Verizon Communications Inc FRN 14/09/2018	1,783	0.90
500,000	Virginia Electric & Power Co 5.95% 15/09/2017	506	0.26
250,000	Volkswagen Group of America Finance LLC FRN 20/11/2017	250	0.13
500,000	WEA Finance LLC / Westfield UK & Europe Finance Plc 1.75% 15/09/2017	500	0.25
Corporate bonds: BBB+/- rating			
2,000,000	AT&T Inc 5.5% 01/02/2018	2,051	1.04
Corporate bonds: BBB rating			
1,250,000	Actavis Inc 1.875% 01/10/2017	1,251	0.63
500,000	Bunge Ltd Finance Corp 3.2% 15/06/2017	500	0.25
500,000	Discover Bank 2% 21/02/2018	501	0.25
1,000,000	Exelon Generation Co LLC 6.2% 01/10/2017	1,016	0.51
1,000,000	Ford Motor Credit Co LLC 2.145% 09/01/2018	1,002	0.51
1,500,000	Ford Motor Credit Co LLC 2.375% 16/01/2018	1,505	0.76
1,000,000	Ford Motor Credit Co LLC FRN 12/03/2019	1,003	0.51
250,000	Ford Motor Credit Co LLC FRN 15/06/2018	251	0.13
500,000	Ford Motor Credit Co LLC FRN 09/01/2020	504	0.25
500,000	General Motors Financial Co Inc 2.625% 10/07/2017	500	0.25
500,000	General Motors Financial Co Inc 4.75% 15/08/2017	503	0.25
800,000	General Motors Financial Co Inc FRN 13/04/2020	802	0.41
2,000	Hewlett Packard Enterprise Co 2.45% 05/10/2017	2	0.00
500,000	Penske Truck Leasing Co Lp / PTL Finance Corp 3.375% 15/03/2018	507	0.26
1,000,000	Sherwin-Williams Co 1.35% 15/12/2017	1,000	0.51
1,000,000	Voya Financial Inc 2.9% 15/02/2018	1,008	0.51
1,000,000	Walgreens Boots Alliance Inc 1.75% 17/11/2017	1,001	0.51
800,000	Zimmer Biomet Holdings Inc 2% 01/04/2018	802	0.40
750,000	Zoetis Inc 1.875% 01/02/2018	750	0.38
Corporate bonds: BBB- rating			
500,000	American Tower Corp 4.5% 15/01/2018	508	0.26
250,000	International Lease Finance Corp 3.875% 15/04/2018	254	0.13
500,000	Kinder Morgan Energy Partners LP 5.95% 15/02/2018	514	0.26
800,000	Kinder Morgan Finance Co LLC 6% 15/01/2018	820	0.41
500,000	Kraft Heinz Foods Co 1.6% 30/06/2017	500	0.25
500,000	Marathon Oil Corp 6% 01/10/2017	507	0.26

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 58.67%) (cont)			
Corporate bonds: BBB- rating (cont)			
500,000	Synchrony Financial FRN 09/11/2017	502	0.25
Total United States		138,398	69.93
Total bonds		197,784	99.93
Total value of investments		197,784	99.93
Cash equivalents (31 May 2016: 5.50%)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: 5.50%)			
17,123,086	Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund*	17,123	8.65
Cash[†]		300	0.15
Other net liabilities		(17,292)	(8.73)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		197,915	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.
^{*} Investment in related party.

All credit ratings are shown as at 31 May 2017.

Fixed and variable income securities are primarily classified by the country of incorporation of the issuer for corporate fixed and variable income securities.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	116,045	53.62
Transferable securities dealt in an another regulated market	81,737	37.77
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	2	0.00
UCITS collective investment schemes - Money Market Funds	17,123	7.91
Other assets	1,501	0.70
Total current assets	216,408	100.00

iShares \$ Ultrashort Bond UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
1,000,000	Goldman Sachs Group Inc 5.75% 01/10/2016	1,011	2,500,000	Morgan Stanley 1.875% 05/01/2018	2,504
1,000,000	Goldman Sachs Group Inc 2.372% 30/04/2018	1,009	2,000,000	Goldman Sachs Group Inc 5.95% 18/01/2018	2,083
1,000,000	JPMorgan Chase & Co 2.056% 25/01/2018	1,006	2,000,000	AT&T Inc 5.5% 01/02/2018	2,069
1,000,000	Wells Fargo Bank NA 1.893% 22/01/2018	1,005	2,000,000	Morgan Stanley FRN 14/02/2020	2,006
1,000,000	Apple Inc 1.422% 03/05/2018	1,004	2,000,000	Bank of America Corp 2% 11/01/2018	2,005
1,000,000	Hewlett Packard Enterprise Co 2.45% 05/10/2017	1,003	2,000,000	Citigroup Inc 1.85% 24/11/2017	2,004
1,000,000	Goldman Sachs Group Inc 5.625% 15/01/2017	1,001	2,000,000	Credit Suisse AG 1.75% 29/01/2018	2,002
1,000,000	Wachovia Corp 1.401% 15/06/2017	1,000	2,000,000	Toronto-Dominion Bank 1.4% 30/04/2018	1,999
1,000,000	AT&T Inc 1.4% 01/12/2017	999	2,000,000	International Business Machines Corp 1.125% 06/02/2018	1,996
1,000,000	International Business Machines Corp 1.125% 06/02/2018	999	1,500,000	Bear Stearns Cos LLC 7.25% 01/02/2018	1,579
700,000	Morgan Stanley 5.75% 18/10/2016	709	1,500,000	American Express Co 7% 19/03/2018	1,577
500,000	Wal-Mart Stores Inc 5.375% 05/04/2017	517	1,500,000	Oracle Corp 5.75% 15/04/2018	1,560
500,000	Bank of America Corp 5.625% 14/10/2016	506	1,500,000	General Electric Co 5.625% 01/05/2018	1,559
500,000	National Australia Bank Ltd 2.75% 09/03/2017	506	1,550,000	Caterpillar Inc 1.5% 26/06/2017	1,557
500,000	International Business Machines Corp 1.25% 06/02/2017	502	1,500,000	General Electric Co 5.25% 06/12/2017	1,547
500,000	Cisco Systems Inc 1.1% 03/03/2017	501	1,500,000	Morgan Stanley 4.75% 22/03/2017	1,523
500,000	Exxon Mobil Corp 0.921% 15/03/2017	501	1,500,000	Shell International Finance BV 5.2% 22/03/2017	1,522
500,000	General Electric Co FRN 09/01/2017	501	1,500,000	Goldman Sachs Group Inc FRN 13/12/2019	1,512
500,000	Commonwealth Bank of Australia 1.125% 13/03/2017	500	1,500,000	Ford Motor Credit Co LLC 2.375% 16/01/2018	1,508
500,000	Deutsche Bank AG 1.35% 30/05/2017	498	1,500,000	AbbVie Inc 1.8% 14/05/2018	1,503
350,000	Royal Bank of Canada FRN 03/02/2017	350			
350,000	Credit Suisse AG FRN 03/02/2017	350			
250,000	Toyota Motor Credit Corp 2.05% 12/01/2017	251			
250,000	Actavis Funding SCS FRN 02/09/2016	250			
250,000	Oracle Corp 1.35% 07/07/2017	250			
250,000	Cooperatieve Rabobank UA FRN 23/11/2016	250			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares € Govt Bond 20yr Target Duration UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	240	127
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(472)	1,079
Total (losses)/gains		(232)	1,206
Operating expenses	4	(35)	(13)
Net operating (loss)/profit		(267)	1,193
Finance costs:			
Distributions to redeemable participating shareholders	6	(132)	(43)
Total finance costs		(132)	(43)
Net (loss)/profit for the financial year		(399)	1,150
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(399)	1,150

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	13,061	4,989
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(399)	1,150
Share transactions:		
Proceeds from issue of redeemable participating shares	42,756	29,354
Payments on redemption of redeemable participating shares	(25,111)	(22,432)
Increase in net assets resulting from share transactions	17,645	6,922
Net assets attributable to redeemable participating shareholders at the end of the financial year	30,307	13,061

The accompanying notes form an integral part of these financial statements.

iShares € Govt Bond 20yr Target Duration UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		127	40
Receivables	11	365	155
Financial assets at fair value through profit or loss	12	29,819	12,868
Total current assets		30,311	13,063
CURRENT LIABILITIES			
Payables	13	(4)	(2)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(4)	(2)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	30,307	13,061

The accompanying notes form an integral part of these financial statements.

iShares € Govt Bond 20yr Target Duration UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bond interest income	239	127
Securities lending income	1	-
	240	127

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(472)	1,079
Net gains/(losses) on foreign currency transactions*	-	-
	(472)	1,079

* Amounts which are less than €500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(35)	(13)
	(35)	(13)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.15	0.15

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
June	108	-
December	62	52
	170	52
Equalisation income	(75)	(99)
Equalisation expense	37	90
	132	43

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

iShares € Govt Bond 20yr Target Duration UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest*	-	-
	-	-

* Amounts which are less than €500 are rounded to zero.

8. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(2)	-

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	2,500,000	1,000,000
Issued during the financial year	8,000,000	6,000,000
Redeemed during the financial year	(4,500,000)	(4,500,000)
Balance at the end of financial year	6,000,000	2,500,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	30,307
As at 31 May 2016	13,061
As at 31 May 2015	4,989

	No. of Shares
Shares in issue	
As at 31 May 2017	6,000,000
As at 31 May 2016	2,500,000
As at 31 May 2015	1,000,000

	€
Net asset value per share	
As at 31 May 2017	5.05
As at 31 May 2016	5.22
As at 31 May 2015	4.99

11. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Bond income receivable	365	155
	365	155

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in bonds	29,819	12,868
	29,819	12,868

13. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Management fees payable	(4)	(2)
	(4)	(2)

iShares € Govt Bond 20yr Target Duration UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 98.52%)			
Bonds (31 May 2016: 98.52%)			
Austria (31 May 2016: 8.58%)			
Government bonds: AA+ rating			
108,000	Republic of Austria Government Bond 1.5% 20/02/2047	108	0.36
84,000	Republic of Austria Government Bond 1.5% 02/11/2086	73	0.24
852,000	Republic of Austria Government Bond 3.15% 20/06/2044	1,186	3.91
156,000	Republic of Austria Government Bond 3.8% 26/01/2062	262	0.86
Total Austria		1,629	5.37
Belgium (31 May 2016: 11.32%)			
Government bonds: AA rating			
228,000	Kingdom of Belgium Government Bond 1.6% 22/06/2047	224	0.74
228,000	Kingdom of Belgium Government Bond 1.9% 22/06/2038	250	0.82
132,000	Kingdom of Belgium Government Bond 2.15% 22/06/2066	139	0.46
120,000	Kingdom of Belgium Government Bond 2.25% 22/06/2057	131	0.43
1,272,000	Kingdom of Belgium Government Bond 3.75% 22/06/2045	1,890	6.24
708,000	Kingdom of Belgium Government Bond 4.25% 28/03/2041	1,109	3.66
Total Belgium		3,743	12.35
Finland (31 May 2016: 2.51%)			
Government bonds: AA+ rating			
552,000	Finland Government Bond 2.625% 04/07/2042	727	2.40
Total Finland		727	2.40
France (31 May 2016: 28.88%)			
Government bonds: AA rating			
216,000	French Republic Government Bond OAT 1.25% 25/05/2036	210	0.69
456,000	French Republic Government Bond OAT 1.25% 25/05/2036	443	1.46
312,000	French Republic Government Bond OAT 1.75% 25/06/2039	325	1.07
276,000	French Republic Government Bond OAT 1.75% 25/05/2066	257	0.85
3,120,000	French Republic Government Bond OAT 3.25% 25/05/2045	4,182	13.80
1,152,000	French Republic Government Bond OAT 4% 25/10/2038	1,693	5.59
636,000	French Republic Government Bond OAT 4% 25/04/2055	1,003	3.31
492,000	French Republic Government Bond OAT 4% 25/04/2060	792	2.61
1,284,000	French Republic Government Bond OAT 4.5% 25/04/2041	2,038	6.73
Total France		10,943	36.11

Holding	Investment	Fair value €000	% of net asset value
Germany (31 May 2016: 38.33%)			
Government bonds: AAA rating			
2,628,000	Bundesrepublik Deutschland 2.5% 04/07/2044	3,475	11.47
864,000	Bundesrepublik Deutschland 2.5% 15/08/2046	1,153	3.80
1,872,000	Bundesrepublik Deutschland 3.25% 04/07/2042 [^]	2,781	9.18
936,000	Bundesrepublik Deutschland 4% 04/01/2037	1,466	4.84
588,000	Bundesrepublik Deutschland 4.25% 04/07/2039	977	3.22
684,000	Bundesrepublik Deutschland 4.75% 04/07/2040	1,221	4.03
Total Germany		11,073	36.54
Netherlands (31 May 2016: 8.90%)			
Government bonds: AAA rating			
492,000	Netherlands Government Bond 2.75% 15/01/2047	682	2.25
648,000	Netherlands Government Bond 3.75% 15/01/2042	1,022	3.37
Total Netherlands		1,704	5.62
Total bonds		29,819	98.39
Total value of investments		29,819	98.39
Cash[†]		127	0.42
Other net assets		361	1.19
Net asset value attributable to redeemable participating shareholders at the end of the financial year		30,307	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.
[^] These securities are partially or fully transferred as securities lent.

	Fair value €000	% of total current assets
Analysis of total current assets gross of all liabilities		
Transferable securities admitted to an official stock exchange listing	29,819	98.38
Other assets	492	1.62
Total current assets	30,311	100.00

iShares € Govt Bond 20yr Target Duration UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
2,697,000	French Republic Government Bond OAT 3.25% 25/05/2045	4,089	4,887,000	French Republic Government Bond OAT 3.25% 25/05/2045	6,907
2,307,000	Bundesrepublik Deutschland 3.25% 04/07/2042	3,875	3,389,000	Bundesrepublik Deutschland 3.25% 04/07/2042	5,418
2,194,000	Bundesrepublik Deutschland 2.50% 04/07/2044	3,134	3,667,000	Bundesrepublik Deutschland 2.50% 04/07/2044	5,181
1,610,000	Netherlands Government Bond 3.75% 15/01/2042	2,834	1,963,000	Netherlands Government Bond 3.75% 15/01/2042	3,455
1,298,000	French Republic Government Bond OAT 4.75% 25/04/2035	2,195	2,085,000	Kingdom of Belgium Government Bond 3.75% 22/06/2045	3,259
1,263,000	Kingdom of Belgium Government Bond 3.75% 22/06/2045	2,110	1,750,000	French Republic Government Bond OAT 4.50% 25/04/2041	2,966
1,367,000	Netherlands Government Bond 2.50% 15/01/2033	1,797	1,552,000	French Republic Government Bond OAT 4.00% 25/10/2038	2,415
976,000	French Republic Government Bond OAT 4.50% 25/04/2041	1,733	1,390,000	Bundesrepublik Deutschland 4.00% 04/01/2037	2,325
1,019,000	Republic of Austria Government Bond 3.15% 20/06/2044	1,603	1,511,000	Republic of Austria Government Bond 3.15% 20/06/2044	2,256
989,000	Netherlands Government Bond 4.00% 15/01/2037	1,593	1,298,000	French Republic Government Bond OAT 4.75% 25/04/2035	2,247
879,000	Bundesrepublik Deutschland 4.00% 04/01/2037	1,505	1,367,000	Netherlands Government Bond 2.50% 15/01/2033	1,818
890,000	French Republic Government Bond OAT 4.00% 25/10/2038	1,448	930,000	Bundesrepublik Deutschland 4.75% 04/07/2040	1,783
836,000	Republic of Austria Government Bond 4.15% 15/03/2037	1,330	1,139,000	Bundesrepublik Deutschland 2.50% 15/08/2046	1,676
541,000	Bundesrepublik Deutschland 4.75% 04/07/2040	1,069	988,000	Kingdom of Belgium Government Bond 4.25% 28/03/2041	1,632
580,000	Kingdom of Belgium Government Bond 4.25% 28/03/2041	998	866,000	French Republic Government Bond OAT 4.00% 25/04/2055	1,505
657,000	Finland Government Bond 2.63% 04/07/2042	969	802,000	Bundesrepublik Deutschland 4.25% 04/07/2039	1,429
505,000	French Republic Government Bond OAT 4.00% 25/04/2055	932	969,000	Finland Government Bond 2.63% 04/07/2042	1,357
580,000	Bundesrepublik Deutschland 2.50% 15/08/2046	893	734,000	French Republic Government Bond OAT 4.00% 25/04/2060	1,315
467,000	French Republic Government Bond OAT 4.00% 25/04/2060	881	739,000	Netherlands Government Bond 4.00% 15/01/2037	1,223
497,000	Kingdom of Belgium Government Bond 5.00% 28/03/2035	880	681,000	Netherlands Government Bond 2.75% 15/01/2047	1,028
469,000	Bundesrepublik Deutschland 4.25% 04/07/2039	860	616,000	Republic of Austria Government Bond 4.15% 15/03/2037	999
374,000	Netherlands Government Bond 2.75% 15/01/2047	593	497,000	Kingdom of Belgium Government Bond 5.00% 28/03/2035	896
429,000	Kingdom of Belgium Government Bond 3.00% 22/06/2034	565			
420,000	Republic of Austria Government Bond 2.40% 23/05/2034	526			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares € Ultrashort Bond UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	1,218	529
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,639	81
Total gains		2,857	610
Operating expenses	4	(1,438)	(290)
Negative yield on financial assets		(1,033)	-
Net operating profit		386	320
Finance costs:			
Distributions to redeemable participating shareholders	6	(357)	28
Interest expense	7	(87)	(17)
Total finance costs		(444)	11
Net (loss)/profit for the financial year		(58)	331
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(58)	331

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	710,171	162,944
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(58)	331
Share transactions:		
Proceeds from issue of redeemable participating shares	1,906,693	605,604
Payments on redemption of redeemable participating shares	(551,931)	(58,708)
Increase in net assets resulting from share transactions	1,354,762	546,896
Net assets attributable to redeemable participating shareholders at the end of the financial year	2,064,875	710,171

The accompanying notes form an integral part of these financial statements.

iShares € Ultrashort Bond UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		702	422
Cash equivalents		2,292	20,672
Receivables	11	18,054	6,018
Financial assets at fair value through profit or loss	12	2,047,492	686,008
Total current assets		2,068,540	713,120
CURRENT LIABILITIES			
Payables	13	(3,665)	(2,949)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(3,665)	(2,949)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	2,064,875	710,171

The accompanying notes form an integral part of these financial statements.

iShares € Ultrashort Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Interest income	1,033	-
Bond interest income	57	518
Securities lending income	128	11
	1,218	529

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains on investments in securities held at fair value through profit or loss	1,640	81
Net losses on foreign currency transactions	(1)	-
	1,639	81

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(1,438)	(290)
	(1,438)	(290)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.09	0.09*

* The TER for this fund is currently discounted from 0.20 to 0.09, for further information please see the background section.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
June	248	-
December	-	105
	248	105
Equalisation income	347	(147)
Equalisation expense	(238)	14
	357	(28)

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(87)	(17)
	(87)	(17)

iShares € Ultrashort Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(11)	(7)

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	7,076,034	1,625,510
Issued during the financial year	18,982,483	6,036,524
Redeemed during the financial year	(5,494,500)	(586,000)
Balance at the end of financial year	20,564,017	7,076,034

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	2,064,875
As at 31 May 2016	710,171
As at 31 May 2015	162,944

	No. of Shares
Shares in issue	
As at 31 May 2017	20,564,017
As at 31 May 2016	7,076,034
As at 31 May 2015	1,625,510

	€
Net asset value per share	
As at 31 May 2017	100.41
As at 31 May 2016	100.36
As at 31 May 2015	100.24

11. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Securities lending income receivable	15	2
Bond income receivable	18,039	6,016
	18,054	6,018

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in bonds	2,047,492	686,008
	2,047,492	686,008

13. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(3,500)	(2,899)
Interest payable	(1)	-
Management fees payable	-	(50)
Other payables	(164)	-
	(3,665)	(2,949)

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SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 96.60%)			
Bonds (31 May 2016: 96.60%)			
Australia (31 May 2016: 3.70%)			
Corporate bonds: AA- rating			
10,200,000	Australia & New Zealand Banking Group Ltd FRN 28/10/2019	10,271	0.50
1,650,000	Commonwealth Bank of Australia 4.25% 06/04/2018^	1,712	0.08
7,000,000	Commonwealth Bank of Australia FRN 21/01/2020	7,046	0.34
7,350,000	National Australia Bank Ltd FRN 16/01/2018	7,365	0.36
7,750,000	National Australia Bank Ltd FRN 25/03/2019	7,807	0.38
1,900,000	Westpac Banking Corp 4.125% 25/05/2018	1,981	0.09
Total Australia		36,182	1.75
Austria (31 May 2016: 0.30%)			
Corporate bonds: BBB+ rating			
4,400,000	Raiffeisen Bank International AG 2.75% 10/07/2017	4,413	0.21
Corporate bonds: BBB rating			
2,000,000	Erste Group Bank AG FRN 19/07/2017	2,000	0.10
Total Austria		6,413	0.31
Belgium (31 May 2016: 1.99%)			
Corporate bonds: A rating			
2,500,000	Belfius Bank SA/NV FRN 14/09/2018	2,505	0.12
Corporate bonds: A- rating			
3,850,000	Anheuser-Busch InBev SA/NV 4% 26/04/2018^	3,993	0.19
3,800,000	Anheuser-Busch InBev SA/NV FRN 19/10/2018	3,812	0.18
5,750,000	Anheuser-Busch InBev SA/NV FRN 29/03/2018	5,764	0.28
10,500,000	Anheuser-Busch InBev SA/NV FRN 17/03/2020	10,663	0.52
Corporate bonds: BBB+ rating			
8,801,000	BNP Paribas Fortis SA 5.757% 04/10/2017	8,966	0.44
Corporate bonds: BBB rating			
250,000	Solvay SA 4.625% 27/06/2018	262	0.01
8,300,000	Solvay SA FRN 01/12/2017	8,328	0.41
Total Belgium		44,293	2.15
British Virgin Islands (31 May 2016: Nil)			
Corporate bonds: A rating			
1,000,000	Eastern Creation II Investment Holdings Ltd 1% 19/03/2018	1,005	0.05

Holding	Investment	Fair value €000	% of net asset value
British Virgin Islands (31 May 2016: Nil) (cont)			
Corporate bonds: BBB rating			
6,250,000	Global Switch Holdings Ltd 5.5% 18/04/2018	6,549	0.32
Total British Virgin Islands		7,554	0.37
Canada (31 May 2016: 2.82%)			
Corporate bonds: AA- rating			
4,225,000	Royal Bank of Canada FRN 22/10/2018	4,246	0.21
7,050,000	Royal Bank of Canada FRN 27/03/2019^	7,096	0.34
1,800,000	Toronto-Dominion Bank FRN 16/06/2017	1,800	0.09
Corporate bonds: A+ rating			
7,000,000	Bank of Nova Scotia FRN 14/01/2020	7,039	0.34
10,000,000	Bank of Nova Scotia FRN 10/09/2018	10,041	0.49
2,000,000	Bank of Nova Scotia FRN 30/04/2019^	2,013	0.10
4,300,000	Caisse Centrale Desjardins FRN 15/09/2017	4,305	0.21
6,700,000	Caisse Centrale Desjardins FRN 19/01/2018	6,714	0.32
5,400,000	Caisse Centrale Desjardins FRN 20/01/2020	5,431	0.26
10,150,000	Canadian Imperial Bank of Commerce FRN 08/09/2017^	10,160	0.49
2,500,000	Canadian Imperial Bank of Commerce FRN 03/06/2018^	2,513	0.12
Corporate bonds: A rating			
9,100,000	National Bank of Canada FRN 09/09/2017	9,108	0.44
Corporate bonds: BBB rating			
4,150,000	Glencore Finance Canada Ltd 5.25% 13/06/2017	4,156	0.20
Total Canada		74,622	3.61
Cayman Islands (31 May 2016: 0.95%)			
Denmark (31 May 2016: 2.33%)			
Corporate bonds: A rating			
8,353,000	Danske Bank A/S FRN 19/11/2018	8,385	0.41
1,000,000	Nykredit Realkredit FRN 10/09/2019	1,006	0.05
Corporate bonds: A- rating			
3,900,000	BRFKredit A/S 2.5% 31/01/2018	3,967	0.19
2,750,000	Jyske Bank A/S FRN 23/03/2018	2,755	0.13
3,500,000	Jyske Bank A/S FRN 02/06/2020	3,505	0.17
3,650,000	Jyske Bank A/S FRN 19/06/2017	3,651	0.18
Corporate bonds: BBB+ rating			
3,050,000	Sydbank A/S FRN 22/05/2018	3,057	0.15
Corporate bonds: BBB rating			
4,725,000	AP Moeller - Maersk A/S FRN 18/03/2019	4,834	0.23
4,044,000	AP Moller - Maersk A/S 4.375% 24/11/2017^	4,128	0.20
7,700,000	Carlsberg Breweries A/S 3.375% 13/10/2017	7,794	0.38
Corporate bonds: BBB- rating			
4,650,000	TDC A/S 4.375% 23/02/2018^	4,798	0.23
Total Denmark		47,880	2.32

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Bonds (31 May 2016: 96.60%) (cont)			
Finland (31 May 2016: 0.98%)			
Corporate bonds: AA- rating			
2,350,000	OP Corporate Bank Plc 1.25% 14/05/2018	2,382	0.11
3,000,000	OP Corporate Bank Plc 3% 08/09/2017	3,023	0.15
6,000,000	OP Corporate Bank Plc FRN 11/03/2020	6,027	0.29
Total Finland		11,432	0.55
France (31 May 2016: 16.65%)			
Corporate bonds: AA rating			
3,500,000	Sanofi 1% 14/11/2017	3,520	0.17
2,200,000	Sanofi FRN 10/09/2018	2,206	0.11
8,700,000	Sanofi FRN 22/03/2019^	8,730	0.42
Corporate bonds: AA- rating			
11,500,000	HSBC France SA FRN 27/11/2019	11,605	0.56
Corporate bonds: A+ rating			
500,000	LVMH Moët Hennessy Louis Vuitton SE 4% 06/04/2018	518	0.03
4,000,000	LVMH Moët Hennessy Louis Vuitton SE FRN 26/11/2018	4,016	0.19
9,000,000	Total Capital International SA FRN 19/03/2020	9,043	0.44
800,000	Total Capital SA 4.7% 06/06/2017^	800	0.04
Corporate bonds: A rating			
5,600,000	Banque Federative du Credit Mutuel SA 1.625% 11/01/2018	5,662	0.27
4,700,000	Banque Federative du Credit Mutuel SA 2.875% 21/06/2017^	4,707	0.23
9,748,000	Banque Federative du Credit Mutuel SA 3.75% 26/01/2018	9,997	0.48
5,700,000	Banque Federative du Credit Mutuel SA FRN 19/01/2018^	5,709	0.28
7,700,000	Banque Federative du Credit Mutuel SA FRN 03/06/2020^	7,750	0.38
10,600,000	Banque Federative du Credit Mutuel SA FRN 20/03/2019^	10,716	0.52
5,448,000	BNP Paribas SA 1.5% 12/03/2018	5,517	0.27
12,146,000	BNP Paribas SA 2.875% 27/11/2017	12,320	0.60
7,300,000	BNP Paribas SA FRN 15/01/2020	7,341	0.36
5,082,000	BNP Paribas SA FRN 20/05/2019^	5,126	0.25
5,500,000	BPCE SA 2% 24/04/2018	5,605	0.27
17,850,000	BPCE SA 3.75% 21/07/2017	17,940	0.87
6,700,000	BPCE SA FRN 05/02/2018	6,711	0.32
11,100,000	BPCE SA FRN 28/05/2018	11,163	0.54
6,200,000	Credit Agricole SA 1.75% 12/03/2018	6,294	0.30
7,400,000	Credit Agricole SA 1.875% 18/10/2017	7,459	0.36
8,650,000	Credit Mutuel Arkea SA 5% 28/06/2017^	8,681	0.42
7,600,000	Societe Generale SA 2.375% 28/02/2018^	7,744	0.37
11,050,000	Societe Generale SA 3.125% 21/09/2017	11,159	0.54
13,100,000	Societe Generale SA FRN 19/02/2018	13,128	0.64
10,400,000	Societe Generale SA FRN 22/07/2018	10,429	0.50
Corporate bonds: A- rating			
4,400,000	Air Liquide Finance SA 5.25% 18/07/2017	4,430	0.21

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 16.65%) (cont)			
Corporate bonds: AA rating			
2,000,000	Air Liquide Finance SA FRN 13/06/2018^	2,004	0.10
3,300,000	APRR SA 5.125% 18/01/2018	3,408	0.16
1,500,000	APRR SA FRN 03/01/2020	1,518	0.07
2,500,000	APRR SA FRN 31/03/2019^	2,524	0.12
7,000,000	Electricite de France SA 5% 05/02/2018	7,244	0.35
6,800,000	Engie SA 1.5% 20/07/2017	6,815	0.33
400,000	Engie SA 2.25% 01/06/2018	409	0.02
2,675,000	Engie SA 2.75% 18/10/2017	2,704	0.13
3,500,000	Engie SA 5.125% 19/02/2018	3,633	0.18
8,950,000	Schneider Electric SE 4% 11/08/2017	9,020	0.44
4,800,000	Thales SA 1.625% 20/03/2018	4,865	0.24
Corporate bonds: BBB+ rating			
3,600,000	Auchan Holding SA 2.875% 15/11/2017	3,647	0.18
8,550,000	BNP Paribas SA 5.431% 07/09/2017	8,669	0.42
2,000,000	Carrefour Banque SA FRN 20/03/2020	2,011	0.10
2,800,000	Carrefour Banque SA FRN 21/03/2018	2,812	0.14
2,500,000	Carrefour Banque SA FRN 21/10/2019	2,540	0.12
8,673,000	Carrefour SA 1.875% 19/12/2017	8,767	0.42
6,700,000	Danone SA 1.125% 27/11/2017	6,741	0.33
900,000	Danone SA 1.25% 06/06/2018	912	0.04
7,200,000	Danone SA FRN 03/11/2018^	7,221	0.35
3,000,000	Danone SA FRN 14/01/2020	3,009	0.14
4,650,000	Orange SA 5.625% 22/05/2018^	4,910	0.24
Corporate bonds: BBB rating			
4,700,000	ALD International SA 0.75% 26/01/2018	4,725	0.23
1,800,000	ALD International SA FRN 30/11/2017	1,803	0.09
3,950,000	Arkema SA 4% 25/10/2017^	4,012	0.20
4,050,000	Bouygues SA 4% 12/02/2018^	4,163	0.20
4,400,000	Caisse Centrale du Credit Immobilier de France SA 4% 12/01/2018	4,510	0.22
3,500,000	Cap Gemini SA FRN 02/07/2018	3,518	0.17
16,150,000	Credit Agricole SA 5.971% 01/02/2018	16,792	0.81
3,750,000	Edenred 3.625% 06/10/2017	3,797	0.18
6,000,000	JCDecaux SA 2% 08/02/2018^	6,085	0.30
2,100,000	RCI Banque SA 2.875% 22/01/2018	2,139	0.10
4,375,000	RCI Banque SA FRN 08/07/2020	4,375	0.21
1,950,000	RCI Banque SA FRN 05/12/2019	1,956	0.10
4,000,000	RCI Banque SA FRN 27/11/2017	4,004	0.19
4,200,000	RCI Banque SA FRN 16/07/2018	4,214	0.20
2,525,000	RCI Banque SA FRN 12/04/2021	2,532	0.12
2,350,000	RCI Banque SA FRN 18/03/2019	2,378	0.12
Corporate bonds: BBB- rating			
4,800,000	Holding d'Infrastructures de Transport SAS 5.75% 09/03/2018	5,010	0.24
5,400,000	Italcementi Finance SA 6.125% 21/02/2018^	5,635	0.28
5,713,000	Renault SA 4.625% 18/09/2017	5,793	0.28
3,700,000	Wendel SA 4.375% 09/08/2017	3,730	0.18
Total France		412,580	19.98

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Bonds (31 May 2016: 96.60%) (cont)			
Germany (31 May 2016: 7.15%)			
Corporate bonds: AA rating			
4,500,000	Deutsche Boerse AG 1.125% 26/03/2018	4,548	0.22
Corporate bonds: A+ rating			
3,700,000	Landesbank Baden-Wuerttemberg FRN 22/09/2017	3,704	0.18
Corporate bonds: A rating			
1,500,000	Daimler AG FRN 18/09/2017	1,501	0.07
5,300,000	Daimler AG FRN 09/03/2018^	5,313	0.26
10,300,000	Daimler AG FRN 12/01/2019	10,355	0.50
6,100,000	DekaBank Deutsche Girozentrale FRN 01/02/2018	6,119	0.30
1,000,000	DVB Bank SE 0.5% 15/01/2018	1,004	0.05
1,600,000	DVB Bank SE 1.625% 28/05/2018	1,625	0.08
2,100,000	DVB Bank SE 2.5% 30/08/2017	2,112	0.10
7,500,000	DVB Bank SE FRN 10/02/2020	7,574	0.37
3,625,000	Merck Financial Services GmbH FRN 01/09/2017	3,626	0.17
5,850,000	SAP SE FRN 20/11/2018	5,870	0.28
Corporate bonds: A- rating			
6,500,000	Deutsche Bank AG FRN 25/08/2017^	6,501	0.32
6,400,000	Landesbank Hessen-Thueringen Girozentrale FRN 25/08/2017	6,407	0.31
Corporate bonds: A-/^- rating			
5,950,000	Bayer AG 1.125% 24/01/2018	5,980	0.29
Corporate bonds: BBB+ rating			
3,850,000	Volkswagen Bank GmbH 1.125% 08/02/2018^	3,882	0.19
2,420,000	Volkswagen Leasing GmbH 1% 04/10/2017	2,427	0.12
1,700,000	Volkswagen Leasing GmbH 3.25% 10/05/2018	1,752	0.08
5,375,000	Volkswagen Leasing GmbH FRN 11/08/2017	5,374	0.26
Corporate bonds: BBB rating			
7,050,000	Bayerische Landesbank 5.75% 23/10/2017	7,200	0.35
7,226,000	Commerzbank AG 0.5% 03/04/2018	7,261	0.35
7,989,000	Commerzbank AG 3.625% 10/07/2017	8,021	0.39
2,200,000	Covestro AG FRN 10/03/2018	2,205	0.11
14,100,000	Deutsche Bank AG FRN 13/04/2018	14,160	0.68
2,875,000	Volkswagen Financial Services AG FRN 16/10/2017	2,876	0.14
Corporate bonds: BBB- rating			
24,500,000	Deutsche Bank AG 5.125% 31/08/2017^	24,814	1.20
20,200,000	Deutsche Bank AG FRN 15/04/2019	20,241	0.98
1,100,000	Deutsche Pfandbriefbank AG 1.375% 15/01/2018	1,109	0.05
3,278,000	Deutsche Pfandbriefbank AG 2.25% 11/09/2017	3,294	0.16
2,600,000	Deutsche Pfandbriefbank AG FRN 14/02/2020	2,615	0.13
1,500,000	Gerresheimer AG 5% 19/05/2018	1,569	0.08
1,950,000	Lanxess AG 4.125% 23/05/2018	2,029	0.10
Total Germany		183,068	8.87

Holding	Investment	Fair value €000	% of net asset value
Hong Kong (31 May 2016: Nil)			
Corporate bonds: BBB+ rating			
350,000	Bao-trans Enterprises Ltd 1.625% 23/02/2018	353	0.02
Total Hong Kong		353	0.02
Ireland (31 May 2016: 2.26%)			
Corporate bonds: AA- rating			
8,800,000	GE Capital European Funding Unlimited Co 1.625% 15/03/2018	8,926	0.43
8,350,000	GE Capital European Funding Unlimited Co 5.375% 16/01/2018	8,642	0.42
7,000,000	GE Capital European Funding Unlimited Co FRN 21/01/2020	7,037	0.34
2,150,000	GE Capital European Funding Unlimited Co FRN 19/06/2018	2,157	0.10
Corporate bonds: BBB- rating			
350,000	FCA Bank SpA 1.25% 13/06/2018	354	0.02
4,250,000	FCA Bank SpA 2.875% 26/01/2018	4,327	0.21
1,650,000	FCA Bank SpA FRN 17/10/2017	1,653	0.08
3,500,000	Intesa Sanpaolo Bank Ireland Plc FRN 09/03/2018^	3,506	0.17
Total Ireland		36,602	1.77
Italy (31 May 2016: 4.20%)			
Corporate bonds: BBB+ rating			
2,550,000	Autostrade per l'Italia SpA 3.375% 18/09/2017	2,575	0.12
8,850,000	Eni SpA 3.5% 29/01/2018	9,060	0.44
7,400,000	Eni SpA 4.75% 14/11/2017	7,563	0.37
Corporate bonds: BBB rating			
2,438,000	Enel SpA 4.875% 20/02/2018	2,526	0.12
4,780,000	Enel SpA 5.25% 20/06/2017	4,793	0.23
250,000	Enel SpA FRN 20/02/2018	256	0.01
4,799,000	Snam SpA 2.375% 30/06/2017	4,808	0.23
2,500,000	Snam SpA 3.875% 19/03/2018^	2,578	0.13
5,700,000	Terna Rete Elettrica Nazionale SpA 2.875% 16/02/2018	5,819	0.28
Corporate bonds: BBB- rating			
16,517,000	Intesa Sanpaolo SpA 4% 09/11/2017	16,811	0.82
7,650,000	Intesa Sanpaolo SpA 4.75% 15/06/2017	7,663	0.37
5,350,000	Intesa Sanpaolo SpA FRN 17/04/2019	5,422	0.26
9,500,000	Mediobanca SpA 0.875% 14/11/2017	9,537	0.46
9,000,000	UniCredit SpA 3.375% 11/01/2018	9,185	0.45
7,200,000	UniCredit SpA FRN 19/02/2020^	7,295	0.35
Total Italy		95,891	4.64
Japan (31 May 2016: 0.17%)			
Corporate bonds: A+ rating			
7,100,000	Sumitomo Mitsui Banking Corp FRN 08/09/2017^	7,106	0.34
Total Japan		7,106	0.34

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Bonds (31 May 2016: 96.60%) (cont)			
Jersey (31 May 2016: Nil)			
Corporate bonds: A- rating			
900,000	Heathrow Funding Ltd 4.6% 15/02/2018	929	0.04
Total Jersey		929	0.04
Luxembourg (31 May 2016: 1.73%)			
Corporate bonds: A+ rating			
5,375,000	Bank of China Luxembourg SA FRN 20/04/2020	5,392	0.26
Corporate bonds: A rating			
3,700,000	DH Europe Finance SA FRN 30/06/2017	3,701	0.18
1,000,000	John Deere Bank SA FRN 19/03/2019	1,005	0.05
Corporate bonds: BBB rating			
4,000,000	Allergan Funding SCS FRN 01/06/2019	4,004	0.19
8,700,000	Glencore Finance Europe SA 4.625% 03/04/2018	9,024	0.44
Total Luxembourg		23,126	1.12
Mexico (31 May 2016: 0.62%)			
Corporate bonds: A- rating			
500,000	America Movil SAB de CV 1% 04/06/2018	504	0.03
8,050,000	America Movil SAB de CV 3.75% 28/06/2017	8,069	0.39
Total Mexico		8,573	0.42
Netherlands (31 May 2016: 16.26%)			
Corporate bonds: AA rating			
4,700,000	Allianz Finance II BV 1.375% 13/03/2018	4,757	0.23
150,000	Roche Finance Europe BV 2% 25/06/2018	154	0.01
Corporate bonds: A+ rating			
11,200,000	ABN Amro Bank NV FRN 05/12/2017	11,239	0.54
3,700,000	BMW Finance NV 1.5% 05/06/2018^	3,761	0.18
11,050,000	BMW Finance NV 3.625% 29/01/2018	11,328	0.55
650,000	BMW Finance NV 5% 06/08/2018	689	0.03
2,000,000	BMW Finance NV FRN 01/06/2018	2,004	0.10
3,800,000	BMW Finance NV FRN 15/07/2019	3,834	0.19
500,000	Cooperatieve Rabobank UA 3.5% 17/10/2018	525	0.03
26,130,000	Cooperatieve Rabobank UA 4.75% 15/01/2018	26,950	1.30
2,200,000	Cooperatieve Rabobank UA FRN 12/10/2017	2,203	0.11
17,225,000	Cooperatieve Rabobank UA FRN 15/01/2018	17,261	0.84
6,150,000	Cooperatieve Rabobank UA FRN 20/03/2019	6,197	0.30
2,500,000	Cooperatieve Rabobank UA FRN 19/02/2018	2,510	0.12
4,500,000	ING Bank NV FRN 20/11/2019	4,532	0.22
4,000,000	ING Bank NV FRN 14/08/2017	4,006	0.19
3,100,000	Unilever NV FRN 03/06/2018^	3,105	0.15

Holding	Investment	Fair value €000	% of net asset value
Netherlands (31 May 2016: 16.26%) (cont)			
Corporate bonds: A rating			
8,300,000	ABN Amro Bank NV 3.625% 06/10/2017^	8,406	0.41
9,900,000	ABN Amro Bank NV FRN 06/03/2019	10,026	0.49
8,750,000	ING Bank NV 1.875% 27/02/2018	8,884	0.43
3,200,000	Shell International Finance BV 4.375% 14/05/2018	3,339	0.16
11,350,000	Shell International Finance BV FRN 15/09/2019	11,419	0.55
2,213,000	Wurth Finance International BV 3.75% 25/05/2018	2,296	0.11
Corporate bonds: A- rating			
3,200,000	Achmea Bank NV 2% 23/01/2018	3,243	0.16
4,950,000	Aegon NV 3% 18/07/2017	4,969	0.24
6,146,000	Deutsche Post Finance BV 1.875% 27/06/2017	6,155	0.30
4,600,000	Koninklijke DSM NV 5.25% 17/10/2017	4,692	0.23
4,350,000	Nomura Europe Finance NV 1.875% 29/05/2018	4,432	0.21
1,250,000	TenneT Holding BV 3.875% 21/02/2018^	1,286	0.06
Corporate bonds: BBB+ rating			
5,600,000	Deutsche Telekom International Finance BV 6.625% 29/03/2018	5,910	0.29
5,000,000	Deutsche Telekom International Finance BV FRN 03/04/2020	5,027	0.24
1,150,000	Exor NV 5.375% 12/06/2017	1,152	0.06
200,000	F van Lanschot Bankiers NV 3.125% 05/06/2018	206	0.01
7,200,000	Volkswagen International Finance NV FRN 16/07/2018	7,203	0.35
22,100,000	Volkswagen International Finance NV FRN 30/03/2019	22,131	1.07
4,700,000	Volkswagen International Finance NV FRN 15/04/2019	4,725	0.23
2,600,000	Vonovia Finance BV FRN 13/09/2018	2,604	0.13
7,300,000	Vonovia Finance BV FRN 15/12/2017	7,328	0.35
6,500,000	Wolters Kluwer NV 6.375% 10/04/2018	6,858	0.33
Corporate bonds: BBB rating			
5,150,000	Delta Lloyd NV 4.25% 17/11/2017	5,247	0.25
12,460,000	E.ON International Finance BV 5.5% 02/10/2017^	12,695	0.61
2,850,000	Enel Finance International NV 3.625% 17/04/2018	2,942	0.14
4,840,000	Enel Finance International NV 4.125% 12/07/2017	4,862	0.24
7,200,000	General Motors Financial International BV 0.85% 23/02/2018	7,237	0.35
Corporate bonds: BBB- rating			
3,700,000	LeasePlan Corp NV FRN 04/11/2020	3,708	0.18
2,600,000	Mylan NV FRN 24/05/2020	2,601	0.13
5,800,000	Mylan NV FRN 22/11/2018	5,843	0.28
7,000,000	Repsol International Finance BV 4.375% 20/02/2018	7,221	0.35
4,800,000	Repsol International Finance BV FRN 06/07/2018	4,826	0.23

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Bonds (31 May 2016: 96.60%) (cont)			
Netherlands (31 May 2016: 16.26%) (cont)			
Corporate bonds: BB+ rating			
6,850,000	EDP Finance BV 5.75% 21/09/2017	6,969	0.34
Total Netherlands		301,497	14.60
New Zealand (31 May 2016: 1.06%)			
Corporate bonds: AA- rating			
300,000	BNZ International Funding Ltd 1.25% 23/05/2018	304	0.01
6,500,000	BNZ International Funding Ltd FRN 02/12/2019	6,541	0.32
Total New Zealand		6,845	0.33
Norway (31 May 2016: 0.56%)			
Corporate bonds: A+ rating			
8,000,000	DNB Bank ASA FRN 13/01/2020^	8,029	0.39
1,200,000	DNB Bank ASA FRN 28/01/2019^	1,209	0.06
3,700,000	SpareBank 1 SMN 2.125% 21/02/2018	3,760	0.18
1,950,000	SpareBank 1 SR-Bank ASA 2% 14/05/2018	1,988	0.09
4,100,000	Statoil ASA FRN 19/08/2019^	4,112	0.20
Corporate bonds: A rating			
4,500,000	Telenor ASA 1.75% 15/01/2018	4,553	0.22
Corporate bonds: A- rating			
3,000,000	Statkraft AS 4.625% 22/09/2017^	3,044	0.15
Corporate bonds: BBB+ rating			
1,800,000	Santander Consumer Bank AS 0.625% 20/04/2018^	1,811	0.09
Total Norway		28,506	1.38
People's Republic of China (31 May 2016: 0.08%)			
Corporate bonds: A+ rating			
2,050,000	Bank of China Ltd FRN 30/06/2018	2,062	0.10
5,900,000	Industrial & Commercial Bank of China Ltd FRN 23/05/2020	5,904	0.29
Total People's Republic of China		7,966	0.39
Portugal (31 May 2016: Nil)			
Corporate bonds: BBB- rating			
1,000,000	Brisa Concessao Rodoviaria SA 6.875% 02/04/2018	1,056	0.05
Total Portugal		1,056	0.05
Spain (31 May 2016: 3.34%)			
Corporate bonds: A- rating			
5,200,000	Red Electrica Financiaciones SAU 4.75% 16/02/2018	5,380	0.26
3,000,000	Santander Consumer Finance SA FRN 23/12/2018	2,986	0.14
1,800,000	Santander Consumer Finance SA FRN 09/09/2019	1,808	0.09
5,300,000	Santander International Debt SA 4.125% 04/10/2017	5,375	0.26
10,500,000	Santander International Debt SA FRN 04/03/2020^	10,582	0.51

Holding	Investment	Fair value €000	% of net asset value
Spain (31 May 2016: 3.34%) (cont)			
Corporate bonds: A- rating (cont)			
1,800,000	Santander International Debt SAU FRN 06/05/2019	1,813	0.09
Corporate bonds: BBB+ rating			
10,100,000	BBVA Senior Finance SAU 3.75% 17/01/2018	10,345	0.50
300,000	Iberdrola Finanzas SA 5.625% 09/05/2018	316	0.02
Corporate bonds: BBB rating			
4,300,000	CaixaBank SA 3.125% 14/05/2018	4,427	0.21
5,250,000	Ferrovial Emisiones SA 3.375% 30/01/2018	5,366	0.26
2,400,000	Gas Natural Capital Markets SA 4.125% 26/01/2018	2,466	0.12
1,500,000	Gas Natural Capital Markets SA 5% 13/02/2018	1,554	0.08
5,100,000	Prosegur Cia de Seguridad SA 2.75% 02/04/2018	5,212	0.25
5,000,000	Telefonica Emisiones SAU 3.661% 18/09/2017^	5,056	0.25
9,100,000	Telefonica Emisiones SAU 4.797% 21/02/2018	9,420	0.46
13,100,000	Telefonica Emisiones SAU 5.811% 05/09/2017	13,303	0.64
Total Spain		85,409	4.14
Sweden (31 May 2016: 3.89%)			
Corporate bonds: AA- rating			
9,048,000	Nordea Bank AB 1.375% 12/04/2018	9,171	0.44
6,450,000	Nordea Bank AB 2.25% 05/10/2017	6,506	0.32
3,450,000	Nordea Bank AB FRN 22/02/2019	3,471	0.17
1,050,000	Svenska Handelsbanken AB 2.25% 14/06/2018	1,077	0.05
6,450,000	Svenska Handelsbanken AB 3.375% 17/07/2017	6,479	0.31
3,850,000	Swedbank AB FRN 11/03/2019	3,895	0.19
7,000,000	Swedbank AB FRN 20/09/2017^	7,019	0.34
4,000,000	Swedbank AB FRN 10/01/2020	4,085	0.20
Corporate bonds: A+ rating			
3,000,000	Skandinaviska Enskilda Banken AB 4.25% 21/02/2018	3,097	0.15
2,150,000	Skandinaviska Enskilda Banken AB FRN 26/05/2020	2,177	0.11
Corporate bonds: A rating			
5,500,000	SBAB Bank AB FRN 27/06/2018^	5,515	0.27
Corporate bonds: BBB+ rating			
3,400,000	Scania CV AB 1.625% 14/09/2017	3,415	0.17
3,350,000	Scania CV AB FRN 24/10/2018	3,359	0.16
3,400,000	Scania CV AB FRN 20/04/2020	3,410	0.16
Corporate bonds: BBB- rating			
4,000,000	Telefonaktiebolaget LM Ericsson 5.375% 27/06/2017	4,015	0.19
Total Sweden		66,691	3.23
Switzerland (31 May 2016: 4.11%)			
Corporate bonds: A+ rating			
950,000	UBS AG 0.5% 15/05/2018^	956	0.05

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Bonds (31 May 2016: 96.60%) (cont)			
Switzerland (31 May 2016: 4.11%) (cont)			
Corporate bonds: A+ rating (cont)			
12,730,000	UBS AG 6% 18/04/2018	13,421	0.65
Corporate bonds: A rating			
13,700,000	Credit Suisse AG 5.125% 18/09/2017	13,920	0.67
8,750,000	Credit Suisse AG FRN 16/10/2019	8,820	0.43
1,100,000	Credit Suisse AG FRN 19/02/2018	1,103	0.05
5,154,000	Credit Suisse AG FRN 15/12/2017	5,166	0.25
6,700,000	Credit Suisse AG FRN 18/06/2018	6,726	0.33
Total Switzerland		50,112	2.43
United Kingdom (31 May 2016: 7.98%)			
Corporate bonds: AA- rating			
1,500,000	HSBC Bank Plc 3.125% 15/11/2017	1,522	0.08
Corporate bonds: A+ rating			
6,750,000	GlaxoSmithKline Capital Plc 5.625% 13/12/2017	6,962	0.34
1,701,000	Motability Operations Group Plc 3.75% 29/11/2017	1,733	0.08
Corporate bonds: A rating			
4,000,000	Coventry Building Society 2.25% 04/12/2017	4,050	0.20
11,450,000	Lloyds Bank Plc FRN 10/09/2019	11,520	0.56
1,000,000	Lloyds Bank Plc FRN 09/10/2018	1,006	0.05
7,800,000	Lloyds Bank Plc FRN 21/08/2017	7,809	0.38
7,950,000	Nationwide Building Society FRN 002/11/2018	7,996	0.39
7,750,000	Nationwide Building Society FRN 23/03/2018	7,788	0.38
5,600,000	Santander UK Plc 1.75% 15/01/2018	5,666	0.27
500,000	Santander UK Plc FRN 24/10/2017	500	0.02
5,000,000	Santander UK Plc FRN 12/02/2018	5,016	0.24
10,500,000	Santander UK Plc FRN 22/05/2019	10,589	0.51
Corporate bonds: A- rating			
8,350,000	BP Capital Markets Plc 3.83% 06/10/2017	8,466	0.41
Corporate bonds: BBB+ rating			
10,400,000	BAT International Finance Plc 5.375% 29/06/2017	10,441	0.51
650,000	BAT International Finance Plc FRN 06/03/2018	652	0.03
2,950,000	Brambles Finance Plc 4.625% 20/04/2018	3,069	0.15
3,200,000	Coca-Cola European Partners Plc FRN 26/11/2017	3,202	0.16
16,600,000	HSBC Holdings Plc 6.25% 19/03/2018	17,415	0.84
7,500,000	Royal Bank of Scotland Plc FRN 14/06/2018	7,504	0.36
4,950,000	Standard Chartered Plc 1.75% 29/10/2017	4,989	0.24
1,225,000	Vodafone Group Plc 5% 04/06/2018	1,288	0.06
12,625,000	Vodafone Group Plc FRN 25/02/2019	12,790	0.62
Corporate bonds: BBB/*+ rating			
3,500,000	Sky Plc FRN 01/04/2020 [^]	3,541	0.17

Holding	Investment	Fair value €000	% of net asset value
United Kingdom (31 May 2016: 7.98%) (cont)			
Corporate bonds: BBB rating			
1,160,000	FCE Bank Plc 1.75% 21/05/2018	1,180	0.06
5,900,000	FCE Bank Plc 2.875% 03/10/2017	5,959	0.29
3,850,000	FCE Bank Plc FRN 10/02/2018	3,855	0.19
4,000,000	FCE Bank Plc FRN 26/08/2020	4,009	0.19
3,825,000	FCE Bank Plc FRN 17/09/2019	3,876	0.19
4,400,000	FCE Bank Plc FRN 11/08/2018	4,447	0.21
7,800,000	Standard Chartered Bank 5.875% 26/09/2017	7,939	0.38
1,775,000	WPP Finance 2013 FRN 18/05/2020	1,778	0.09
Corporate bonds: BBB- rating			
14,150,000	Barclays Bank Plc 6% 23/01/2018	14,687	0.71
Total United Kingdom		193,244	9.36
United States (31 May 2016: 13.47%)			
Corporate bonds: AA rating			
8,500,000	Pfizer Inc FRN 06/03/2019 [^]	8,534	0.41
Corporate bonds: AA- rating			
2,000,000	3M Co FRN 09/11/2018	2,006	0.10
19,500,000	Coca-Cola Co FRN 09/09/2019	19,582	0.95
4,400,000	Coca-Cola Co FRN 08/03/2019	4,416	0.21
1,000,000	Colgate-Palmolive Co FRN 14/05/2019	1,004	0.05
4,650,000	Procter & Gamble Co 5.125% 24/10/2017 [^]	4,748	0.23
8,146,000	Toyota Motor Credit Corp 1.25% 01/08/2017	8,162	0.40
3,096,000	Toyota Motor Credit Corp FRN 08/09/2017	3,097	0.15
1,700,000	Toyota Motor Credit Corp FRN 20/07/2018	1,704	0.08
Corporate bonds: A+ rating			
3,250,000	American Honda Finance Corp FRN 11/03/2019	3,259	0.16
3,450,000	BMW US Capital LLC 1% 18/07/2017	3,455	0.17
1,375,000	BMW US Capital LLC FRN 20/04/2018 [^]	1,377	0.07
3,225,000	BMW US Capital LLC FRN 18/03/2019	3,236	0.15
16,100,000	JPMorgan Chase Bank NA FRN 14/06/2018	16,144	0.78
Corporate bonds: A rating			
4,000,000	Archer-Daniels-Midland Co FRN 24/06/2019	4,024	0.19
6,700,000	Honeywell International Inc FRN 22/02/2018 [^]	6,711	0.33
7,950,000	Wells Fargo & Co FRN 24/04/2019 [^]	7,990	0.39
Corporate bonds: A- rating			
7,000,000	JPMorgan Chase & Co FRN 27/01/2020 [^]	7,068	0.34
9,084,000	JPMorgan Chase & Co FRN 07/05/2019 [^]	9,167	0.44
5,850,000	United Technologies Corp FRN 22/02/2018	5,877	0.29
Corporate bonds: BBB+ rating			
11,350,000	Bank of America Corp 4.625% 07/08/2017	11,447	0.56
9,425,000	Bank of America Corp FRN 26/07/2019	9,473	0.46
6,500,000	Bank of America Corp FRN 19/06/2019	6,573	0.32

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Bonds (31 May 2016: 96.60%) (cont)			
United States (31 May 2016: 13.47%) (cont)			
Corporate bonds: BBB+ rating (cont)			
5,000,000	Bank of America Corp FRN 07/02/2022	5,031	0.24
4,500,000	Citigroup Inc 1.75% 29/01/2018	4,556	0.22
6,250,000	Citigroup Inc FRN 11/11/2019	6,298	0.31
7,000,000	General Mills Inc FRN 15/01/2020	7,088	0.34
3,000,000	Goldman Sachs Group Inc 6.375% 02/05/2018 [^]	3,178	0.15
16,500,000	Goldman Sachs Group Inc FRN 31/12/2018	16,548	0.80
5,025,000	Goldman Sachs Group Inc FRN 27/07/2017 [^]	5,029	0.24
8,400,000	Goldman Sachs Group Inc FRN 11/09/2018	8,441	0.41
9,127,000	Goldman Sachs Group Inc FRN 18/12/2017	9,158	0.44
3,650,000	Goldman Sachs Group Inc FRN 29/04/2019	3,679	0.18
3,821,000	Goldman Sachs Group Inc FRN 29/05/2020	3,853	0.19
8,000,000	Goldman Sachs Group Inc FRN 29/10/2019	8,081	0.39
4,900,000	McDonald's Corp FRN 26/08/2019	4,915	0.24
3,125,000	Morgan Stanley 2.25% 12/03/2018	3,183	0.15
3,639,000	Morgan Stanley 3.75% 21/09/2017	3,682	0.18
6,800,000	Morgan Stanley 5.5% 02/10/2017	6,922	0.34
21,725,000	Morgan Stanley FRN 03/12/2019	21,792	1.06
6,355,000	Morgan Stanley FRN 19/11/2019	6,422	0.31
7,000,000	National Grid North America Inc 1.75% 20/02/2018 [^]	7,095	0.34
Corporate bonds: BBB+/- rating			
11,750,000	AT&T Inc FRN 04/06/2019	11,833	0.57
Corporate bonds: BBB rating			
5,255,000	Bank of America Corp FRN 14/09/2018	5,259	0.25
2,475,000	FedEx Corp FRN 11/04/2019	2,486	0.12
Corporate bonds: BBB- rating			
5,975,000	Molson Coors Brewing Co FRN 15/03/2019	5,979	0.29
Total United States		309,562	14.99
Total bonds		2,047,492	99.16
Total value of investments			
		2,047,492	99.16
Cash equivalents (31 May 2016: 2.91%)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: 2.91%)			
2,291,983	Institutional Cash Series Plc - Institutional Euro Liquidity Fund [*]	2,292	0.11

Holding	Investment	Fair value €000	% of net asset value
Cash[†]		702	0.03
Other net assets		14,389	0.70
Net asset value attributable to redeemable participating shareholders at the end of the financial year		2,064,875	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.[^] These securities are partially or fully transferred as securities lent.^{*} Investment in related party.

All credit ratings are shown as at 31 May 2017.

Fixed and variable income securities are primarily classified by country of incorporation of the issuer for corporate fixed and variable income securities.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	1,785,357	86.31
Transferable securities dealt in an another regulated market	152,262	7.36
Other transferable securities of the type referred to in Regulations 68 (1)(a), (b) and (c)	109,873	5.31
UCITS collective investment schemes - Money Market Funds	2,292	0.11
Other assets	18,756	0.91
Total current assets	2,068,540	100.00

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
15,100,000	ING Groep NV 4.75% 31/05/2017	15,114	29,630,000	Cooperatieve Rabobank UA 4.750% 15/01/2018	31,055
14,150,000	UBS AG FRN 15/05/2017	14,158	25,000,000	Deutsche Bank AG 5.125% 31/08/2017	26,094
12,500,000	JPMorgan Chase & Co FRN 12/06/2017	12,502	23,225,000	Morgan Stanley FRN 03/12/2019	23,260
10,550,000	HSBC Finance Corp 4.875% 30/05/2017	10,560	22,100,000	Volkswagen International Finance NV FRN 30/03/2019	22,128
10,000,000	Cooperatieve Rabobank UA FRN 12/10/2017	10,020	19,450,000	BPCE SA 3.750% 21/07/2017	20,059
10,000,000	Hutchison Whampoa Europe Finance 12 Ltd 2.50% 06/06/2017	10,005	19,500,000	Coca-Cola Co FRN 09/09/2019	19,569
8,700,000	BPCE SA FRN 10/03/2017	8,701	18,517,000	Intesa Sanpaolo SpA 4.000% 09/11/2017	19,152
8,664,000	Daimler AG 2% 05/05/2017	8,697	16,600,000	HSBC Holdings Plc 6.250% 19/03/2018	17,612
7,950,000	Telstra Corp Ltd 4.75% 21/03/2017	7,980	16,850,000	Bank of America Corp 4.625% 07/08/2017	17,466
7,580,000	Coca-Cola Co FRN 09/03/2017	7,581	16,150,000	Credit Agricole SA 5.971% 01/02/2018	17,048
7,000,000	Bank of Ireland 2% 08/05/2017	7,002	16,500,000	Goldman Sachs Group Inc FRN 31/12/2018	16,536
6,800,000	Pernod Ricard SA 5% 15/03/2017	6,809	16,100,000	JPMorgan Chase Bank NA FRN 14/06/2018	16,122
6,798,000	Standard Chartered Plc FRN 13/06/2017	6,799	14,900,000	Credit Suisse AG 5.125% 18/09/2017	15,608
6,400,000	HeidelbergCement Finance Luxembourg SA 5.625% 04/01/2018	6,681	14,150,000	Barclays Bank Plc 6.000% 23/01/2018	14,968
6,450,000	Robert Bosch GmbH 5.125% 12/06/2017	6,520	14,700,000	Cooperatieve Rabobank UA FRN 15/01/2018	14,735
6,466,000	Renault SA 5.625% 22/03/2017	6,510	14,200,000	ABN AMRO Bank NV 3.625% 06/10/2017	14,634
6,500,000	Westpac Securities NZ Ltd FRN 10/03/2017	6,504	13,960,000	E.ON International Finance BV 5.500% 02/10/2017	14,598
6,300,000	Banque Federative du Credit Mutuel FRN 23/03/2017	6,303	13,100,000	Telefonica Emisiones SAU 5.811% 05/09/2017	13,708
6,200,000	BMW US Capital LLC 1.000% 18/07/2017	6,218	12,730,000	UBS AG 6.000% 18/04/2018	13,614
6,000,000	Bank of America Corp 4.75% 03/04/2017	6,023	13,224,000	BNP Paribas SA 2.875% 27/11/2017	13,586
5,900,000	ABN AMRO Bank NV 3.625% 06/10/2017	6,020			
6,000,000	Telenor ASA 4.875% 29/05/2017	6,005			
5,850,000	Australia & New Zealand Banking Group Ltd 3.75% 10/03/2017	5,855			
5,831,000	MAN SE 2.125% 13/03/2017	5,834			
5,500,000	Bank of America Corp 4.625% 07/08/2017	5,595			
5,500,000	GE Capital European Funding Unlimited Co 4.25% 01/03/2017	5,571			
5,500,000	Abertis Infraestructuras SA 5.125% 12/06/2017	5,513			
5,400,000	Credit Suisse AG FRN 19/02/2018	5,417			
5,000,000	Societe Generale SA 2.375% 28/02/2018	5,104			
5,000,000	Volkswagen Leasing GmbH 1.000% 04/10/2017	5,024			
5,000,000	E.ON International Finance BV 6.375% 29/05/2017	5,013			
5,000,000	JPMorgan Chase & Co FRN 21/02/2017	5,003			
5,000,000	UniCredit SpA 4.875% 07/03/2017	5,003			
5,000,000	Danske Bank A/S FRN 02/06/2017	5,000			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

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INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Operating income	2	1,618	1,784
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	248	(183)
Total gains		1,866	1,601
Operating expenses	4	(191)	(181)
Net operating profit		1,675	1,420
Finance costs:			
Distributions to redeemable participating shareholders	6	(1,423)	(839)
Interest expense*	7	-	(1)
Total finance costs		(1,423)	(840)
Net profit for the financial year		252	580
Increase in net assets attributable to redeemable participating shareholders from operations		252	580

*Amounts which are less than £500 are rounded to zero.

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	187,001	149,926
Increase in net assets attributable to redeemable participating shareholders from operations	252	580
Share transactions:		
Proceeds from issue of redeemable participating shares	135,690	105,198
Payments on redemption of redeemable participating shares	(51,446)	(68,703)
Increase in net assets resulting from share transactions	84,244	36,495
Net assets attributable to redeemable participating shareholders at the end of the financial year	271,497	187,001

The accompanying notes form an integral part of these financial statements.

iShares £ Ultrashort Bond UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 £'000	31 May 2016 £'000
CURRENT ASSETS			
Cash		300	307
Cash equivalents		1,092	4,936
Receivables	11	2,396	1,570
Financial assets at fair value through profit or loss	12	270,335	180,203
Total current assets		274,123	187,016
CURRENT LIABILITIES			
Payables	13	(2,626)	(15)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(2,626)	(15)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	271,497	187,001

The accompanying notes form an integral part of these financial statements.

iShares £ Ultrashort Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Interest income	14	18
Bond interest income	1,592	1,759
Securities lending income	12	7
	1,618	1,784

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	248	(183)
	248	(183)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Management fees	(191)	(181)
	(191)	(181)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.09	0.09*

* The TER for this fund is currently discounted from 0.20 to 0.09, for further information please see the background section.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
June	773	-
December	872	863
	1,645	863
Equalisation income	(346)	(153)
Equalisation expense	124	129
	1,423	839

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

iShares £ Ultrashort Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Bank interest*	-	(1)
	-	(1)

* Amounts less than £500 are rounded to zero.

8. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Transaction costs	(3)	(2)

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	1,861,754	1,497,836
Issued during the financial year	1,353,788	1,050,781
Redeemed during the financial year	(513,627)	(686,863)
Balance at the end of financial year	2,701,915	1,861,754

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	£'000
Net asset value	
As at 31 May 2017	271,497
As at 31 May 2016	187,001
As at 31 May 2015	149,926

	No. of Shares
Shares in issue	
As at 31 May 2017	2,701,915
As at 31 May 2016	1,861,754
As at 31 May 2015	1,497,836

	£
Net asset value per share	
As at 31 May 2017	100.48
As at 31 May 2016	100.44
As at 31 May 2015	100.10

11. RECEIVABLES

	31 May 2017 £'000	31 May 2016 £'000
Interest receivable	1	1
Securities lending income receivable	2	1
Bond income receivable	2,393	1,568
	2,396	1,570

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 £'000	31 May 2016 £'000
Financial assets:		
Investment in bonds	270,335	180,203
	270,335	180,203

13. PAYABLES

	31 May 2017 £'000	31 May 2016 £'000
Purchases of securities awaiting settlement	(2,606)	-
Management fees payable	(20)	(15)
	(2,626)	(15)

iShares £ Ultrashort Bond UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value £'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 96.37%)			
Bonds (31 May 2016: 96.37%)			
Australia (31 May 2016: 6.61%)			
Corporate bonds: AAA rating			
1,900,000	Australia & New Zealand Banking Group Ltd FRN 11/02/2019	1,912	0.70
1,600,000	Commonwealth Bank of Australia FRN 24/01/2018	1,603	0.59
Corporate bonds: AA- rating			
2,375,000	Commonwealth Bank of Australia FRN 26/10/2018	2,391	0.88
2,600,000	National Australia Bank Ltd 3.625% 08/11/2017	2,634	0.97
750,000	National Australia Bank Ltd FRN 01/03/2019	757	0.28
1,600,000	Westpac Banking Corp FRN 28/11/2017	1,602	0.59
Corporate bonds: A+ rating			
1,100,000	Suncorp-Metway Ltd FRN 06/10/2017	1,101	0.41
Total Australia			
		12,000	4.42
Belgium (31 May 2016: 0.28%)			
Corporate bonds: A- rating			
3,350,000	Anheuser-Busch InBev SA/NV 6.5% 23/06/2017	3,361	1.24
Total Belgium			
		3,361	1.24
Bermuda (31 May 2016: 0.65%)			
Canada (31 May 2016: 11.79%)			
Corporate bonds: AAA rating			
1,950,000	Bank of Nova Scotia FRN 02/11/2017	1,952	0.72
1,000,000	Bank of Nova Scotia FRN 07/08/2018	1,003	0.37
1,000,000	Bank of Nova Scotia FRN 14/01/2019	1,005	0.37
1,850,000	Canadian Imperial Bank of Commerce FRN 15/01/2018	1,852	0.68
2,300,000	Canadian Imperial Bank of Commerce FRN 11/03/2019	2,316	0.85
850,000	Royal Bank of Canada FRN 20/07/2018	852	0.31
2,400,000	Royal Bank of Canada FRN 11/03/2019	2,416	0.89
3,250,000	Toronto-Dominion Bank FRN 20/11/2017	3,252	1.20
2,450,000	Toronto-Dominion Bank FRN 16/04/2018	2,453	0.90
1,200,000	Toronto-Dominion Bank FRN 01/02/2019	1,207	0.45
Corporate bonds: AA- rating			
500,000	Royal Bank of Canada FRN 04/06/2019	500	0.18
2,500,000	Royal Bank of Canada FRN 09/10/2018	2,517	0.93

Holding	Investment	Fair value £'000	% of net asset value
Canada (31 May 2016: 11.79%) (cont)			
Corporate bonds: AA- rating (cont)			
1,775,000	Toronto-Dominion Bank FRN 19/01/2018	1,779	0.66
Corporate bonds: A+ rating			
1,200,000	Bank of Montreal FRN 03/05/2018	1,201	0.44
Corporate bonds: BBB- rating			
1,400,000	Repsol Oil & Gas Canada Inc 6.625% 05/12/2017	1,438	0.53
Government bonds: AAA rating			
1,200,000	Province of Ontario Canada FRN 10/11/2020	1,200	0.44
Total Canada			
		26,943	9.92
Denmark (31 May 2016: 1.49%)			
Corporate bonds: AAA rating			
1,750,000	Danske Bank A/S FRN 15/09/2017	1,751	0.64
Corporate bonds: A rating			
1,650,000	Danske Bank A/S FRN 04/10/2018	1,654	0.61
Total Denmark			
		3,405	1.25
Finland (31 May 2016: 1.57%)			
Corporate bonds: AA- rating			
1,150,000	OP Corporate Bank Plc FRN 21/05/2018	1,153	0.43
Government bonds: AA+ rating			
3,200,000	Municipality Finance Plc 1.125% 07/12/2017	3,211	1.18
Total Finland			
		4,364	1.61
France (31 May 2016: 3.44%)			
Corporate bonds: AA rating			
4,300,000	Dexia Credit Local SA 1.875% 17/07/2017	4,304	1.58
Corporate bonds: A+ rating			
1,350,000	LVMH Moët Hennessy Louis Vuitton SE 1.625% 20/12/2017	1,357	0.50
1,300,000	Total Capital International SA FRN 01/07/2019	1,301	0.48
1,725,000	Total Capital SA 4.25% 08/12/2017	1,758	0.65
Corporate bonds: A rating			
1,100,000	Banque Federative du Credit Mutuel SA FRN 07/02/2019	1,101	0.40
Corporate bonds: BBB+ rating			
1,125,000	Orange SA 8% 20/12/2017	1,170	0.43
Corporate bonds: BBB rating			
1,600,000	RCI Banque SA 2.125% 06/10/2017	1,607	0.59
1,325,000	RCI Banque SA 3.25% 25/04/2018	1,351	0.50
1,500,000	Societe Generale SA 5.4% 30/01/2018	1,543	0.57
Government bonds: AA rating			
2,550,000	Caisse d'Amortissement de la Dette Sociale 1% 07/03/2018	2,561	0.94

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value £'000	% of net asset value	Holding	Investment	Fair value £'000	% of net asset value
Bonds (31 May 2016: 96.37%) (cont)				Netherlands (31 May 2016: 6.53%)			
France (31 May 2016: 3.44%) (cont)				Corporate bonds: AAA rating			
Government bonds: AA rating (cont)				1,725,000	Bank Nederlandse Gemeenten NV 3.25% 29/11/2017	1,748	0.64
800,000	Caisse des Depots et Consignations 1.5% 12/06/2017	800	0.30	1,000,000	Bank Nederlandse Gemeenten NV FRN 03/04/2018	1,000	0.37
Total France		18,853	6.94	1,350,000	Nederlandse Waterschapsbank NV 0.875% 07/03/2018	1,354	0.50
Germany (31 May 2016: 10.61%)				800,000	Nederlandse Waterschapsbank NV FRN 09/04/2018	800	0.30
Corporate bonds: AAA rating				Corporate bonds: AA- rating			
4,800,000	FMS Wertmanagement AoER 0.75% 15/12/2017	4,813	1.77	1,350,000	Deutsche Bahn Finance BV 1.375% 30/10/2017	1,355	0.50
5,300,000	FMS Wertmanagement AoER 1% 10/04/2018	5,324	1.96	Corporate bonds: A+ rating			
2,450,000	Kreditanstalt fuer Wiederaufbau 1% 07/12/2017	2,459	0.91	800,000	ABN Amro Bank NV 2.25% 11/09/2017	804	0.30
1,475,000	Kreditanstalt fuer Wiederaufbau 4.875% 01/02/2018^	1,519	0.56	1,350,000	BMW Finance NV 1.75% 20/11/2017	1,356	0.50
5,750,000	Kreditanstalt fuer Wiederaufbau 5.625% 25/08/2017	5,819	2.14	1,300,000	BMW Finance NV 5% 02/10/2017	1,318	0.48
650,000	Kreditanstalt fuer Wiederaufbau FRN 03/07/2017	650	0.24	1,800,000	Cooperatieve Rabobank UA 3.25% 01/11/2017^	1,819	0.67
2,600,000	Landeskreditbank Baden-Wuerttemberg Foerderbank 0.875% 15/12/2017	2,607	0.96	1,250,000	Paccar Financial Europe BV 1.513% 29/05/2018	1,260	0.46
850,000	Landeskreditbank Baden-Wuerttemberg Foerderbank FRN 18/07/2017	850	0.31	Corporate bonds: A rating			
3,450,000	Landwirtschaftliche Rentenbank 1% 15/12/2017	3,462	1.28	3,000,000	ABN Amro Bank NV FRN 30/11/2018	3,008	1.11
Corporate bonds: AA+ rating				975,000	ING Bank NV FRN 27/11/2017	976	0.36
1,100,000	Deutsche Pfandbriefbank AG FRN 29/09/2017	1,101	0.41	Corporate bonds: BBB+ rating			
1,100,000	Deutsche Pfandbriefbank AG FRN 13/01/2020^	1,100	0.40	1,275,000	Volkswagen Financial Services NV 1.75% 21/08/2017	1,277	0.47
Corporate bonds: AA- rating				Total Netherlands		18,075	6.66
2,700,000	NRW Bank 0.875% 15/12/2017	2,707	1.00	New Zealand (31 May 2016: 2.16%)			
Corporate bonds: A+ rating				Corporate bonds: AA- rating			
1,200,000	DZ Bank AG Deutsche Zentral- Genossenschaftsbank FRN 02/02/2019	1,201	0.44	1,950,000	ASB Finance Ltd FRN 01/05/2018	1,957	0.72
Corporate bonds: A rating				900,000	ASB Finance Ltd FRN 22/05/2020	900	0.33
500,000	BASF SE 1.375% 15/12/2017	502	0.19	1,775,000	Westpac Securities NZ Ltd FRN 02/10/2017	1,777	0.66
850,000	Daimler AG 1.25% 01/12/2017	852	0.31	Total New Zealand		4,634	1.71
2,100,000	Daimler AG 1.75% 08/11/2017	2,109	0.78	Norway (31 May 2016: 2.97%)			
Corporate bonds: A-/*- rating				Corporate bonds: AAA rating			
1,200,000	Bayer AG 5.625% 23/05/2018	1,256	0.46	2,500,000	DNB Boligkreditt AS FRN 17/02/2020	2,505	0.92
Government bonds: AAA rating				2,100,000	Nordea Eiendomskreditt AS FRN 11/09/2017	2,101	0.77
2,000,000	State of North Rhine-Westphalia Germany 0.875% 07/03/2018	2,002	0.74	2,400,000	Nordea Eiendomskreditt AS FRN 14/01/2019	2,412	0.89
Total Germany		40,333	14.86	Government bonds: AAA rating			
Ireland (31 May 2016: 0.85%)				2,050,000	Kommunalbanken AS 1.125% 15/12/2017	2,058	0.76
Corporate bonds: AA- rating				Total Norway		9,076	3.34
1,900,000	GE Capital UK Funding Unlimited Co 4.125% 28/09/2017	1,920	0.71	Republic of South Korea (31 May 2016: Nil)			
Total Ireland		1,920	0.71	Government bonds: AA rating			
Jersey (31 May 2016: 2.11%)				2,050,000	Export-Import Bank of Korea 2% 07/12/2017	2,063	0.76
				Total Republic of South Korea		2,063	0.76

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value £'000	% of net asset value	Holding	Investment	Fair value £'000	% of net asset value
Bonds (31 May 2016: 96.37%) (cont)				United Kingdom (31 May 2016: 26.94%)			
Spain (31 May 2016: Nil)				Corporate bonds: AAA rating			
Corporate bonds: BBB rating				4,400,000	Barclays Bank Plc FRN 15/09/2017	4,402	1.62
3,350,000	Telefonica Emisiones SAU 5.375% 02/02/2018	3,451	1.27	5,425,000	Barclays Bank Plc FRN 12/02/2018^	5,430	2.00
Government bonds: BBB+ rating				2,925,000	Barclays Bank Plc FRN 22/05/2020	2,929	1.08
1,250,000	Instituto de Credito Oficial 1.875% 15/12/2017	1,256	0.46	650,000	Coventry Building Society 4.625% 19/04/2018	673	0.25
Total Spain				1,550,000	Leeds Building Society FRN 09/02/2018	1,552	0.57
		4,707	1.73	3,360,000	Lloyds Bank Plc FRN 19/01/2018	3,363	1.24
Supranational (31 May 2016: 6.96%)				1,825,000	Lloyds Bank Plc FRN 14/01/2019^	1,832	0.68
Corporate bonds: AAA rating				1,650,000	Lloyds Bank Plc FRN 18/07/2019	1,656	0.61
750,000	Asian Development Bank 1.5% 15/12/2017^	753	0.28	3,500,000	Lloyds Bank Plc FRN 16/01/2020	3,511	1.29
2,350,000	European Investment Bank 1.375% 15/01/2018	2,365	0.87	2,175,000	Nationwide Building Society FRN 17/07/2017	2,175	0.80
1,000,000	European Investment Bank 4.125% 07/12/2017	1,019	0.37	3,200,000	Nationwide Building Society FRN 27/04/2018	3,204	1.18
1,000,000	European Investment Bank 8.75% 25/08/2017	1,019	0.38	3,725,000	Nationwide Building Society FRN 25/04/2019^	3,750	1.38
2,200,000	European Investment Bank FRN 25/05/2018	2,204	0.81	2,610,000	Royal Bank of Scotland Plc FRN 15/05/2020	2,616	0.96
2,525,000	European Investment Bank FRN 16/04/2019	2,535	0.93	2,900,000	Santander UK Plc FRN 29/05/2018	2,903	1.07
2,480,000	European Investment Bank FRN 17/02/2020	2,495	0.92	1,800,000	Santander UK Plc FRN 08/07/2019	1,813	0.67
2,100,000	Inter-American Development Bank 1.25% 15/12/2017	2,110	0.78	2,675,000	Santander UK Plc FRN 05/05/2020	2,681	0.99
1,000,000	Inter-American Development Bank 1.625% 18/10/2017^	1,005	0.37	3,100,000	Yorkshire Building Society 4.75% 12/04/2018	3,207	1.18
4,350,000	International Bank for Reconstruction & Development 1.25% 02/10/2017	4,363	1.61	Corporate bonds: AA rating			
Total Supranational				3,250,000	Network Rail Infrastructure Finance Plc 1% 07/12/2017	3,262	1.20
		19,868	7.32	1,400,000	Transport for London 1.25% 21/11/2017	1,405	0.52
Sweden (31 May 2016: 4.57%)				Corporate bonds: AA- rating			
Corporate bonds: AAA rating				1,300,000	Nationwide Building Society FRN 06/06/2019	1,300	0.48
1,125,000	Skandinaviska Enskilda Banken AB FRN 19/11/2018	1,130	0.42	Corporate bonds: A+ rating			
1,625,000	Stadshypotek AB FRN 17/08/2018	1,629	0.60	1,325,000	Prudential Plc 1.375% 19/01/2018^	1,331	0.49
1,950,000	Swedbank Hypotek AB FRN 02/04/2018	1,952	0.72	1,870,000	Unilever Plc 4.75% 16/06/2017	1,873	0.69
1,500,000	Swedbank Hypotek AB FRN 29/10/2018^	1,506	0.55	Corporate bonds: A rating			
Corporate bonds: AA rating				2,100,000	BG Energy Capital Plc 5.125% 07/12/2017	2,147	0.79
1,000,000	Svenska Handelsbanken AB 1.875% 29/08/2017	1,003	0.37	2,237,000	Santander UK Plc 4.125% 14/09/2017	2,258	0.83
Corporate bonds: AA- rating				Corporate bonds: A- rating			
700,000	Swedbank AB FRN 02/06/2017	700	0.26	1,250,000	National Grid Gas Plc 6% 07/06/2017	1,251	0.46
1,100,000	Swedbank AB FRN 02/12/2019	1,105	0.40	Corporate bonds: BBB+ rating			
Total Sweden				2,025,000	British Telecommunications Plc 6.625% 23/06/2017	2,032	0.75
		9,025	3.32	400,000	Nationwide Building Society 8.625% 29/03/2018	425	0.15
Switzerland (31 May 2016: 1.55%)				1,500,000	Relx Investments Plc 7% 11/12/2017	1,548	0.57
Corporate bonds: A+ rating				1,700,000	Severn Trent Utilities Finance Plc 6% 22/01/2018	1,757	0.65
3,750,000	UBS AG 6.625% 11/04/2018	3,939	1.45	2,600,000	Vodafone Group Plc 5.375% 05/12/2017	2,660	0.98
Total Switzerland				Corporate bonds: BBB/+ rating			
		3,939	1.45	2,150,000	Sky Group Finance Plc 5.75% 20/10/2017	2,190	0.81

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value £'000	% of net asset value
Bonds (31 May 2016: 96.37%) (cont)			
United Kingdom (31 May 2016: 26.94%) (cont)			
Corporate bonds: BBB rating			
1,250,000	Phoenix Natural Gas Finance Plc 5.5% 10/07/2017	1,256	0.46
3,150,000	Standard Chartered Bank 7.75% 03/04/2018	3,324	1.23
Total United Kingdom		77,716	28.63
United States (31 May 2016: 5.29%)			
Corporate bonds: AA rating			
1,050,000	Nestle Holdings Inc 1.625% 11/12/2017	1,056	0.39
Corporate bonds: AA- rating			
1,400,000	General Electric Co 6.25% 15/12/2017	1,441	0.53
1,200,000	Toyota Motor Credit Corp 4% 07/12/2017	1,221	0.45
Corporate bonds: BBB+ rating			
4,000,000	Bank of America Corp 7.75% 30/04/2018	4,248	1.56
1,975,000	Citigroup Inc 7.625% 03/04/2018	2,087	0.77
Total United States		10,053	3.70
Total bonds		270,335	99.57
Total value of investments			
		270,335	99.57
Cash equivalents (31 May 2016: 2.64%)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: 2.64%)			
1,092,397	Institutional Cash Series Plc – Institutional Sterling Liquidity Fund*	1,092	0.40
Cash†		300	0.11
Other net liabilities		(230)	(0.08)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		271,497	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.

* These securities are partially or fully transferred as securities lent.

* Investment in related party.

Fixed and variable income securities are primarily classified by country of incorporation of the issuer for corporate fixed and variable income securities and country of issuer for government type fixed and variable income securities.

Analysis of total current assets gross of all liabilities	Fair value £'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	267,252	97.49
Transferable securities dealt in an another regulated market	3,083	1.12
UCITS collective investment schemes - Money Market Funds	1,092	0.40
Other assets	2,696	0.99
Total current assets	274,123	100.00

All credit ratings are shown as at 31 May 2017.

iShares £ Ultrashort Bond UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds £'000	Holding	Investments	Cost £'000
Sales			Purchases		
6,250,000	Kreditanstalt fuer Wiederaufbau 5.625% 25/08/2017	6,552	4,000,000	FMS Wertmanagement AoeR 1.125% 07/12/2016	4,003
5,300,000	FMS Wertmanagement AoeR 1% 10/04/2018	5,332	2,750,000	Cooperatieve Rabobank UA 3.25% 01/11/2017	2,806
5,250,000	International Bank for Reconstruction & Development 1.25% 02/10/2017	5,291	2,750,000	Santander UK Plc FRN 20/01/2017	2,751
4,800,000	Dexia Credit Local SA 1.875% 17/07/2017	4,846	2,425,000	KFW 3.75% 07/09/2016	2,432
4,800,000	FMS Wertmanagement AoeR 0.75% 15/12/2017	4,820	2,000,000	Lloyds Bank Plc FRN 16/01/2017	2,000
4,550,000	Cooperatieve Rabobank UA 3.25% 01/11/2017	4,658	1,725,000	Barclays Bank Plc FRN 15/09/2017	1,725
4,000,000	Bank of America Corp 7.75% 30/04/2018	4,278	1,600,000	GE Capital UK Funding Unlimited Co FRN 16/01/2018	1,600
3,750,000	UBS AG 6.625% 11/04/2018	3,968	1,575,000	Nationwide Building Society FRN 17/07/2017	1,576
3,500,000	Lloyds Bank Plc FRN 16/01/2020	3,510	1,425,000	European Investment Bank 3.25% 07/12/2016	1,426
3,350,000	Telefonica Emisiones SAU 5.375% 02/02/2018	3,487	1,350,000	Bank Nederlandse Gemeenten NV 0.875% 12/12/2016	1,350
3,450,000	Landwirtschaftliche Rentenbank 1% 15/12/2017	3,472	1,295,000	Lloyds Bank Plc 1.5% 02/05/2017	1,302
3,150,000	Standard Chartered Bank 7.75% 03/04/2018	3,345	1,300,000	Bank of Montreal FRN 03/05/2018	1,301
3,250,000	Network Rail Infrastructure Finance Plc 1% 07/12/2017	3,271	1,300,000	BPCE SA FRN 06/03/2017	1,300
3,100,000	Anheuser-Busch InBev SA/NV 6.5% 23/06/2017	3,249	1,200,000	Bank of Montreal FRN 29/01/2018	1,201
3,100,000	Yorkshire Building Society 4.75% 12/04/2018	3,226	1,150,000	Export Development Canada 0.875% 07/12/2016	1,150
3,200,000	Municipality Finance Plc 1.125% 07/12/2017	3,221	1,125,000	European Investment Bank 4.875% 07/09/2016	1,131
2,900,000	Sky Group Finance Plc 5.75% 20/10/2017	3,024	1,050,000	Nordea Eiendomskreditt AS FRN 11/09/2017	1,051
2,925,000	Barclays Bank Plc FRN 22/05/2020	2,927	1,050,000	Agence Francaise de Developpement 0.75% 31/03/2017	1,050
2,750,000	Barclays Bank Plc FRN 12/02/2018	2,753	1,000,000	Goldman Sachs Group Inc 6.125% 14/02/2017	1,011
2,600,000	Vodafone Group Plc 5.375% 05/12/2017	2,717	1,000,000	Bank of Nova Scotia FRN 02/11/2017	1,001
2,700,000	NRW Bank 0.875% 15/12/2017	2,712	900,000	International Bank for Reconstruction & Development 1.25% 02/10/2017	905
2,675,000	Santander UK Plc FRN 05/05/2020	2,680	875,000	Landeskreditbank Baden-Wuerttemberg Foerderbank 1.25% 15/12/2016	877
2,600,000	National Australia Bank Ltd 3.625% 08/11/2017	2,673	850,000	Danske Bank A/S FRN 15/09/2017	850
2,610,000	Royal Bank of Scotland Plc FRN 15/05/2020	2,613	775,000	Orange SA 8% 20/12/2017	824
2,600,000	Landeskreditbank Baden-Wuerttemberg Foerderbank 0.875% 15/12/2017	2,613	800,000	Kreditanstalt fuer Wiederaufbau FRN 03/07/2017	800
2,550,000	Caisse d'Amortissement de la Dette Sociale 1% 07/03/2018	2,561	750,000	Sky Group Finance Plc 5.75% 20/10/2017	779
2,525,000	European Investment Bank FRN 16/04/2019	2,538	775,000	Royal Bank of Canada FRN 20/07/2018	777
2,500,000	DNB Boligkreditt AS FRN 17/02/2020	2,511	775,000	ASB Finance Ltd FRN 13/03/2017	775
2,500,000	Bank of Montreal FRN 03/05/2018	2,500	750,000	Transport for London 1.25% 21/11/2017	755
2,480,000	European Investment Bank FRN 17/02/2020	2,495	750,000	Landwirtschaftliche Rentenbank 3.25% 07/12/2016	750
2,420,000	Unilever Plc 4.75% 16/06/2017	2,486	750,000	Svensk Exportkredit AB 1.125% 15/12/2016	750
2,400,000	GE Capital UK Funding Unlimited Co 4.125% 28/09/2017	2,484	750,000	ING Bank NV FRN 27/11/2017	749
2,400,000	Bank Nederlandse Gemeenten NV 3.25% 29/11/2017	2,467	700,000	ABN AMRO Bank NV 2.25% 11/09/2017	708
2,450,000	Kreditanstalt fuer Wiederaufbau 1% 07/12/2017	2,463	675,000	Bank Nederlandse Gemeenten NV 3.25% 29/11/2017	691
			650,000	BASF SE 5.875% 31/03/2017	653
			650,000	Nomura Europe Finance NV 5.5% 23/03/2017	652
			550,000	AT&T Inc 5.875% 28/04/2017	572
			550,000	Unilever Plc 4.75% 16/06/2017	563

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Ageing Population UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 12 September 2016 to 31 May 2017 \$'000
Operating income	2	360
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,520
Total gains		1,880
Operating expenses	4	(50)
Net operating profit		1,830
Finance cost:		
Interest expense*	6	-
Total finance cost		-
Net profit for the financial period before tax		1,830
Taxation		(43)
Net profit for the financial period after tax		1,787
Increase in net assets attributable to redeemable participating shareholders from operations		1,787

*Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	1,787
Share transactions:	
Proceeds from issue of redeemable participating shares	47,253
Increase in net assets resulting from share transactions	47,253
Net assets attributable to redeemable participating shareholders at the end of the financial period	49,040

The accompanying notes form an integral part of these financial statements.

iShares Ageing Population UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		231
Margin cash account		19
Receivables	10	79
Financial assets at fair value through profit or loss	11	48,745
Total current assets		49,074
CURRENT LIABILITIES		
Bank overdrafts		(19)
Payables	12	(15)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(34)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	49,040

The accompanying notes form an integral part of these financial statements.

iShares Ageing Population UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Dividend income	360
Interest income*	-
Securities lending income*	-
	360

* Amounts less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	1,502
Net gains on future contracts	13
Net gains on foreign currency transactions	5
	1,520

4. OPERATING EXPENSES

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Management fees	(50)
	(50)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.40

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. INTEREST EXPENSE

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Transaction costs	(30)

iShares Ageing Population UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	9,000,000
Balance at the end of financial period	9,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	49,040

	No. of Shares
Shares in issue	
As at 31 May 2017	9,000,000

	\$
Net asset value per share	
As at 31 May 2017	5.45

10. RECEIVABLES

	31 May 2017 \$'000
Dividend income receivable	74
Tax reclaim receivable	5
Securities lending income receivable*	-
	79

*Amounts which are less than \$500 are rounded to zero.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	48,740
Unrealised gains on futures contracts	5
	48,745

12. PAYABLES

	31 May 2017 \$'000
Management fees payable	(15)
Interest payable*	-
	(15)

*Amounts which are less than \$500 are rounded to zero.

iShares Ageing Population UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Australia			
Commercial services			
20,223	InvoCare Ltd Com NPV	221	0.45
Diversified financial services			
33,581	IOOF Holdings Ltd Com NPV	226	0.46
Healthcare services			
56,237	Estia Health Ltd Com NPV	134	0.27
94,570	Healthscope Ltd Com NPV	142	0.29
67,789	Primary Health Care Ltd Com NPV	186	0.38
3,604	Ramsay Health Care Ltd Com NPV	185	0.38
59,358	Regis Healthcare Ltd Com NPV	186	0.38
12,210	Sonic Healthcare Ltd Com NPV	210	0.43
Insurance			
29,238	Challenger Ltd Com NPV	278	0.57
84,894	Medibank Pvt Ltd Com NPV	174	0.35
57,825	nib holdings Ltd Com NPV	233	0.47
125,784	Steadfast Group Ltd Com NPV	259	0.53
Leisure time			
18,045	Corporate Travel Management Ltd Com NPV	296	0.60
8,185	Flight Centre Travel Group Ltd Com NPV	218	0.45
Pharmaceuticals			
8,828	Sirtex Medical Ltd Com NPV	79	0.16
Total Australia			
		3,027	6.17
Belgium			
Healthcare products			
4,125	Ion Beam Applications Com NPV	250	0.51
Insurance			
4,987	Ageas Com NPV^	202	0.41
Pharmaceuticals			
2,479	UCB SA Com NPV	175	0.36
Total Belgium			
		627	1.28
Bermuda			
Leisure time			
4,360	Norwegian Cruise Line Holdings Ltd Com USD 0.001	218	0.44
Total Bermuda			
		218	0.44
Brazil			
Advertising			
14,127	Smiles SA Com NPV	274	0.56
Commercial services			
37,715	Qualicorp SA Com NPV	326	0.66
Insurance			
24,352	BB Seguridade Participacoes SA Com NPV	218	0.45

Holding	Investment	Fair value \$'000	% of net asset value
Brazil (cont)			
Retail			
10,789	Raia Drogasil SA Com NPV	240	0.49
Total Brazil			
		1,058	2.16
Canada			
Healthcare services			
31,087	Extendicare Inc Com NPV	237	0.49
Insurance			
7,257	Great-West Lifeco Inc Com NPV	180	0.37
5,956	Industrial Alliance Insurance & Financial Services Inc Com NPV	220	0.45
13,543	Manulife Financial Corp Com NPV	234	0.48
8,990	Power Corp of Canada Com NPV	192	0.39
8,035	Power Financial Corp Com NPV	192	0.39
5,715	Sun Life Financial Inc Com NPV	188	0.38
Leisure time			
11,491	BRP Inc Com NPV	280	0.57
Real estate investment trusts			
16,469	Chartwell Retirement Residences Unit NPV	196	0.40
Retail			
12,587	Jean Coutu Group PJC Inc Com NPV	207	0.42
Total Canada			
		2,126	4.34
Cayman Islands			
Diversified financial services			
4,993,258	Convoy Global Holdings Ltd Com HKD 0.10	106	0.22
Insurance			
18,673	Phoenix Group Holdings Com EUR 0.0001	182	0.37
Total Cayman Islands			
		288	0.59
Denmark			
Biotechnology			
1,049	Genmab A/S Com DKK 1.00	224	0.46
Pharmaceuticals			
5,248	H Lundbeck A/S Com DKK 5.00	280	0.57
Total Denmark			
		504	1.03
France			
Healthcare products			
1,489	Essilor International SA Com EUR 0.18	198	0.40
Healthcare services			
5,934	Korian SA Com EUR 5.00	200	0.41
2,290	Orpea Com EUR 1.25	260	0.53
Insurance			
8,567	AXA SA Com EUR 2.29	229	0.47
11,782	CNP Assurances Com EUR 1.00	259	0.53
5,981	SCOR SE Com EUR 7.876972	236	0.48
Total France			
		1,382	2.82

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Germany			
Biotechnology			
3,744	MorphoSys AG Com NPV	274	0.56
Healthcare services			
2,203	Fresenius Medical Care AG & Co KGaA Com NPV	211	0.43
2,633	Fresenius SE & Co KGaA Com NPV	226	0.46
Insurance			
1,259	Allianz SE Com NPV	242	0.49
Leisure time			
13,483	TUI AG Com NPV	209	0.43
	Total Germany	1,162	2.37
Hong Kong			
Insurance			
32,968	AIA Group Ltd Com NPV	234	0.47
102,903	China Taiping Insurance Holdings Co Ltd Com NPV	274	0.56
Leisure time			
665,353	China Travel International Investment Hong Kong Ltd Com NPV	190	0.39
Pharmaceuticals			
215,784	CSPC Pharmaceutical Group Ltd Com NPV	323	0.66
	Total Hong Kong	1,021	2.08
Indonesia			
Healthcare services			
993,852	Mitra Keluarga Karyasehat Tbk PT Com IDR 10.00	152	0.31
255,561	Siloam International Hospitals Tbk PT Com IDR 100.00	207	0.42
	Total Indonesia	359	0.73
Ireland			
Healthcare products			
2,380	Medtronic Plc Com USD 0.10	201	0.41
Insurance			
1,528	Willis Towers Watson Plc Com USD 0.000304635	224	0.46
Pharmaceuticals			
4,608	Alkermes Plc Com USD 0.01	266	0.54
	Total Ireland	691	1.41
Israel			
Pharmaceuticals			
3,444	Teva Pharmaceutical Industries Ltd Com ILS 0.10	99	0.20
	Total Israel	99	0.20
Italy			
Insurance			
13,584	Assicurazioni Generali SpA Com EUR 1.00	215	0.44

Holding	Investment	Fair value \$'000	% of net asset value
Italy (cont)			
Insurance (cont)			
25,025	Poste Italiane SpA Com NPV	176	0.36
29,157	Societa Cattolica di Assicurazioni Scrl Com EUR 3.00	252	0.51
	Total Italy	643	1.31
Japan			
Diversified financial services			
34,964	Daiwa Securities Group Inc Com NPV	213	0.44
17,684	Financial Products Group Co Ltd Com NPV	160	0.33
22,878	Matsui Securities Co Ltd Com NPV	187	0.38
40,964	Okasan Securities Group Inc Com NPV	247	0.50
Electronics			
5,395	Hoya Corp Com NPV	266	0.54
Healthcare products			
3,796	Asahi Intecc Co Ltd Com NPV	176	0.36
Healthcare services			
2,897	Ain Holdings Inc Com NPV	233	0.47
8,593	BML Inc Com NPV	176	0.36
4,996	Miraca Holdings Inc Com NPV	210	0.43
Insurance			
15,886	Dai-ichi Life Holdings Inc Com NPV	265	0.54
15,686	Japan Post Holdings Co Ltd Com NPV	192	0.39
9,191	Japan Post Insurance Co Ltd Com NPV	198	0.40
16,184	Sony Financial Holdings Inc Com NPV	249	0.51
20,680	T&D Holdings Inc Com NPV	293	0.60
Internet			
60,543	kabu.com Securities Co Ltd Com NPV	196	0.40
79,225	Monex Group Inc Com NPV^	193	0.39
Leisure time			
6,893	HIS Co Ltd Com NPV^	195	0.40
Pharmaceuticals			
5,595	Chugai Pharmaceutical Co Ltd Com NPV	213	0.43
3,496	Nippon Shinyaku Co Ltd Com NPV	204	0.42
12,287	Santen Pharmaceutical Co Ltd Com NPV	169	0.35
12,287	Sumitomo Dainippon Pharma Co Ltd Com NPV	188	0.38
3,496	Towa Pharmaceutical Co Ltd Com NPV	167	0.34
Retail			
3,596	Cocokara fine Inc Com NPV	182	0.37
1,099	Cosmos Pharmaceutical Corp Com NPV	232	0.47
7,193	Create SD Holdings Co Ltd Com NPV	170	0.35
3,196	Kusuri no Aoki Holdings Co Ltd Com NPV	155	0.32
3,596	Matsumotokiyoshi Holdings Co Ltd Com NPV	211	0.43
3,496	Sugi Holdings Co Ltd Com NPV	187	0.38
4,296	Sundrug Co Ltd Com NPV	167	0.34
1,798	Tsuruha Holdings Inc Com NPV	200	0.40

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Japan (cont)			
Retail (cont)			
6,792	Welcia Holdings Co Ltd Com NPV	249	0.51
Total Japan		6,343	12.93
Liberia			
Leisure time			
2,673	Royal Caribbean Cruises Ltd Com USD 0.01	295	0.60
Total Liberia		295	0.60
Malaysia			
Healthcare services			
117,081	IHH Healthcare Bhd Com MYR 1.00	158	0.32
Total Malaysia		158	0.32
Netherlands			
Insurance			
40,842	Aegon NV Com EUR 0.12	204	0.42
6,180	NN Group NV Com EUR 0.12	222	0.45
Total Netherlands		426	0.87
New Zealand			
Healthcare services			
47,298	Metlifecare Ltd Com NPV	184	0.38
29,942	Ryman Healthcare Ltd Com NPV	177	0.36
Total New Zealand		361	0.74
Norway			
Insurance			
45,386	Storebrand ASA Com NOK 5.00	297	0.61
Total Norway		297	0.61
Panama			
Leisure time			
4,131	Carnival Corp Com USD 0.01	265	0.54
Total Panama		265	0.54
People's Republic of China			
Diversified financial services			
233,275	China Galaxy Securities Co Ltd Com CNY 1.00	215	0.44
Insurance			
89,910	China Life Insurance Co Ltd Com CNY 1.00	295	0.60
56,546	China Pacific Insurance Group Co Ltd Com CNY 1.00	227	0.46
55,946	New China Life Insurance Co Ltd Com CNY 1.00	302	0.62
44,955	Ping An Insurance Group Co of China Ltd Com CNY 1.00	288	0.59
People's Republic of China (cont)			
Leisure time			
45,100	Shanghai Jinjiang International Travel Co Ltd Com CNY 1.00	130	0.26
Total People's Republic of China		1,457	2.97
Republic of South Korea			
Distribution & wholesale			
5,704	Hanwha Corp Com KRW 5000.00	244	0.50
Diversified financial services			
2,975	KIWOOM Securities Co Ltd Com KRW 5000.00	223	0.45
23,545	NH Investment & Securities Co Ltd Com KRW 5000.00	298	0.61
Healthcare products			
4,626	Interjo Co Ltd Com KRW 500.00	154	0.31
10,025	Lutronic Corp Com KRW 500.00	118	0.24
Healthcare services			
13,364	Chabiotech Co Ltd Com KRW 500.00	150	0.31
Insurance			
3,122	Dongbu Insurance Co Ltd Com KRW 500.00	189	0.38
35,845	Hanwha Life Insurance Co Ltd Com KRW 5000.00	225	0.46
14,432	Meritz Fire & Marine Insurance Co Ltd Com KRW 500.00	242	0.49
52,724	Mirae Asset Life Insurance Co Ltd Com KRW 5000.00	262	0.53
2,233	Samsung Life Insurance Co Ltd Com KRW 500.00	243	0.50
21,629	Tongyang Life Insurance Co Ltd Com KRW 5000.00	209	0.43
Leisure time			
2,551	Hana Tour Service Inc Com KRW 500.00	212	0.43
7,329	Modetour Network Inc Com KRW 500.00	293	0.60
Pharmaceuticals			
7,191	Samjin Pharmaceutical Co Ltd Com KRW 1000.00	224	0.46
1,483	ViroMed Co Ltd Com KRW 500.00	134	0.27
Total Republic of South Korea		3,420	6.97
Singapore			
Healthcare services			
169,342	Raffles Medical Group Ltd Com NPV	170	0.35
Total Singapore		170	0.35
South Africa			
Healthcare services			
79,235	Life Healthcare Group Holdings Ltd Com ZAR 0.000001	168	0.34
89,444	Netcare Ltd Com ZAR 0.01	183	0.38

iShares Ageing Population UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
South Africa (cont)			
Insurance			
24,079	Discovery Ltd Com ZAR 0.001	234	0.48
23,504	Liberty Holdings Ltd Com ZAR 0.0833	203	0.41
124,434	MMI Holdings Ltd Com ZAR 0.000001	207	0.42
Total South Africa		995	2.03
Sweden			
Healthcare products			
25,994	Elektro AB Com SEK 0.50	261	0.53
Total Sweden		261	0.53
Switzerland			
Diversified financial services			
4,508	Julius Baer Group Ltd Com CHF 0.02	234	0.47
4,229	Vontobel Holding AG Com CHF 1.00	264	0.54
Insurance			
1,677	Baloise Holding AG Com CHF 0.10	257	0.52
376	Helvetia Holding AG Com CHF 0.10	218	0.45
793	Swiss Life Holding AG Com CHF 5.10	264	0.54
Total Switzerland		1,237	2.52
Taiwan			
Diversified financial services			
164,838	Fubon Financial Holding Co Ltd Com TWD 10.00	251	0.51
Insurance			
168,838	Cathay Financial Holding Co Ltd Com TWD 10.00	264	0.54
257,749	China Life Insurance Co Ltd Com TWD 10.00	253	0.52
931,120	Shin Kong Financial Holding Co Ltd Com TWD 10.00	240	0.49
Total Taiwan		1,008	2.06
Thailand			
Healthcare services			
535,258	Bangkok Chain Hospital PCL Receipt THB 1.00	195	0.40
34,900	Bangkok Chain Hospital PCL Com THB 1.00	13	0.03
12,300	Bangkok Dusit Medical Services PCL Com THB 0.10	7	0.01
273,123	Bangkok Dusit Medical Services PCL Receipt THB 0.10	149	0.30
35,964	Bumrungrad Hospital PCL Receipt THB 1.00	183	0.37
1,300	Bumrungrad Hospital PCL Com THB 1.00	6	0.01
2,281,488	Chularat Hospital PCL Receipt THB 0.10	155	0.32
2,281,488	Vibhavadi Medical Center PCL Receipt THB 0.10	185	0.38
143,900	Vibhavadi Medical Center PCL Com THB 0.10	12	0.02

Holding	Investment	Fair value \$'000	% of net asset value
Thailand (cont)			
Insurance			
8,900	Bangkok Life Assurance PCL Com THB 1.00	12	0.03
158,240	Bangkok Life Assurance PCL Receipt THB 1.00	213	0.43
Total Thailand		1,130	2.30
United Kingdom			
Commercial services			
5,158	Dignity Plc Com GBP 0.123357	168	0.34
Diversified financial services			
56,139	Brewin Dolphin Holdings Plc Com GBP 0.01	246	0.50
10,376	Hargreaves Lansdown Plc Com GBP 0.004	187	0.38
7,595	Rathbone Brothers Plc Com GBP 0.05	257	0.53
Healthcare products			
11,706	Smith & Nephew Plc Com USD 0.20	205	0.42
Healthcare services			
36,446	Spire Healthcare Group Plc Com GBP 0.01	161	0.33
Insurance			
1,812	Aon Plc Com USD 0.01	237	0.48
15,075	Jardine Lloyd Thompson Group Plc Com GBP 0.05	229	0.47
10,517	Prudential Plc Com GBP 0.05	236	0.48
41,258	Standard Life Plc Com GBP 0.122222	204	0.42
Leisure time			
3,936	Carnival Plc Com USD 1.66	253	0.51
197,388	Thomas Cook Group Plc Com EUR 0.01^	235	0.48
Total United Kingdom		2,618	5.34
United States			
Biotechnology			
7,171	Acorda Therapeutics Inc Com USD 0.001	99	0.20
792	Biogen Inc Com USD 0.0005	196	0.40
1,925	Celgene Corp Com USD 0.01	220	0.45
9,183	Ionis Pharmaceuticals Inc Com USD 0.001	421	0.86
4,464	Juno Therapeutics Inc Com USD 0.0001	104	0.21
517	Regeneron Pharmaceuticals Inc Com USD 0.001	237	0.49
4,849	Seattle Genetics Inc Com USD 0.001	310	0.63
3,001	Ultragenyx Pharmaceutical Inc Com USD 0.001	162	0.33
Commercial services			
7,285	Service Corp International Com USD 1.00	232	0.47
Diversified financial services			
1,208	Affiliated Managers Group Inc Com USD 0.01	186	0.38
1,976	Ameriprise Financial Inc Com USD 0.01	239	0.49
6,822	Charles Schwab Corp Com USD 0.01	264	0.54

iShares Ageing Population UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)				United States (cont)			
United States (cont)				Internet			
Diversified financial services (cont)				1,805	Expedia Inc Com USD 0.001	260	0.53
7,498	E*Trade Financial Corp Com USD 0.01	260	0.53	147	Priceline Group Inc Com USD 0.008	276	0.56
7,739	LPL Financial Holdings Inc Com USD 0.001	301	0.61	2,893	TripAdvisor Inc Com USD 0.001	111	0.23
3,672	Raymond James Financial Inc Com USD 0.01	265	0.54	Leisure time			
5,443	Stifel Financial Corp Com USD 0.15	232	0.47	4,188	Brunswick Corp Com USD 0.75	231	0.47
6,446	TD Ameritrade Holding Corp Com USD 0.01	241	0.49	8,396	Liberty TripAdvisor Holdings Inc Com USD 0.01	100	0.20
Healthcare products				2,369	Polaris Industries Inc Com USD 0.01	198	0.41
8,559	Boston Scientific Corp Com USD 0.01	231	0.47	Lodging			
1,205	Cooper Cos Inc Com USD 0.10	264	0.54	2,977	Wyndham Worldwide Corp Com USD 0.01	301	0.61
1,927	Edwards Lifesciences Corp Com USD 1.00	222	0.45	Pharmaceuticals			
20,651	OPKO Health Inc Com USD 0.01	127	0.26	2,560	Express Scripts Holding Co Com USD 0.01	153	0.31
1,727	Stryker Corp Com USD 0.10	247	0.50	5,869	Impax Laboratories Inc Com USD 0.01	89	0.18
2,338	Varian Medical Systems Inc Com USD 1.00	231	0.47	3,981	Neurocrine Biosciences Inc Com USD 0.001	173	0.36
1,664	Zimmer Biomet Holdings Inc Com USD 0.01	198	0.41	Real estate investment trusts			
Healthcare services				2,016	Alexandria Real Estate Equities Inc Reits USD 0.01	235	0.48
3,215	Acadia Healthcare Co Inc Com USD 0.01	133	0.27	7,293	Care Capital Properties Inc Reits USD 0.01	192	0.39
11,524	Brookdale Senior Living Inc Com USD 0.01	158	0.32	5,722	HCP Inc Reits USD 1.00	179	0.37
1,487	Chemed Corp Com USD 1.00	304	0.62	5,986	Healthcare Realty Trust Inc Reits USD 0.01	199	0.41
13,636	Community Health Systems Inc Com USD 0.01	121	0.25	13,367	Medical Properties Trust Inc Reits USD 0.001	173	0.35
2,550	DaVita Inc Com USD 0.001	169	0.34	2,831	National Health Investors Inc Reits USD 0.01	214	0.44
2,437	HCA Healthcare Inc Com USD 0.01	200	0.41	6,054	Omega Healthcare Investors Inc Reits USD 0.10	190	0.39
4,820	HealthSouth Corp Com USD 0.01	218	0.45	738	Quality Care Properties Inc Reits USD 0.01	12	0.02
1,062	Humana Inc Com USD 0.166	247	0.50	6,134	Senior Housing Properties Trust Reits USD 0.01	130	0.26
1,531	Laboratory Corp of America Holdings Com USD 0.10	213	0.43	2,880	Ventas Inc Reits USD 0.25	191	0.39
2,812	LifePoint Health Inc Com USD 0.01	171	0.35	2,795	Welltower Inc Reits USD 1.00	203	0.41
2,513	Quest Diagnostics Inc Com USD 0.01	273	0.56	Retail			
6,783	Tenet Healthcare Corp Com USD 0.05	112	0.23	2,051	CVS Health Corp Com USD 0.01	157	0.32
1,451	Universal Health Services Inc Com USD 0.01	165	0.34	26,117	Rite Aid Corp Com USD 1.00	89	0.18
Home builders				2,115	Tractor Supply Co Com USD 0.008	117	0.24
2,935	Thor Industries Inc Com USD 0.10	266	0.54	2,513	Walgreens Boots Alliance Inc Com USD 0.01	204	0.42
Insurance				Total United States			
2,875	Aflac Inc Com USD 0.10	217	0.44	15,094 30.78			
4,093	Arthur J Gallagher & Co Com USD 1.00	232	0.47	Total equities			
5,478	Brown & Brown Inc Com USD 0.10	238	0.49	48,740 99.39			
1,594	CNO Financial Group Inc Com USD 0.01	33	0.07	Warrants			
4,447	Lincoln National Corp Com NPV	289	0.59	Thailand			
4,540	MetLife Inc Com USD 0.01	230	0.47	5,853	Vibhavadi Medical Center PCL (voting) – Warrants 08 May 2018*/**	-	0.00
2,635	Prudential Financial Inc Com USD 0.01	276	0.56	155,945	Vibhavadi Medical Center PCL – Warrants 08 May 2018*/**	-	0.00
1,980	Reinsurance Group of America Inc Com USD 0.01	247	0.50	Total Thailand			
3,265	Torchmark Corp Com USD 1.00	246	0.50	- 0.00			
5,551	Unum Group Com USD 0.10	250	0.51	Total Warrants			
6,448	Voya Financial Inc Com USD 0.01	220	0.45	- 0.00			

iShares Ageing Population UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial derivative instruments			
Futures contracts			
1 Mini MSCI Emerging Markets Index Futures June 2017	49	1	0.00
3 Korea Stock Exchange KOSPI 200 Index Futures June 2017	201	4	0.01
Total unrealised gains on futures contracts		5	0.01
Total financial derivative instruments		5	0.01
Total value of investments			
		48,745	99.40
Cash[†]			
		231	0.47
Other net assets			
		64	0.13
Net asset value attributable to redeemable participating shareholders at the end of the financial period.			
		49,040	100.00

[†] Cash holdings of \$212,327 are held with State Street Bank and Trust Company. \$19,090 is held as security for futures contracts with HSBC Bank Plc.

^{*} These securities are partially or fully transferred as securities lent.

^{*} Amounts which are less than \$500 are rounded to zero.

^{**} This security was fair valued in consultation with the Investment Manager. This security was suspended or priced at zero at financial year end.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	48,740	99.32
Exchange traded financial derivative instruments	5	0.01
Over-the-counter financial derivative instruments*	-	0.00
Other assets	329	0.67
Total current assets	49,074	100.00

iShares Ageing Population UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
6,621	KB Insurance Co Ltd Com KRW 500	177	9,183	Ionis Pharmaceuticals Inc Com USD 0.001	401
500	Cosmos Pharmaceutical Corp Com NPV	95	4,849	Seattle Genetics Inc Com USD 0.001	314
3,194	Rhoen-Klinikum AG Com NPV	87	1,599	Cosmos Pharmaceutical Corp Com NPV	314
580	St Jude Medical Inc Com USD 0.10	47	7,739	LPL Financial Holdings Inc Com USD 0.001	300
15,713	Life Healthcare Group Holdings Ltd Com ZAR 0.000001	32	20,680	T&D Holdings Inc Com NPV	297
400	Ain Holdings Inc Com NPV	28	4,447	Lincoln National Corp Com NPV	289
300	Kusuri no Aoki Holdings Co Ltd Com NPV	13	45,386	Storebrand ASA Com NOK 5.00	284
300	Welcia Holdings Co Ltd Com NPV	11	2,935	Thor Industries Inc Com USD 0.10	284
130	Torchmark Corp Com USD 1.00	10	16,186	Dai-ichi Life Holdings Inc Com NPV	282
216	Medibank Pvt Ltd Com NPV	10	55,946	New China Life Insurance Co Ltd Com CNY 1.00	276
200	Sugi Holdings Co Ltd Com NPV	9	2,635	Prudential Financial Inc Com USD 0.01	274
106,700	Chularat Hospital PCL Receipt THB 0.10	8	3,672	Raymond James Financial Inc Com USD 0.01	271
63	Zimmer Biomet Holdings Inc Com USD 0.01	8	89,910	China Life Insurance Co Ltd Com CNY 1.00	270
246	Varex Imaging Corp Com USD 0.01	7	215,784	CSPC Pharmaceutical Group Ltd Com NPV	268
3,406	Estia Health Ltd Com NPV	7	6,822	Charles Schwab Corp Com USD 0.01	267
300	HIS Co Ltd Com NPV	7	5,443	Stifel Financial Corp Com USD 0.15	265
1,000	Daiwa Securities Group Inc Com NPV	6	16,184	Sony Financial Holdings Inc Com NPV	263
283	BRP Inc Com NPV	6	1,487	Chemed Corp Com USD 1.00	263
100	Nippon Shinyaku Co Ltd Com NPV	5	29,238	Challenger Ltd Com NPV	263
259	Smiles SA Com NPV	5	164,838	Fubon Financial Holding Co Ltd Com TWD 10.00	263

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Automation & Robotics UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 12 September 2016 to 31 May 2017 \$'000
Operating income	2	2,135
Net gains on financial assets/liabilities at fair value through profit or loss	3	51,274
Total gains		53,409
Operating expenses	4	(465)
Net operating profit		52,944
Finance costs:		
Interest expense	6	(1)
Total finance costs		(1)
Net profit for the financial period before tax		52,943
Taxation		(219)
Net profit for the financial period after tax		52,724
Increase in net assets attributable to redeemable participating shareholders from operations		52,724

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	52,724
Share transactions:	
Proceeds from issue of redeemable participating shares	513,132
Increase in net assets resulting from share transactions	513,132
Net assets attributable to redeemable participating shareholders at the end of the financial period	565,856

The accompanying notes form an integral part of these financial statements.

iShares Automation & Robotics UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		3,629
Margin cash account		5
Receivables	10	914
Financial assets at fair value through profit or loss	11	561,541
Total current assets		566,089
CURRENT LIABILITIES		
Bank overdrafts		(3)
Payables	12	(230)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(233)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	565,856

The accompanying notes form an integral part of these financial statements.

iShares Automation & Robotics UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Interest income	1
Dividend income	2,108
Securities lending income	26
	2,135

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	51,096
Net gains on futures contracts	170
Net gains on foreign currency transactions	8
	51,274

4. OPERATING EXPENSES

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Management fees	(465)
	(465)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.40

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. INTEREST EXPENSE

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Bank interest	(1)
	(1)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Transaction costs	(260)

iShares Automation & Robotics UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	91,000,000
Balance at the end of financial period	91,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	565,856

	No. of Shares
Shares in issue	
As at 31 May 2017	91,000,000

	\$
Net asset value per share	
As at 31 May 2017	6.22

10. RECEIVABLES

	31 May 2017 \$'000
Interest receivable	9
Dividend income receivable	845
Securities lending income receivable	15
Tax reclaim receivable	45
	914

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	561,444
Unrealised gains on futures contracts	97
	561,541

12. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(57)
Management fees payable	(173)
Interest payable*	-
	(230)

* Amounts which are less than \$500 are rounded to zero.

iShares Automation & Robotics UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Australia			
Software			
1,166,444	Technology One Ltd Com NPV	4,889	0.86
	Total Australia	4,889	0.86
Austria			
Machinery - diversified			
95,626	Andritz AG Com NPV	5,743	1.01
	Total Austria	5,743	1.01
Brazil			
Software			
515,277	Totvs SA Com NPV	4,796	0.85
	Total Brazil	4,796	0.85
Canada			
Machinery - diversified			
569,609	ATS Automation Tooling Systems Inc Com NPV	5,453	0.97
Software			
154,818	Open Text Corp Com NPV	5,052	0.89
	Total Canada	10,505	1.86
Cayman Islands			
Machinery - diversified			
2,720,783	Haitian International Holdings Ltd Com HKD 0.10	6,320	1.12
	Total Cayman Islands	6,320	1.12
Finland			
Machinery - diversified			
368,655	Valmet Oyj Com NPV	7,180	1.27
Transportation			
111,587	Cargotec Oyj Com NPV	6,650	1.17
	Total Finland	13,830	2.44
France			
Software			
60,236	Dassault Systemes SE Com EUR 0.50	5,564	0.98
	Total France	5,564	0.98
Germany			
Machinery - diversified			
60,852	Duerr AG Com NPV	6,644	1.17
96,985	GEA Group AG Com NPV	3,989	0.71
142,606	Jungheinrich AG Pref NPV	5,373	0.95
80,976	Kion Group AG Com NPV	5,997	1.06
Software			
57,865	SAP SE Com NPV	6,210	1.10

Holding	Investment	Fair value \$'000	% of net asset value
Germany (cont)			
Software (cont)			
122,007	Software AG Com NPV	5,855	1.03
	Total Germany	34,068	6.02
Japan			
Electrical components & equipment			
96,811	Mabuchi Motor Co Ltd Com NPV	5,463	0.97
60,166	Nidec Corp Com NPV	5,971	1.05
Electronics			
165,178	Azbil Corp Com NPV	6,027	1.07
163,116	Hitachi High-Technologies Corp Com NPV	6,490	1.15
96,911	Horiba Ltd Com NPV	5,942	1.05
15,100	Keyence Corp Com NPV	6,870	1.21
147,453	Omron Corp Com NPV	6,174	1.09
365,775	Yaskawa Electric Corp Com NPV	7,293	1.29
434,887	Yokogawa Electric Corp Com NPV	7,554	1.33
Healthcare products			
419,914	Topcon Corp Com NPV	7,682	1.36
Machinery - diversified			
252,711	Daifuku Co Ltd Com NPV	7,713	1.36
30,454	Fanuc Corp Com NPV	5,995	1.06
403,329	Komori Corp Com NPV	5,336	0.94
183,364	Nabtesco Corp Com NPV	5,389	0.95
125,043	Obara Group Inc Com NPV	6,784	1.20
237,194	Shima Seiki Manufacturing Ltd Com NPV	11,111	1.97
1,447,700	Toshiba Machine Co Ltd Com NPV	6,388	1.13
Metal fabricate/ hardware			
288,816	Misumi Group Inc Com NPV	6,529	1.15
Semiconductors			
420,400	Advantest Corp Com NPV	7,523	1.33
764,303	Renesas Electronics Corp Com NPV [^]	6,186	1.10
108,604	Rohm Co Ltd Com NPV	8,731	1.54
1,591,448	Sanken Electric Co Ltd Com NPV	6,562	1.16
	Total Japan	149,713	26.46
Netherlands			
Semiconductors			
780,848	STMicroelectronics NV Com EUR 1.04 [^]	12,881	2.28
	Total Netherlands	12,881	2.28
Norway			
Software			
567,269	Opera Software ASA Com NOK 0.02	2,209	0.39
	Total Norway	2,209	0.39
People's Republic of China			
Software			
2,646,900	Shanghai Baosight Software Co Ltd Com CNY 1.00	3,542	0.63
	Total People's Republic of China	3,542	0.63

iShares Automation & Robotics UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Poland			
Computers			
339,112	Asseco Poland SA Com PLN 1.00^	4,410	0.78
Total Poland		4,410	0.78
Republic of South Korea			
Machinery - diversified			
95,743	SFA Engineering Corp Com KRW 500.00	7,688	1.36
Semiconductors			
54,620	Eo Technics Co Ltd Com KRW 500.00	4,332	0.77
1,866	Samsung Electronics Co Ltd Com KRW 5000.00	3,725	0.66
2,366	Samsung Electronics Co Ltd Pref KRW 5000.00	3,696	0.65
151,986	Silicon Works Co Ltd Com KRW 500.00	4,262	0.75
Software			
282,503	G-treeBNT Co Ltd Com KRW 500.00	4,214	0.74
Total Republic of South Korea		27,917	4.93
Sweden			
Machinery - diversified			
121,602	Hexagon AB Com EUR 0.22	5,336	0.94
Total Sweden		5,336	0.94
Switzerland			
Electronics			
108,110	Garmin Ltd Com CHF 10.00	5,626	0.99
Machinery - diversified			
496,424	OC Oerlikon Corp AG Com CHF 1.00	6,311	1.12
Total Switzerland		11,937	2.11
Taiwan			
Miscellaneous manufacturers			
1,112,545	Hiwin Technologies Corp Com TWD 10.00	7,472	1.32
48,793	Largan Precision Co Ltd Com TWD 10.00	7,705	1.36
Semiconductors			
4,354,447	Elan Microelectronics Corp Com TWD 10.00	6,297	1.11
1,417,378	Novatek Microelectronics Corp Com TWD 10.00	5,631	1.00
Telecommunications			
1,619,385	HTC Corp Com TWD 10.00	3,914	0.69
Total Taiwan		31,019	5.48
Thailand			
Telecommunications			
406,800	Samart Corp PCL Com THB 1.00	179	0.03
9,069,996	Samart Corp PCL Receipt THB 1.00^	3,995	0.71
Total Thailand		4,174	0.74
United Kingdom			
Electronics			
337,871	Halma Plc Com GBP 0.10	4,999	0.88

Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)			
Electronics (cont)			
163,992	Renishaw Plc Com GBP 0.20	7,837	1.39
193,293	Spectris Plc Com GBP 0.05	6,520	1.15
Semiconductors			
1,760,366	Imagination Technologies Group Plc Com GBP 0.10^	2,664	0.47
Software			
183,868	Aveva Group Plc Com GBP 0.03555556	4,596	0.81
514,802	Sage Group Plc Com GBP 0.01051948	4,788	0.85
Total United Kingdom		31,404	5.55
United States			
Commercial services			
80,285	CDK Global Inc Com USD 0.01	4,934	0.87
Computers			
46,925	Apple Inc Com USD 0.00001	7,168	1.27
Electrical components & equipment			
95,698	AMETEK Inc Com USD 0.01	5,839	1.03
Hand & machine tools			
76,470	Lincoln Electric Holdings Inc Com NPV	6,835	1.21
Machinery - diversified			
104,903	Cognex Corp Com USD 0.002	9,600	1.70
39,616	Rockwell Automation Inc Com USD 1.00	6,288	1.11
Miscellaneous manufacturers			
161,827	Colfax Corp Com USD 0.001	6,564	1.16
150,139	Hillenbrand Inc Com NPV	5,360	0.95
Semiconductors			
100,272	Cavium Inc Com USD 0.001	7,317	1.29
435,555	Cypress Semiconductor Corp Com USD 0.01	6,093	1.08
195,728	Integrated Device Technology Inc Com USD 0.001	5,007	0.88
146,323	Intel Corp Com USD 0.001	5,284	0.93
54,123	IPG Photonics Corp Com USD 0.0001	7,525	1.33
88,605	Microchip Technology Inc Com USD 0.001	7,381	1.30
137,025	Microsemi Corp Com USD 0.20	6,729	1.19
99,006	NVIDIA Corp Com USD 0.001	14,292	2.53
470,069	ON Semiconductor Corp Com USD 0.01	7,277	1.29
85,983	Qualcomm Inc Com USD 0.0001	4,924	0.87
232,094	Teradyne Inc Com USD 0.125	8,251	1.46
99,398	Xilinx Inc Com USD 0.01	6,631	1.17
Software			
52,561	Ansys Inc Com USD 0.01	6,640	1.17
118,956	Aspen Technology Inc Com USD 0.10	7,275	1.28
80,878	Autodesk Inc Com USD 0.01	9,040	1.60
123,419	PTC Inc Com USD 0.01	7,106	1.26
62,302	ServiceNow Inc Com USD 0.001	6,520	1.15
79,125	Splunk Inc Com USD 0.001	4,846	0.86
84,957	Tableau Software Inc Com USD 0.0001	5,268	0.93
126,342	Verint Systems Inc Com USD 0.001	5,193	0.92
Total United States		191,187	33.79
Total equities		561,444	99.22

iShares Automation & Robotics UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial derivative instruments			
Futures contracts			
76 Mini MSCI Emerging Markets Index Futures June 2017	3,718	97	0.02
Total unrealised losses on futures contracts		97	0.02
Total financial derivative instruments		97	0.02
		Fair value \$'000	% of net asset value
Total value of investments		561,541	99.24
Cash [†]		3,631	0.64
Other net assets		684	0.12
Net asset value attributable to redeemable participating shareholders at the end of the financial period		565,856	100.00

[†] Cash holdings of \$3,625,712 are held with State Street Bank and Trust Company. \$5,248 is held as security for futures contracts with HSBC Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	561,444	99.18
Exchange traded financial derivative instruments	97	0.02
Other assets	4,548	0.80
Total current assets	566,089	100.00

iShares Automation & Robotics UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
4,500	Fanuc Corp Com NPV	923	780,848	STMicroelectronics NV Com EUR 1.04	10,993
2,200	Keyence Corp Com NPV	896	99,006	NVIDIA Corp Com USD 0.001	10,137
549,352	iSentia Group Ltd Com NPV	669	237,194	Shima Seiki Manufacturing Ltd Com NPV	8,489
6,570	Kuka AG Com NPV	577	104,903	Cognex Corp Com USD 0.002	8,157
29,000	Sanken Electric Co Ltd Com NPV	114	420,400	Advantest Corp Com NPV	7,314
1,300	Obara Group Inc Com NPV	56	108,604	Rohm Co Ltd Com NPV	7,195
			419,914	Topcon Corp Com NPV	7,182
			48,793	Largan Precision Co Ltd Com TWD 10.00	7,143
			232,094	Teradyne Inc Com USD 0.125	7,064
			764,303	Renesas Electronics Corp Com NPV	6,976
			34,954	Fanuc Corp Com NPV	6,933
			80,878	Autodesk Inc Com USD 0.01	6,910
			15,995	Keyence Corp Com NPV	6,882
			1,620,448	Sanken Electric Co Ltd Com NPV	6,852
			137,025	Microsemi Corp Com USD 0.20	6,842
			118,956	Aspen Technology Inc Com USD 0.10	6,763
			434,887	Yokogawa Electric Corp Com NPV	6,746
			365,775	Yaskawa Electric Corp Com NPV	6,745
			100,272	Cavium Inc Com USD 0.001	6,734
			470,069	ON Semiconductor Corp Com USD 0.01	6,681
			163,116	Hitachi High-Technologies Corp Com NPV	6,575
			1,112,545	Hiwin Technologies Corp Com TWD 10.00	6,515
			46,925	Apple Inc Com USD 0.00001	6,426
			76,470	Lincoln Electric Holdings Inc Com NPV	6,414
			163,992	Renishaw Plc Com GBP 0.20	6,410
			123,419	PTC Inc Com USD 0.01	6,394
			88,605	Microchip Technology Inc Com USD 0.001	6,379
			54,123	IPG Photonics Corp Com USD 0.0001	6,334
			161,827	Colfax Corp Com USD 0.001	6,247
			2,720,783	Haitian International Holdings Ltd Com HKD 0.10	6,234
			147,453	Omron Corp Com NPV	6,210
			95,743	SFA Engineering Corp Com KRW 500.00	6,122
			193,293	Spectris Plc Com GBP 0.05	6,095
			368,655	Valmet Oyj Com NPV	6,058
			252,711	Daifuku Co Ltd Com NPV	6,045
			1,447,700	Toshiba Machine Co Ltd Com NPV	5,968
			39,616	Rockwell Automation Inc Com USD 1.00	5,925
			99,398	Xilinx Inc Com USD 0.01	5,751
			111,587	Cargotec Oyj Com NPV	5,702
			126,343	Obara Group Inc Com NPV	5,673

iShares Automation & Robotics UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited) (continued)

For the financial period ended 31 May 2017

Holding	Investments	Cost \$'000
435,555	Cypress Semiconductor Corp Com USD 0.01	5,655
60,166	Nidec Corp Com NPV	5,628
52,561	Ansys Inc Com USD 0.01	5,524
57,865	SAP SE Com NPV	5,523
62,302	ServiceNow Inc Com USD 0.001	5,489
108,110	Garmin Ltd Com CHF 10.00	5,462
4,354,447	Elan Microelectronics Corp Com TWD 10.00	5,461
96,811	Mabuchi Motor Co Ltd Com NPV	5,444
496,424	OC Oerlikon Corp AG Com CHF 1.00	5,431
60,852	Duerr AG Com NPV	5,415
150,139	Hillenbrand Inc Com NPV	5,392
288,816	Misumi Group Inc Com NPV	5,364
165,178	Azbil Corp Com NPV	5,355
1,417,378	Novatek Microelectronics Corp Com TWD 10.00	5,321
569,609	ATS Automation Tooling Systems Inc Com NPV	5,321
403,329	Komori Corp Com NPV	5,306
146,323	Intel Corp Com USD 0.001	5,269
96,911	Horiba Ltd Com NPV	5,261
80,976	Kion Group AG Com NPV	5,173
95,698	AMETEK Inc Com USD 0.01	5,152

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Digitalisation UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 12 September 2016 to 31 May 2017 \$'000
Operating income	2	367
Net gains on financial assets/liabilities at fair value through profit or loss	3	4,122
Total gains		4,489
Operating expenses	4	(90)
Net operating profit		4,399
Finance cost:		
Interest expense*	7	-
Total finance cost		-
Net profit for the financial period before tax		4,399
Taxation		(37)
Net profit for the financial period after tax		4,362
Increase in net assets attributable to redeemable participating shareholders from operations		4,362

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	4,362
Share transactions:	
Proceeds from issue of redeemable participating shares	64,572
Payments on redemption of redeemable participating shares	(4,659)
Increase in net assets resulting from share transactions	59,913
Net assets attributable to redeemable participating shareholders at the end of the financial period	64,275

The accompanying notes form an integral part of these financial statements.

iShares Digitalisation UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		405
Margin cash account		3
Receivables	10	103
Financial assets at fair value through profit or loss	11	63,828
Total current assets		64,339
CURRENT LIABILITIES		
Bank overdraft		(44)
Payables	12	(20)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(64)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	64,275

The accompanying notes form an integral part of these financial statements.

iShares Digitalisation UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	352
Securities lending income	15
	367

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	4,082
Net gains on future contracts	42
Net losses on foreign currency transactions	(2)
	4,122

4. OPERATING EXPENSES

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Management fees	(90)
	(90)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.40

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Transaction costs	(38)

7. INTEREST EXPENSE

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

iShares Digitalisation UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	13,000,000
Redeemed during the financial period	(1,000,000)
Balance at the end of financial period	12,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	64,275

	No. of Shares
Shares in issue	
As at 31 May 2017	12,000,000

	\$
Net asset value per share	
As at 31 May 2017	5.36

10. RECEIVABLES

	31 May 2017 \$'000
Dividend income receivable	90
Securities lending income receivable	9
Tax reclaim receivable	4
	103

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	63,822
Unrealised gains on futures contracts	6
	63,828

12. PAYABLES

	31 May 2017 \$'000
Management fees payable	(20)
Interest payable*	-
	(20)

* Amounts which are less than \$500 are rounded to zero.

iShares Digitalisation UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Australia			
Internet			
63,368	Carsales.com Ltd Com NPV	517	0.80
63,709	IRESS Ltd Com NPV	569	0.89
50,374	Seek Ltd Com NPV^	634	0.98
Real estate investment & services			
14,099	REA Group Ltd Com NPV^	673	1.05
	Total Australia	2,393	3.72
Austria			
Transportation			
16,628	Oesterreichische Post AG Com NPV	723	1.12
	Total Austria	723	1.12
Brazil			
Advertising			
55,252	Multiplus SA Com NPV	681	1.06
Commercial services			
72,789	Cielo SA Com NPV	512	0.80
Internet			
207,146	B2W Cia Digital Com NPV	807	1.25
Software			
131,179	Linx SA Com NPV	752	1.17
	Total Brazil	2,752	4.28
Canada			
Software			
1,403	Constellation Software Inc Com NPV	726	1.13
21,780	DH Corp Com NPV	410	0.64
	Total Canada	1,136	1.77
Cayman Islands			
Software			
332,773	Cogobuy Group Com USD 0.0000001^	255	0.40
11,094	SINA Corp Com USD 0.133	1,087	1.69
934,401	Tian Ge Interactive Holdings Ltd Com USD 0.0001^	715	1.11
	Total Cayman Islands	2,057	3.20
Denmark			
Software			
11,063	SimCorp A/S Com DKK 1.00	688	1.07
	Total Denmark	688	1.07
France			
Commercial services			
29,804	Edenred Com EUR 2.00	787	1.22

Holding	Investment	Fair value \$'000	% of net asset value
France (cont)			
Computers			
6,516	Atos SE Com EUR 1.00	936	1.46
	Total France	1,723	2.68
Germany			
Commercial services			
12,819	Wirecard AG Com NPV^	855	1.33
Retail			
19,581	Zalando SE Com NPV	936	1.46
Transportation			
19,555	Deutsche Post AG Com NPV	715	1.11
	Total Germany	2,506	3.90
India			
Internet			
59,124	Just Dial Ltd Com INR 10.00	411	0.64
	Total India	411	0.64
Israel			
Computers			
6,901	Check Point Software Technologies Ltd Com USD 0.01	773	1.20
	Total Israel	773	1.20
Italy			
Internet			
20,885	Yoox Net-A-Porter Group SpA Com NPV^	583	0.91
	Total Italy	583	0.91
Japan			
Commercial services			
9,694	GMO Payment Gateway Inc Com NPV	566	0.88
Internet			
96,837	Gree Inc Com NPV	803	1.25
20,887	Gurunavi Inc Com NPV	374	0.58
30,481	Kakaku.com Inc Com NPV	435	0.68
58,563	Lifull Co Ltd Com NPV	374	0.58
53,266	Rakuten Inc Com NPV	648	1.01
26,184	SMS Co Ltd Com NPV	724	1.13
16,789	Trend Micro Inc Com NPV	844	1.31
120,722	Yahoo Japan Corp Com NPV^	544	0.85
Software			
26,382	DeNA Co Ltd Com NPV^	584	0.91
Transportation			
26,982	Yamato Holdings Co Ltd Com NPV	587	0.91
	Total Japan	6,483	10.09

iShares Digitalisation UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Netherlands			
Transportation			
133,090	PostNL NV Com EUR 0.48	651	1.01
Total Netherlands		651	1.01
New Zealand			
Internet			
178,362	Trade Me Group Ltd Com NPV	671	1.04
Total New Zealand		671	1.04
Portugal			
Commercial services			
63,720	CTT-Correios de Portugal SA Com EUR 0.50	388	0.60
Total Portugal		388	0.60
Republic of South Korea			
Commercial services			
31,415	NICE Holdings Co Ltd Com KRW 500.00	492	0.77
Computers			
3,023	SK Holdings Co Ltd Com KRW 200.00	739	1.15
Internet			
11,600	Ahnlab Inc Com KRW 500.00	585	0.91
96,114	Interpark Holdings Corp Com KRW 500.00	525	0.82
7,130	Kakao Corp Com KRW 500.00	629	0.98
941	NAVER Corp Com KRW 500.00	710	1.10
Total Republic of South Korea		3,680	5.73
Singapore			
Transportation			
495,779	Singapore Post Ltd Com NPV	453	0.71
Total Singapore		453	0.71
Sweden			
Electronics			
49,576	Fingerprint Cards AB Com NPV	162	0.25
Total Sweden		162	0.25
Switzerland			
Software			
9,781	Temenos Group AG Com CHF 5.00	911	1.42
Total Switzerland		911	1.42
United Kingdom			
Diversified financial services			
146,017	Worldpay Group Plc Com GBP 0.03	585	0.91
Internet			
94,925	Auto Trader Group Plc Com GBP 0.01	510	0.79
91,589	Just Eat Plc Com GBP 0.01	794	1.24
9,663	Rightmove Plc Com GBP 0.01	541	0.84

Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)			
Software			
17,385	Fidessa Group Plc Com GBP 0.10	558	0.87
Transportation			
75,971	Royal Mail Plc Com GBP 0.01	433	0.67
Total United Kingdom		3,421	5.32
United States			
Commercial services			
7,302	Euronet Worldwide Inc Com USD 0.02	637	0.99
3,922	FleetCor Technologies Inc Com USD 0.001	566	0.88
7,690	Global Payments Inc Com NPV	704	1.10
15,841	PayPal Holdings Inc Com USD 0.0001	827	1.29
10,912	Total System Services Inc Com USD 0.10	650	1.01
10,885	Vantiv Inc Com USD 0.00001	683	1.06
6,168	WEX Inc Com USD 0.01	630	0.98
Computers			
65,508	Brocade Communications Systems Inc Com USD 0.001	827	1.29
4,921	DST Systems Inc Com USD 0.01	595	0.92
17,089	Fortinet Inc Com USD 0.001	672	1.05
23,577	NetApp Inc Com USD 0.001	955	1.49
23,934	NetScout Systems Inc Com USD 0.001	876	1.36
Diversified financial services			
6,061	Mastercard Inc Com USD 0.0001	745	1.16
7,248	Visa Inc Com USD 0.0001	690	1.07
Internet			
403	Alphabet Inc Class 'C' Com USD 0.001	389	0.61
400	Alphabet Inc Com USD 0.001	395	0.61
808	Amazon.com Inc Com USD 0.01	804	1.25
24,140	eBay Inc Com USD 0.001	828	1.29
4,904	F5 Networks Inc Com NPV	628	0.98
4,956	Facebook Inc Com USD 0.000006	751	1.17
35,132	FireEye Inc Com USD 0.0001	526	0.82
10,523	IAC/InterActiveCorp Com USD 0.001	1,119	1.74
6,049	Netflix Inc Com USD 0.001	986	1.53
4,376	Palo Alto Networks Inc Com USD 0.0001	519	0.81
48,741	Pandora Media Inc Com USD 0.0001	434	0.67
8,386	TripAdvisor Inc Com USD 0.001	323	0.50
40,338	Twitter Inc Com USD 0.000005	739	1.15
15,736	Yahoo! Inc Com USD 0.001	792	1.23
18,241	Zillow Group Inc Com USD 0.0001	794	1.24
Leisure time			
24,433	Liberty TripAdvisor Holdings Inc Com USD 0.01	289	0.45
Real estate investment trusts			
1,560	Equinix Inc Reits USD 0.001	688	1.07
Software			
10,615	Akamai Technologies Inc Com USD 0.01	501	0.78

iShares Digitalisation UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Software (cont)			
17,685	CA Inc Com USD 0.10	562	0.87
6,705	Citrix Systems Inc Com USD 0.001	553	0.86
5,088	Fair Isaac Corp Com USD 0.01	675	1.05
7,834	Fidelity National Information Services Inc Com USD 0.01	673	1.05
5,483	Fiserv Inc Com USD 0.01	687	1.07
9,580	Guidewire Software Inc Com USD 0.0001	636	0.99
8,618	j2 Global Inc Com USD 0.01	729	1.13
6,865	Jack Henry & Associates Inc Com USD 0.01	729	1.13
19,597	SS&C Technologies Holdings Inc Com USD 0.01	737	1.15
9,174	VMware Inc Com USD 0.01	891	1.39
Telecommunications			
9,886	InterDigital Inc Com USD 0.01	801	1.25
25,081	Juniper Networks Inc Com USD 0.00001	735	1.14
Transportation			
3,581	FedEx Corp Com USD 0.10	694	1.08
5,594	United Parcel Service Inc Com USD 0.01	593	0.92
Total United States		31,257	48.63
Total equities		63,822	99.29

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial derivative instruments			
Futures contracts			
6	Mini MSCI Emerging Markets Futures June 2017	295	0.01
Total unrealised gains on futures contracts		6	0.01
Total financial derivative instruments		6	0.01

	Fair value \$'000	% of net asset value
Total value of investments	63,828	99.30
Cash[†]	364	0.57
Other net assets	83	0.13
Net asset value attributable to redeemable participating shareholders at the end of the financial period	64,275	100.00

[†] Cash holdings of \$361,481 are held with State Street Bank and Trust Company. \$2,960 is held as security for futures contracts with HSBC Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

	Fair value \$'000	% of total current assets
Analysis of total current assets gross of all liabilities		
Transferable securities admitted to an official stock exchange listing	63,822	99.20
Exchange traded financial derivative instruments	6	0.01
Other assets	511	0.79
Total current assets	64,339	100.00

iShares Digitalisation UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
12,684	Tencent Holdings Ltd Com HKD 0.00002	297	25,527	NetApp Inc Com USD 0.001	971
65,802	B2W Cia Digital Com NPV	242	12,010	SINA Corp Com USD 0.133	905
15,800	Bree Inc Com NPV	103	221,242	B2W Cia Digital Com NPV	904
1,253	Ahnlab Inc Com KRW 500.00	80	10,704	InterDigital Inc Com USD 0.01	898
818	InterDigital Inc Com USD 0.01	75	21,195	Zalando SE Com NPV	866
1,950	JetApp Inc Com USD 0.001	70	25,912	NetScout Systems Inc Com USD 0.001	864
5,414	Brocade Communications Systems Inc Com USD 0.001	68	6,549	Netflix Inc Com USD 0.001	846
1,978	JetScout Systems Inc Com USD 0.001	63	9,952	VMware Inc Com USD 0.01	843
500	Netflix Inc Com USD 0.001	63	26,134	eBay Inc Com USD 0.001	838
778	VMware Inc Com USD 0.01	62	11,412	IAC/InterActiveCorp Com USD 0.001	833
1,614	Zalando SE Com NPV	61	70,922	Brocade Communications Systems Inc Com USD 0.001	827
414	F5 Networks Inc Com NPV	60	7,048	Atos SE Com EUR 1.00	800
1,994	eBay Inc Com USD 0.001	60	12,853	Ahnlab Inc Com KRW 500.00	798
727	J2 Global Inc Com USD 0.01	59	141,979	Linx SA Com NPV	790
876	Akamai Technologies Inc Com USD 0.01	59	28,582	DeNA Co Ltd Com NPV	779
2,070	Juniper Networks Inc Com USD 0.00001	59	10,595	Temenos Group AG Com CHF 5.00	775
889	IAC/InterActiveCorp Com USD 0.001	58	43,662	Twitter Inc Com USD 0.000005	768
521	VEX Inc Com USD 0.01	58	17,036	Yahoo Japan Corp Com NPV	756
10,800	Linx SA Com NPV	58	879	Amazon.com Inc Com USD 0.01	742
916	SINA Corp Com USD 0.133	57	32,288	Edenred Com EUR 2.00	735
814	Temenos Group AG Com CHF 5.00	57	1,017	NAVER Corp Com KRW 500.00	733
532	Atos SE Com EUR 1.00	56	9,345	J2 Global Inc Com USD 0.01	728
1,504	Zillow Group Inc Com USD 0.00001	56	27,151	Juniper Networks Inc Com USD 0.00001	728
296	FedEx Corp Com USD 0.10	55	17,149	PayPal Holdings Inc Com USD 0.0001	723
3,324	Twitter Inc Com USD 0.000005	54	3,877	FedEx Corp Com USD 0.10	723
473	United Parcel Service Inc Com USD 0.01	54	59,852	Multiplus SA Com NPV	723
71	Amazon.com Inc Com USD 0.01	54	5,318	F5 Networks Inc Com NPV	722
7,556	Just Eat Plc Com GBP 0.01	54	6,689	WEX Inc Com USD 0.01	718
906	Vantiv Inc Com USD 0.00001	54	18,189	Trend Micro Inc Com NPV	717
522	Logmein Inc Com USD 0.01	53	11,791	Vantiv Inc Com USD 0.00001	715
116	Constellation Software Inc Com NPV	53	19,745	Zillow Group Inc Com USD 0.0001	714
4,062	Pandora Media Inc Com USD 0.0001	53	21,215	SS&C Technologies Holdings Inc Com USD 0.01	714
1,612	Deutsche Post AG Com NPV	53	5,366	Facebook Inc Com USD 0.000006	713
			13,877	Wirecard AG Com NPV	712
			192,900	Trade Me Group Ltd Com NPV	711
			1,519	Constellation Software Inc Com NPV	709
			6,561	Mastercard Inc Com USD 0.0001	709
			1,010,401	Tian Ge Interactive Holdings Ltd Com USD 0.0001	708
			28,184	SMS Co Ltd Com NPV	706
			99,145	Just Eat Plc Com GBP 0.01	701
			11,491	Akamai Technologies Inc Com USD 0.01	696

iShares Digitalisation UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited) (continued)

For the financial period ended 31 May 2017

Holding	Investments	Cost \$'000
112,637	Gree Inc Com NPV	695
21,167	Deutsche Post AG Com NPV	694
5,508	Fair Isaac Corp Com USD 0.01	692
7,471	Check Point Software Technologies Ltd Com USD 0.01	690
8,480	Fidelity National Information Services Inc Com USD 0.01	674
7,431	Jack Henry & Associates Inc Com USD 0.01	673
7,846	Visa Inc Com USD 0.0001	670
4,246	FleetCor Technologies Inc Com USD 0.001	667
6,067	United Parcel Service Inc Com USD 0.01	662
3,269	SK Holdings Co Ltd Com KRW 200.00	660
4,736	Palo Alto Networks Inc Com USD 0.0001	659
17,998	Oesterreichische Post AG Com NPV	659
11,985	SimCorp A/S Com DKK 1.00	659

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Edge MSCI Europe Momentum Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	1,579	776
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	4,311	(5,551)
Total gains/(losses)		5,890	(4,775)
Operating expenses	4	(101)	(110)
Net operating profit/(loss)		5,789	(4,885)
Finance costs:			
Interest expense	6	(2)	(2)
Total finance costs		(2)	(2)
Net profit/(loss) for the financial year before tax		5,787	(4,887)
Taxation		(56)	(57)
Net profit/(loss) for the financial year after tax		5,731	(4,944)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(74)	35
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		5,657	(4,909)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	32,373	43,252
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	5,657	(4,909)
Share transactions:		
Proceeds from issue of redeemable participating shares	28,898	24,657
Payments on redemption of redeemable participating shares	(5,363)	(30,627)
Increase/(decrease) in net assets resulting from share transactions	23,535	(5,970)
Net assets attributable to redeemable participating shareholders at the end of the financial year	61,565	32,373

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Momentum Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		658	487
Margin cash account		56	41
Receivables	10	32,183	16,738
Financial assets at fair value through profit or loss	11	61,266	32,192
Total current assets		94,163	49,458
CURRENT LIABILITIES			
Margin cash account		(1)	-
Payables	12	(32,597)	(17,159)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(32,598)	(17,159)
Net assets attributable to redeemable participating shareholders		61,565	32,299
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	74
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	61,565	32,373

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Momentum Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Interest income*	-	-
Dividend income	1,578	776
Securities lending income	1	-
	1,579	776

* Amounts which are less than €500 are rounded to zero.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	4,269	(5,535)
Net gains/(losses) on futures contracts	57	(8)
Net losses on foreign currency transactions	(15)	(8)
	4,311	(5,551)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(101)	(110)
	(101)	(110)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for further details.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.25	0.25

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(2)	(2)
	(2)	(2)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(205)	(151)

iShares Edge MSCI Europe Momentum Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	6,000,000	7,500,000
Issued during the financial year	5,000,000	4,500,000
Redeemed during the financial year	(1,000,000)	(6,000,000)
Balance at the end of financial year	10,000,000	6,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	61,565
As at 31 May 2016	32,373
As at 31 May 2015	43,252

	No. of Shares
Shares in issue	
As at 31 May 2017	10,000,000
As at 31 May 2016	6,000,000
As at 31 May 2015	7,500,000

	€
Net asset value per share	
As at 31 May 2017	6.16
As at 31 May 2016	5.40
As at 31 May 2015	5.77

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sale of securities awaiting settlement	31,829	16,640
Dividend income receivable	304	52
Tax reclaim receivable	50	46
Securities lending income receivable*	-	-
	32,183	16,738

* Amounts which are less than €500 are rounded to zero.

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	61,260	32,179
Investments in rights	-	4
Unrealised gains on futures contracts	6	9
	61,266	32,192

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(32,584)	(17,152)
Management fees payable	(13)	(7)
Interest payable*	-	-
	(32,597)	(17,159)

* Amounts which are less than €500 are rounded to zero.

iShares Edge MSCI Europe Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.41%)			
Equities (31 May 2016: 99.40%)			
Austria (31 May 2016: 0.23%)			
Oil & gas			
6,750	OMV AG Com NPV	313	0.51
	Total Austria	313	0.51
Belgium (31 May 2016: 1.30%)			
Banks			
5,777	KBC Group NV Com NPV	387	0.63
	Total Belgium	387	0.63
Denmark (31 May 2016: 8.90%)			
Banks			
22,148	Danske Bank A/S Com DKK 10.00	740	1.20
Biotechnology			
1,025	Genmab A/S Com DKK 1.00	195	0.32
Healthcare products			
2,915	Coloplast A/S Com DKK 1.00	222	0.36
2,926	William Demant Holding A/S Com DKK 0.20	68	0.11
Pharmaceuticals			
2,841	H Lundbeck A/S Com DKK 5.00	135	0.22
Transportation			
5,327	DSV A/S Com DKK 1.00	289	0.47
	Total Denmark	1,649	2.68
Finland (31 May 2016: 0.86%)			
Forest products & paper			
13,337	Stora Enso Oyj Com NPV	150	0.25
11,064	UPM-Kymmene Oyj Com NPV	278	0.45
Machinery - diversified			
3,518	Metso Oyj Com NPV	106	0.17
Miscellaneous manufacturers			
6,206	Wartsila Oyj Abp Com NPV	328	0.53
Pharmaceuticals			
5,062	Orion Oyj Com EUR 0.65	292	0.47
	Total Finland	1,154	1.87
France (31 May 2016: 7.49%)			
Aerospace & defence			
56	Dassault Aviation SA Com EUR 8.00	75	0.12
2,310	Thales SA Com EUR 3.00	227	0.37
Apparel retailers			
2,842	Christian Dior SE Com EUR 2.00	725	1.17
656	Hermes International Com NPV	289	0.47
12,101	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	2,757	4.48
Auto manufacturers			
12,419	Peugeot SA Com EUR 1.00	219	0.35

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 7.49%) (cont)			
Auto parts & equipment			
4,593	Cie Generale des Etablissements Michelin Com EUR 2.00	516	0.84
5,899	Valeo SA Com EUR 1.00	367	0.59
Banks			
32,205	Credit Agricole SA Com EUR 3.00	441	0.72
23,521	Natixis SA Com EUR 11.20	139	0.23
22,283	Societe Generale SA Com EUR 1.25	1,043	1.69
Beverages			
547	Remy Cointreau SA Com EUR 1.60	53	0.09
Building materials and fixtures			
922	Imerys SA Com EUR 2.00	71	0.12
Chemicals			
1,136	Arkema SA Com EUR 10.00	106	0.17
Computers			
3,687	Atos SE Com EUR 1.00	471	0.77
Engineering & construction			
898	Aeroports de Paris Com EUR 3.00	123	0.20
6,552	Bouygues SA Com EUR 1.00	251	0.40
10,827	Vinci SA Com EUR 2.50	842	1.37
Food Service			
2,120	Sodexo SA Com EUR 4.00	257	0.42
Holding companies - diversified operations			
707	Wendel SA Com EUR 4.00	96	0.16
Home furnishings			
596	SEB SA Com EUR 1.00	93	0.15
Insurance			
3,837	CNP Assurances Com EUR 1.00	75	0.12
Machinery - diversified			
3,485	Alstom SA Com EUR 7.00	109	0.18
Pharmaceuticals			
2,030	Ipsen SA Com EUR 1.00	229	0.37
Retail			
3,858	Kering Com EUR 4.00	1,137	1.85
	Total France	10,711	17.40
Germany (31 May 2016: 11.41%)			
Apparel retailers			
5,989	Adidas AG Com NPV	1,020	1.66
Chemicals			
4,874	Covestro AG Com NPV	325	0.53
1,762	Lanxess AG Com NPV	117	0.19
Diversified financial services			
5,138	Deutsche Boerse AG Com NPV	475	0.77
Engineering & construction			
1,623	Fraport AG Frankfurt Airport Services Worldwide Com NPV	117	0.19
747	Hochtief AG Com NPV	123	0.20
Household products			
2,951	Henkel AG & Co KGaA Pref NPV	369	0.60
Miscellaneous manufacturers			
23,958	Siemens AG Com NPV	3,044	4.94

iShares Edge MSCI Europe Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 99.40%) (cont)			
Germany (31 May 2016: 11.41%) (cont)			
Pharmaceuticals			
2,981	Merck KGaA Com NPV	320	0.52
Semiconductors			
28,351	Infineon Technologies AG Com NPV	558	0.91
Software			
26,007	SAP SE Com NPV	2,482	4.03
Total Germany		8,950	14.54
Ireland (31 May 2016: 3.66%)			
Building materials and fixtures			
14,444	CRH Plc Com EUR 0.32	463	0.75
Total Ireland		463	0.75
Italy (31 May 2016: 1.98%)			
Electrical components & equipment			
3,752	Prismian SpA Com EUR 0.10	93	0.15
Pharmaceuticals			
3,941	Recordati SpA Com EUR 0.125	141	0.23
Total Italy		234	0.38
Jersey (31 May 2016: 3.61%)			
Commercial services			
16,513	Experian Plc Com USD 0.10	307	0.50
Mining			
239,438	Glencore Plc Com USD 0.01	784	1.27
Total Jersey		1,091	1.77
Luxembourg (31 May 2016: Nil)			
Healthcare services			
178	Eurofins Scientific SE Com EUR 0.10	84	0.14
Total Luxembourg		84	0.14
Netherlands (31 May 2016: 5.83%)			
Aerospace & defence			
17,132	Airbus SE Com EUR 1.00	1,252	2.03
Auto manufacturers			
4,889	Ferrari NV Com EUR 0.01	376	0.61
30,616	Fiat Chrysler Automobiles NV Com EUR 0.01	286	0.47
Banks			
99,308	ING Groep NV Com EUR 0.01	1,479	2.40
Chemicals			
8,491	Akzo Nobel NV Com EUR 2.00	633	1.03
3,250	Koninklijke DSM NV Com EUR 1.50	215	0.35
Cosmetics & personal care			
44,472	Unilever NV CVS EUR 0.16	2,255	3.66
Healthcare products			
6,317	Qiagen NV Com EUR 0.01	189	0.31
Investment services			
3,599	Exor NV Com EUR 0.01	179	0.29

Holding	Investment	Fair value €000	% of net asset value
Netherlands (31 May 2016: 5.83%) (cont)			
Machinery - diversified			
35,530	CNH Industrial NV Com EUR 0.01	351	0.57
Media			
2,609	Altice NV Com EUR 0.25	58	0.09
9,442	Altice NV Com EUR 0.01^	209	0.34
Semiconductors			
9,764	ASML Holding NV Com EUR 0.09	1,147	1.86
34,629	STMicroelectronics NV Com EUR 1.04	509	0.83
Total Netherlands		9,138	14.84
Norway (31 May 2016: 1.33%)			
Mining			
34,387	Norsk Hydro ASA Com NOK 1.098	165	0.27
Total Norway		165	0.27
Portugal (31 May 2016: 0.22%)			
Spain (31 May 2016: 1.71%)			
Banks			
359,167	Banco Santander SA Com EUR 0.50	2,076	3.38
97,036	Bankia SA Com EUR 0.80	99	0.16
142,392	CaixaBank SA Com EUR 1.00	599	0.97
Engineering & construction			
1,353	Aena SA Com EUR 10.00	243	0.39
Insurance			
24,511	Mapfre SA Com EUR 0.10	78	0.13
Oil & gas			
20,501	Repsol SA Com EUR 1.00	306	0.50
Pharmaceuticals			
9,140	Grifols SA Com EUR 0.25	230	0.37
Total Spain		3,631	5.90
Sweden (31 May 2016: 3.12%)			
Auto manufacturers			
62,869	Volvo AB Com SEK 1.20	916	1.49
Banks			
79,074	Nordea Bank AB Com SEK 1.00	905	1.47
Hand & machine tools			
48,769	Sandvik AB Com SEK 1.20	681	1.11
Holding companies - diversified operations			
6,001	Industrivarden AB Com SEK 2.50	126	0.20
Investment services			
15,406	Investor AB Com SEK 6.25	635	1.03
Machinery - diversified			
12,979	Husqvarna AB Com SEK 2.00	120	0.19
Machinery, construction & mining			
12,849	Atlas Copco AB Class 'B' Com SEK 0.64	378	0.61
23,698	Atlas Copco AB Com SEK 0.64	781	1.27
Metal fabricate/ hardware			
9,330	SKF AB Com SEK 2.50	170	0.28

iShares Edge MSCI Europe Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 99.40%) (cont)			
Sweden (31 May 2016: 3.12%) (cont)			
Mining			
7,741	Boliden AB Com SEK 2.11	189	0.31
Miscellaneous manufacturers			
11,336	Alfa Laval AB Com SEK 2.84	203	0.33
Real estate investment & services			
1,143	L E Lundbergforetagen AB Com NPV	80	0.13
Total Sweden		5,184	8.42
Switzerland (31 May 2016: 13.73%)			
Beverages			
5,631	Coca-Cola HBC AG Com CHF 6.70	146	0.24
Building materials and fixtures			
588	Geberit AG Com CHF 0.10	245	0.40
79	Sika AG Com CHF 0.60	453	0.73
Chemicals			
239	EMS-Chemie Holding AG Com CHF 0.01	150	0.24
Diversified financial services			
549	Partners Group Holding AG Com CHF 0.01	299	0.49
Food			
35	Barry Callebaut AG Com CHF 7.29	45	0.07
Healthcare products			
399	Straumann Holding AG Com CHF 0.10	197	0.32
Insurance			
1,372	Baloise Holding AG Com CHF 0.10	187	0.30
930	Swiss Life Holding AG Com CHF 5.10	276	0.45
Machinery, construction & mining			
40,468	ABB Ltd Com CHF 0.12	905	1.47
Pharmaceuticals			
5,315	Actelion Ltd Com CHF 0.50	1,343	2.18
Retail			
13,361	Cie Financiere Richemont SA Com CHF 1.00	992	1.61
889	Dufry AG Com CHF 5.00	130	0.21
1,267	Swatch Group AG Com CHF 0.45	86	0.14
707	Swatch Group AG Com CHF 2.25	244	0.40
Total Switzerland		5,698	9.25
United Kingdom (31 May 2016: 34.02%)			
Aerospace & defence			
77,711	BAE Systems Plc Com GBP 0.025	594	0.97
1,909,829	Rolls-Royce Holdings Plc Com GBP 0.001	2	0.00
Agriculture			
35,129	British American Tobacco Plc Com GBP 0.25	2,230	3.62
Apparel retailers			
7,275	Burberry Group Plc Com GBP 0.0005	152	0.25
Banks			
365,956	HSBC Holdings Plc Com USD 0.50	2,839	4.61

Holding	Investment	Fair value €000	% of net asset value
United Kingdom (31 May 2016: 34.02%) (cont)			
Commercial services			
16,592	Ashtead Group Plc Com GBP 0.10	298	0.48
62,105	G4S Plc Com GBP 0.25	233	0.38
3,233	Intertek Group Plc Com GBP 0.01	160	0.26
22,149	Relx Plc Com GBP 0.144397	423	0.69
Cosmetics & personal care			
30,857	Unilever Plc Com GBP 0.0311	1,534	2.49
Distribution & wholesale			
5,576	Bunzl Plc Com GBP 0.32142857	156	0.25
Diversified financial services			
32,939	3i Group Plc Com GBP 0.738636	338	0.55
Food Service			
27,502	Compass Group Plc Com GBP 0.10625	527	0.86
Forest products & paper			
11,395	Mondi Plc Com EUR 0.20	266	0.43
Home builders			
7,149	Persimmon Plc Com GBP 0.10	202	0.33
Insurance			
65,317	Prudential Plc Com GBP 0.05	1,308	2.12
Leisure time			
5,314	Carnival Plc Com USD 1.66	305	0.50
Lodging			
6,192	InterContinental Hotels Group Plc Com GBP 0.1980952	311	0.51
Machinery - diversified			
4,773	Weir Group Plc Com GBP 0.125	100	0.16
Mining			
12,305	Antofagasta Plc Com GBP 0.05	114	0.18
Miscellaneous manufacturers			
7,610	IMI Plc Com GBP 0.2857	110	0.18
11,178	Smiths Group Plc Com GBP 0.375	206	0.33
Total United Kingdom		12,408	20.15
Total equities		61,260	99.50

Rights (31 May 2016: 0.01%)**Spain (31 May 2016: 0.01%)**

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value
Financial derivative instruments (31 May 2016: 0.03%)			
Futures contracts (31 May 2016: 0.03%)			
14	Stoxx 50 Futures June 2017	445	6
Total unrealised gains on futures contracts		6	0.01
Total financial derivative instruments		6	0.01

iShares Edge MSCI Europe Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

	Fair value €000	% of net asset value
Total value of investments	61,266	99.51
Cash[†]	713	1.16
Other net liabilities	(414)	(0.67)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	61,565	100.00

[†] Cash holdings of €658,284 are held with State Street Bank and Trust Company. €54,923 is held as security for futures contracts with Barclays Bank Plc.

^{*} These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	61,260	65.06
Exchange traded financial derivative instruments	6	0.01
Other assets	32,897	34.93
Total current assets	94,163	100.00

iShares Edge MSCI Europe Momentum Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
37,772	BP Plc Com USD 0.25	2,961	383,853	HSBC Holdings Plc Com USD 0.50	2,922
29,461	GlaxoSmithKline Plc Com GBP 0.25	2,663	24,814	Siemens AG Com NPV	2,894
12,908	Diageo Plc Com GBP 0.2893518	2,100	551,900	BP Plc Com USD 0.25	2,890
40,747	Reckitt Benckiser Group Plc Com GBP 10.00	2,056	12,101	LVMH Moët Hennessy Louis Vuitton SE Com	
14,923	Royal Dutch Shell Plc Com EUR 0.07	1,596		EUR 0.30	2,757
14,819	Imperial Brands Plc Com GBP 10.00	1,398	138,632	GlaxoSmithKline Plc Com GBP 0.25	2,731
3,007	Royal Dutch Shell Plc Class 'B' Com EUR 0.07	1,372	28,148	SAP SE Com NPV	2,327
25,203	Novo Nordisk A/S Com DKK 0.20	1,279	44,472	Unilever NV CVS EUR 0.16	2,255
24,478	SABMiller Plc USD 0.10	1,267	359,167	Banco Santander SA Com EUR 0.50	2,076
6,110	Rio Tinto Plc Com GBP 10.00	1,225	79,747	Diageo Plc Com GBP 0.2893518	2,064
12,149	British American Tobacco Plc Com GBP 0.25	1,201	565,930	Glencore Plc Com USD 0.01	1,559
64,315	Glencore Plc Com USD 0.01	1,072	63,968	Royal Dutch Shell Plc Com EUR 0.07	1,521
23,146	WPP Plc Com GBP 0.10	1,024	25,577	British American Tobacco Plc Com GBP 0.25	1,494
11,815	Adidas AG Com NPV	1,022	99,308	ING Groep NV Com EUR 0.01	1,479
13,079	SAP SE Com NPV	1,013	5,770	Actelion Ltd Com CHF 0.50	1,413
2,631	Syngenta AG Com CHF 0.10	926	55,685	Royal Dutch Shell Plc Class 'B' Com EUR 0.07	1,373
24,972	Anglo American Plc Com USD 0.54945	911	65,317	Prudential Plc Com GBP 5.00	1,308
13,518	BHP Billiton Plc Com USD 0.50	881	17,132	Airbus SE Com EUR 1.00	1,252
6,973	Vestas Wind Systems A/S Com DKK 1.00	859	4,395	Actelion Ltd Com CHF 0.50	1,208
9,716	Compass Group Plc Com GBP 10.625	836	9,764	ASML Holding NV Com EUR 0.09	1,147
5,033	L'Oreal SA Com EUR 0.20	810	26,294	Unilever Plc Com GBP 0.0311	1,126
12,520	Koninklijke Ahold Delhaize NV Com EUR 0.01	781	34,422	Rio Tinto Plc Com GBP 0.10	1,124
32,052	Unilever Plc Com GBP 0.0311	769	22,283	Societe Generale SA Com EUR 1.25	1,043
8,035	NXP Semiconductors NV Com EUR 0.20	755	13,361	Cie Financiere Richemont SA Com CHF 1.00	992
29,507	Infineon Technologies AG Com NPV	689	3,978	Kering Com EUR 4.00	977
9,674	Vinci SA Com EUR 2.50	624	62,869	Volvo AB Com SEK 1.20	916

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI Europe Multifactor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Operating income	2	6,101	2,163
Net gains on financial assets/liabilities at fair value through profit or loss	3	21,540	5,523
Total gains		27,641	7,686
Operating expenses	4	(812)	(163)
Net operating profit		26,829	7,523
Finance costs:			
Interest expense	6	(10)	(3)
Total finance costs		(10)	(3)
Net profit for the financial year/period		26,819	7,520
Taxation		(489)	-
Non-reclaimable withholding tax		-	(238)
Net profit for the financial year/period after tax		26,330	7,282
Adjustment to align to the valuation methodology as set out in the prospectus	1	(105)	105
Increase in net assets attributable to redeemable participating shareholders from operations		26,225	7,387

There are no recognised gains or losses arising in the financial year/period other than those dealt with in the income statement. In arriving at the results of the financial year/period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year/period	101,723	-
Increase in net assets attributable to redeemable participating shareholders from operations	26,225	7,387
Share transactions:		
Proceeds from issue of redeemable participating shares	218,715	94,336
Payments on redemption of redeemable participating shares	(76,120)	-
Increase in net assets resulting from share transactions	142,595	94,336
Net assets attributable to redeemable participating shareholders at the end of the financial year/period	270,543	101,723

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Multifactor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		3,361	1,106
Margin cash account		211	98
Receivables	10	51,612	20,120
Financial assets at fair value through profit or loss	11	268,753	101,128
Total current assets		323,937	122,452
CURRENT LIABILITIES			
Bank overdrafts		(15)	-
Payables	12	(53,379)	(20,834)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(53,394)	(20,834)
Net assets attributable to redeemable participating shareholders		270,543	101,618
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	105
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period	9	270,543	101,723

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Multifactor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Dividend income	6,071	2,159
Securities lending income	30	4
	6,101	2,163

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Net gains on investments in securities held at fair value through profit or loss	21,407	5,414
Net gains on futures contracts	147	107
Net (losses)/gains on foreign currency transactions	(14)	2
	21,540	5,523

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Management fees	(812)	(163)
	(812)	(163)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year/period and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year/period were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.45	0.45

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Bank interest	(10)	(3)
	(10)	(3)

iShares Edge MSCI Europe Multifactor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial period from 8 September 2015 to 31 May 2016 €000
Transaction costs	(547)	(144)

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year/period	20,000,000	-
Issued during the financial year/period	42,500,000	20,000,000
Redeemed during the financial year/period	(15,500,000)	-
Balance at the end of financial year/period	47,000,000	20,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	270,543
As at 31 May 2016	101,723

	No. of Shares
Shares in issue	
As at 31 May 2017	47,000,000
As at 31 May 2016	20,000,000

	€
Net asset value per share	
As at 31 May 2017	5.76
As at 31 May 2016	5.09

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sales of securities awaiting settlement	50,865	19,703
Dividend income receivable	606	378
Securities lending income receivable	6	1
Tax reclaim receivable	135	38
	51,612	20,120

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	268,752	101,102
Unrealised gains on futures contracts	1	26
	268,753	101,128

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(53,266)	(20,792)
Interest payable	(11)	
Management fees payable	(102)	(39)
Other payables	-	(3)
	(53,379)	(20,834)

iShares Edge MSCI Europe Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.39%)			
Equities (31 May 2016: 99.39%)			
Belgium (31 May 2016: 3.53%)			
Food			
20,156	Colruyt SA Com NPV	993	0.37
Insurance			
65,803	Ageas Com NPV^	2,365	0.87
Total Belgium		3,358	1.24
Denmark (31 May 2016: 6.33%)			
Healthcare products			
40,248	Coloplast A/S Com DKK 1.00	3,067	1.13
40,377	William Demant Holding A/S Com DKK 0.20	943	0.35
Insurance			
38,173	Tryg A/S Com DKK 5.00	699	0.26
Telecommunications			
268,641	TDC A/S Com DKK 1.00	1,427	0.53
Total Denmark		6,136	2.27
Finland (31 May 2016: 3.41%)			
Forest products & paper			
180,670	UPM-Kymmene Oyj Com NPV	4,535	1.68
Pharmaceuticals			
34,950	Orion Oyj Com EUR 0.65	2,013	0.74
Telecommunications			
48,191	Elisa Oyj Com NPV^	1,671	0.62
Total Finland		8,219	3.04
France (31 May 2016: 14.66%)			
Aerospace & defence			
35,774	Thales SA Com EUR 3.00	3,517	1.30
Apparel retailers			
7,076	Hermes International Com NPV	3,113	1.15
Auto manufacturers			
162,822	Peugeot SA Com EUR 1.00	2,865	1.06
Auto parts & equipment			
80,952	Valeo SA Com EUR 1.00	5,017	1.86
Banks			
57,329	Societe Generale SA Com EUR 1.25	2,681	0.99
Chemicals			
22,966	Arkema SA Com EUR 10.00	2,136	0.79
Computers			
31,888	Atos SE Com EUR 1.00	4,073	1.51
54,355	Capgemini SE Com EUR 8.00	5,009	1.85
Distribution & wholesale			
102,305	Rexel SA Com EUR 5.00	1,604	0.59
Electricity			
135,737	Electricite de France SA Com EUR 0.50	1,303	0.48

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 14.66%) (cont)			
Food			
18,600	Casino Guichard Perrachon SA Com EUR 1.53	1,023	0.38
Home furnishings			
7,553	SEB SA Com EUR 1.00	1,180	0.44
Insurance			
291,004	AXA SA Com EUR 2.29	6,912	2.55
57,401	CNP Assurances Com EUR 1.00	1,124	0.42
58,380	SCOR SE Com EUR 7.876972	2,046	0.76
Pharmaceuticals			
12,605	Ipsen SA Com EUR 1.00	1,419	0.52
Real estate investment trusts			
13,901	Gecina SA Reits EUR 7.50	1,902	0.70
25,932	Unibail-Rodamco SE Reits EUR 5.00	5,955	2.20
Total France		52,879	19.55
Germany (31 May 2016: 9.41%)			
Airlines			
78,559	Deutsche Lufthansa AG Com NPV	1,359	0.50
Apparel retailers			
7,732	Adidas AG Com NPV	1,317	0.49
Building materials and fixtures			
20,279	HeidelbergCement AG Com NPV	1,681	0.62
Chemicals			
30,793	Covestro AG Com NPV	2,050	0.76
54,822	Evonik Industries AG Com NPV	1,680	0.62
23,207	Fuchs Petrolub SE Pref NPV	1,153	0.42
64,150	K&S AG Com NPV^	1,461	0.54
Electrical components & equipment			
28,068	OSRAM Licht AG Com NPV	1,913	0.71
Electricity			
46,559	Innogy SE Com EUR 2.00	1,701	0.63
Engineering & construction			
13,940	Fraport AG Frankfurt Airport Services Worldwide Com NPV	1,006	0.37
Food			
59,960	Metro AG Com NPV	1,787	0.66
Household products			
35,086	Henkel AG & Co KGaA Com NPV	3,879	1.43
Insurance			
20,262	Hannover Rueck SE Com NPV	2,148	0.80
16,053	Muenchener Rueckversicherungs- Gesellschaft AG Com NPV	2,822	1.04
Retail			
21,234	Hugo Boss AG Com NPV	1,423	0.53
Semiconductors			
317,965	Infineon Technologies AG Com NPV	6,261	2.31
Total Germany		33,641	12.43

iShares Edge MSCI Europe Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 99.39%) (cont)			
Ireland (31 May 2016: 0.34%)			
Airlines			
53,130	Ryanair Holdings Plc Com EUR 0.006	966	0.36
	Total Ireland	966	0.36
Italy (31 May 2016: 0.27%)			
Insurance			
331,920	UnipolSai Assicurazioni SpA Com NPV	669	0.25
Pharmaceuticals			
35,043	Recordati SpA Com EUR 0.125	1,256	0.46
	Total Italy	1,925	0.71
Jersey (31 May 2016: 0.37%)			
Distribution & wholesale			
37,768	Wolseley Plc Com GBP 0.1080303	2,216	0.82
	Total Jersey	2,216	0.82
Luxembourg (31 May 2016: Nil)			
Media			
12,904	RTL Group SA Com NPV	894	0.33
	Total Luxembourg	894	0.33
Netherlands (31 May 2016: 6.56%)			
Commercial services			
50,331	AerCap Holdings NV Com EUR 0.01	1,970	0.73
39,917	Randstad Holding NV Com EUR 0.10	2,056	0.76
Computers			
27,237	Gemalto NV Com EUR 1.00^	1,439	0.53
Insurance			
594,406	Aegon NV Com EUR 0.12	2,634	0.97
101,743	NN Group NV Com EUR 0.12	3,256	1.20
Pipelines			
23,397	Koninklijke Vopak NV Com EUR 0.50	943	0.35
Semiconductors			
213,642	STMicroelectronics NV Com EUR 1.04	3,138	1.16
	Total Netherlands	15,436	5.70
Norway (31 May 2016: 0.82%)			
Chemicals			
30,962	Yara International ASA Com NOK 1.70^	1,027	0.38
	Total Norway	1,027	0.38
Spain (31 May 2016: 1.67%)			
Airlines			
213,195	International Consolidated Airlines Group SA Com EUR 0.50	1,479	0.55
Electricity			
106,448	Endesa SA Com EUR 1.20	2,365	0.87
Food			
208,257	Distribuidora Internacional de Alimentacion SA Com EUR 0.10^	1,141	0.42

Holding	Investment	Fair value €000	% of net asset value
Spain (31 May 2016: 1.67%) (cont)			
Insurance			
360,520	Mapfre SA Com EUR 0.10	1,142	0.42
Oil & gas			
402,679	Repsol SA Com EUR 1.00	6,006	2.22
	Total Spain	12,133	4.48
Sweden (31 May 2016: 1.87%)			
Food			
26,965	ICA Gruppen AB Com SEK 2.50	866	0.32
Mining			
92,492	Boliden AB Com SEK 2.11	2,256	0.84
Real estate investment & services			
12,869	L E Lundbergforetagen AB Com NPV	900	0.33
	Total Sweden	4,022	1.49
Switzerland (31 May 2016: 17.03%)			
Beverages			
61,297	Coca-Cola HBC AG Com CHF 6.70	1,585	0.59
Building materials and fixtures			
12,451	Geberit AG Com CHF 0.10^	5,188	1.92
726	Sika AG Com CHF 0.60	4,164	1.54
Chemicals			
2,781	EMS-Chemie Holding AG Com CHF 0.01^	1,739	0.64
Commercial services			
54,493	Adecco Group AG Com CHF 1.00	3,617	1.34
Diversified financial services			
5,880	Partners Group Holding AG Com CHF 0.01	3,207	1.19
Food			
32,860	Nestle SA Com CHF 0.10	2,496	0.92
Hand & machine tools			
6,806	Schindler Holding AG Com CHF 0.10	1,260	0.47
Healthcare products			
3,193	Straumann Holding AG Com CHF 0.10	1,575	0.58
Insurance			
16,757	Baloise Holding AG Com CHF 0.10	2,283	0.85
10,870	Swiss Life Holding AG Com CHF 5.10	3,228	1.19
77,721	Swiss Re AG Com CHF 0.10	6,308	2.33
Pharmaceuticals			
24,970	Actelion Ltd Com CHF 0.50	6,380	2.36
177	Novartis AG Com CHF 0.50	13	0.00
2,234	Roche Holding AG Com NPV	546	0.20
Real estate investment & services			
23,843	Swiss Prime Site AG Com CHF 15.30	1,955	0.72
Specialty finance			
12,939	Pargesa Holding SA Com CHF 20.00	896	0.33
Transportation			
18,295	Kuehne & Nagel International AG Com CHF 1.00^	2,628	0.97
	Total Switzerland	49,068	18.14

iShares Edge MSCI Europe Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 99.39%) (cont)			
United Kingdom (31 May 2016: 33.12%)			
Aerospace & defence			
830,494	BAE Systems Plc Com GBP 0.025	6,347	2.35
260,565	Meggitt Plc Com GBP 0.05 [^]	1,502	0.55
Auto parts & equipment			
578,704	GKN Plc Com GBP 0.10	2,325	0.86
Banks			
214,569	Investec Plc Com GBP 0.0002	1,498	0.55
Chemicals			
44,273	Croda International Plc Com GBP 0.1035714	2,014	0.74
Commercial services			
168,640	Ashtead Group Plc Com GBP 0.10	3,032	1.12
84,125	Babcock International Group Plc Com GBP 0.60	901	0.33
54,087	Intertek Group Plc Com GBP 0.01	2,680	0.99
Diversified financial services			
329,132	3i Group Plc Com GBP 0.738636	3,382	1.25
87,485	Hargreaves Lansdown Plc Com GBP 0.004	1,404	0.52
Food			
552,915	J Sainsbury Plc Com GBP 0.285714 [^]	1,784	0.66
156,425	Tate & Lyle Plc Com GBP 0.25	1,325	0.49
748,600	Wm Morrison Supermarkets Plc Com GBP 0.10 [^]	2,116	0.78
Forest products & paper			
124,232	Mondi Plc Com EUR 0.20	2,887	1.07
Healthcare products			
287,786	Smith & Nephew Plc Com USD 0.20	4,474	1.65
Home builders			
339,882	Barratt Developments Plc Com GBP 0.10	2,390	0.88
44,304	Berkeley Group Holdings Plc Com NPV	1,656	0.61
104,218	Persimmon Plc Com GBP 0.10	2,937	1.09
1,104,409	Taylor Wimpey Plc Com GBP 0.01	2,575	0.95
Insurance			
67,101	Admiral Group Plc Com GBP 0.001	1,569	0.58
464,288	Direct Line Insurance Group Plc Com GBP 0.1090909	1,858	0.69
Media			
1,223,577	ITV Plc Com GBP 0.10	2,749	1.02
Mining			
446,447	Anglo American Plc Com USD 0.54945	5,298	1.96
Miscellaneous manufacturers			
91,524	IMI Plc Com GBP 0.2857	1,317	0.49
133,491	Smiths Group Plc Com GBP 0.375	2,457	0.91
Pharmaceuticals			
48,025	Hikma Pharmaceuticals Plc Com GBP 0.10	931	0.34
Real estate investment trusts			
267,184	Land Securities Group Plc Reits GBP 0.10	3,282	1.21
335,483	Segro Plc Reits GBP 0.10	1,937	0.72

Holding	Investment	Fair value €000	% of net asset value
United Kingdom (31 May 2016: 33.12%) (cont)			
Software			
365,455	Sage Group Plc Com GBP 0.01051948	3,023	1.12
Tobacco			
124,381	Imperial Brands Plc Com GBP 0.10	5,182	1.92
Total United Kingdom		76,832	28.40
Total equities		268,752	99.34

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value	
Financial derivative instruments (31 May 2016: 0.03%)				
Futures contracts (31 May 2016: 0.03%)				
69	Euro Stoxx 50 Index Futures June 2017	2,219	1	0.00
Total unrealised gains on futures contracts			1	0.00
Total financial derivative instruments			1	0.00

	Fair value \$'000	% of net asset value
Total value of investments	268,753	99.34
Cash[†]	3,557	1.31
Other net liabilities	(1,767)	(0.65)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	270,543	100.00

[†] Cash holdings of €3,346,224 are held with State Street Bank and Trust Company. €210,956 is held as security for futures contracts with Citibank.

[^] These securities are partially or fully transferred as securities lent

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	268,752	82.96
Exchange traded financial derivative instruments	1	0.00
Other assets	55,184	17.04
Total current assets	323,937	100.00

iShares Edge MSCI Europe Multifactor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
494,498	Koninklijke Ahold Delhaize NV Com EUR 0.01	9,762	74,734	Swiss Re AG Com CHF 0.10	6,209
446,146	Relx Plc Com GBP 0.144397	8,183	269,566	AXA SA Com EUR 2.29	6,022
30,880	Lonza Group AG Com CHF 1.00	5,595	40,192	Adidas AG Com NPV	5,830
32,460	Adidas AG Com NPV	5,526	25,932	Unibail-Rodamco SE Reits EUR 5.00	5,547
52,934	Renault SA Com EUR 3.81	3,935	790,907	BAE Systems Plc Com GBP 0.025	5,372
20,745	Actelion Ltd Com CHF 0.50	3,866	263,966	Koninklijke Ahold Delhaize NV Com EUR 0.01	5,361
44,820	HeidelbergCement AG Com NPV	3,777	446,447	Anglo American Plc Com USD 0.54945	5,314
265,985	Orange SA Com EUR 4.00	3,663	119,378	Imperial Brands Plc Com GBP 0.10	5,299
32,082	Pandora A/S Com DKK 1.00	3,526	395,799	Repsol SA Com EUR 1.00	5,256
155,179	RWE AG Com NPV	2,805	306,858	Relx Plc Com GBP 0.144397	5,192
131,832	Skanska AB Com NPV	2,770	326,476	Infineon Technologies AG Com NPV	5,100
171,927	Infineon Technologies AG Com NPV	2,699	28,426	Actelion Ltd Com CHF 0.50	4,994
251,049	Stora Enso Oyj Com NPV	2,649	11,367	Geberit AG Com CHF 0.10	4,241
66,273	Johnson Matthey Plc Com GBP 1.109245	2,367	51,171	Capgemini SE Com EUR 8.00	4,205
66,404	Provident Financial Plc Com GBP 0.2072727	2,304	277,644	Smith & Nephew Plc Com USD 0.20	4,024
27,051	Swiss Re AG Com CHF 0.10	2,246	44,735	HeidelbergCement AG Com NPV	3,686
52,532	DSV A/S Com DKK 1.00	2,215	54,493	Adecco Group AG Com CHF 1.00	3,617
50,179	Imperial Brands Plc Com GBP 0.10	2,160	170,105	UPM-Kymmene Oyj Com NPV	3,581
85,867	Bunzl Plc Com GBP 0.3214286	2,128	65,806	Valeo SA Com EUR 1.00	3,511
319,359	BAE Systems Plc Com GBP 0.025	2,114	34,705	Henkel AG & Co KGaA Com NPV	3,400
113,023	Travis Perkins Plc Com GBP 0.10	2,067	171,562	Ashtead Group Plc Com GBP 0.10	3,214
142,940	Securitas AB Com SEK 1.00	2,026	270,184	Land Securities Group Plc Reits GBP 0.10	3,188
81,426	AXA SA Com EUR 2.29	1,663	7,076	Hermes International Com NPV	3,122
424,721	Dixons Carphone Plc Com GBP 0.001	1,623	672	Sika AG Com CHF 0.60	3,001
117,388	Smith & Nephew Plc Com USD 0.20	1,612	23,342	Baloise Holding AG Com CHF 0.10	2,982
19,954	Capgemini SE Com EUR 8.00	1,595			
4,092	Land Securities Group Plc Reits GBP 0.10	1,567			
13,648	Baloise Holding AG Com CHF 0.10	1,531			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI Europe Quality Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	581	329
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	1,294	(832)
Total gains/(losses)		1,875	(503)
Operating expenses	4	(42)	(24)
Net operating profit/(loss)		1,833	(527)
Finance costs:			
Interest expense	7	(1)	-
Net profit/(loss) for the financial year before tax		1,832	(527)
Taxation		(51)	(30)
Net profit/(loss) for the financial year after tax		1,781	(557)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(10)	(1)
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		1,771	(558)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	11,109	8,836
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	1,771	(558)
Share transactions:		
Proceeds from issue of redeemable participating shares	8,162	5,511
Payments on redemption of redeemable participating shares	(2,643)	(2,680)
Increase in net assets resulting from share transactions	5,519	2,831
Net assets attributable to redeemable participating shareholders at the end of the financial year	18,399	11,109

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Quality Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		235	231
Margin cash account		20	21
Receivables	10	728	2,113
Financial assets at fair value through profit or loss	11	17,930	11,050
Total current assets		18,913	13,415
CURRENT LIABILITIES			
Payables	12	(514)	(2,316)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(514)	(2,316)
Net assets attributable to redeemable participating shareholders		18,399	11,099
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	10
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	18,399	11,109

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Quality Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	580	329
Securities lending income	1	-
	581	329

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	1,277	(827)
Net losses on futures contracts	20	(2)
Net gains/(losses) on foreign currency transactions	(3)	(3)
	1,294	(832)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(42)	(24)
	(42)	(24)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for further details.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.25	0.25

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(32)	(18)

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(1)	-
	(1)	-

iShares Edge MSCI Europe Quality Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	2,000,000	1,500,000
Issued during the financial year	1,500,000	1,000,000
Redeemed during the financial year	(500,000)	(500,000)
Balance at the end of financial year	3,000,000	2,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	18,399
As at 31 May 2016	11,109
As at 31 May 2015	8,836

	No. of Shares
Shares in issue	
As at 31 May 2017	3,000,000
As at 31 May 2016	2,000,000
As at 31 May 2015	1,500,000

	€
Net asset value per share	
As at 31 May 2017	6.13
As at 31 May 2016	5.55
As at 31 May 2015	5.89

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sale of securities awaiting settlement	665	2,072
Dividend income receivable	48	30
Tax reclaim receivable	15	11
Securities lending income receivable*	-	-
	728	2,113

* Amounts which are less than €500 are rounded to zero.

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	17,930	11,046
Unrealised gains on futures contracts	-	4
	17,930	11,050

	31 May 2017 €000	31 May 2016 €000
Financial liabilities:		
Unrealised losses on futures contracts*	-	-
	-	-

* Amounts which are less than €500 are rounded to zero.

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(510)	(2,314)
Management fees payable	(4)	(2)
Interest payable*	-	-
Other payables*	-	-
	(514)	(2,316)

* Amounts which are less than €500 are rounded to zero.

iShares Edge MSCI Europe Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.43%)			
Equities (31 May 2016: 99.43%)			
Belgium (31 May 2016: 0.41%)			
Food			
443	Colruyt SA Com NPV	22	0.12
Telecommunications			
1,544	Proximus SADP Com NPV^	49	0.27
Total Belgium		71	0.39
Denmark (31 May 2016: 8.79%)			
Chemicals			
4,071	Novozymes A/S Com DKK 2.00	164	0.89
Food			
1,455	Chr Hansen Holding A/S Com DKK 10.00	91	0.49
Healthcare products			
1,213	Coloplast A/S Com DKK 1.00	92	0.50
Insurance			
1,362	Tryg A/S Com DKK 5.00	25	0.14
Pharmaceuticals			
21,844	Novo Nordisk A/S Com DKK 0.20	826	4.49
Retail			
1,382	Pandora A/S Com DKK 1.00	117	0.64
Total Denmark		1,315	7.15
Finland (31 May 2016: 3.06%)			
Electricity			
562	Fortum Oyj Com EUR 3.40	8	0.04
Insurance			
4,066	Sampo Oyj Com NPV	184	1.00
Machinery - diversified			
4,020	Kone Oyj Com NPV	177	0.97
Miscellaneous manufacturers			
933	Wartsila Oyj Abp Com NPV	49	0.27
Pharmaceuticals			
1,018	Orion Oyj Com EUR 0.65	59	0.32
Telecommunications			
1,612	Elisa Oyj Com NPV	56	0.30
Total Finland		533	2.90
France (31 May 2016: 11.12%)			
Aerospace & defence			
686	Thales SA Com EUR 3.00	67	0.37
Apparel retailers			
242	Hermes International Com NPV	107	0.58
Household products			
222	Societe BIC SA Com EUR 3.82	24	0.13
Insurance			
17,058	AXA SA Com EUR 2.29	405	2.20
1,210	CNP Assurances Com EUR 1.00	23	0.13
1,390	SCOR SE Com EUR 7.876972	49	0.26

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 11.12%) (cont)			
Internet			
237	Iliad SA Com NPV	55	0.30
Oil & gas			
21,527	Total SA Com EUR 2.50	1,018	5.53
Real estate investment trusts			
518	Unibail-Rodamco SE Reits EUR 5.00	119	0.65
Total France		1,867	10.15
Germany (31 May 2016: 4.82%)			
Auto parts & equipment			
806	Continental AG Com NPV	160	0.87
Chemicals			
1,147	Fuchs Petrolub SE Pref NPV	57	0.31
Cosmetics & personal care			
495	Beiersdorf AG Com NPV	47	0.26
Electricity			
725	Innogy SE Com EUR 2.00	26	0.14
Food			
309	Metro AG Com NPV	9	0.05
Insurance			
3,564	Allianz SE Com NPV	609	3.31
568	Hannover Rueck SE Com NPV	60	0.33
Media			
1,579	ProSiebenSat.1 Media SE Com NPV	60	0.32
Retail			
579	Hugo Boss AG Com NPV	39	0.21
Total Germany		1,067	5.80
Ireland (31 May 2016: 0.52%)			
Airlines			
1,115	Ryanair Holdings Plc Com EUR 0.006	20	0.11
Food			
685	Kerry Group Plc Com EUR 0.125	54	0.29
Total Ireland		74	0.40
Italy (31 May 2016: 0.47%)			
Gas			
26,430	Snam SpA Com NPV	108	0.59
Insurance			
7,548	UnipolSai Assicurazioni SpA Com NPV	15	0.08
Pharmaceuticals			
127	Recordati SpA Com EUR 0.125	5	0.02
Total Italy		128	0.69
Jersey (31 May 2016: 1.36%)			
Distribution & wholesale			
1,722	Wolseley Plc Com GBP 0.1080303	101	0.55
Total Jersey		101	0.55

iShares Edge MSCI Europe Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 99.43%) (cont)			
Luxembourg (31 May 2016: 0.15%)			
Media			
326	RTL Group SA Com NPV	22	0.12
	Total Luxembourg	22	0.12
Netherlands (31 May 2016: 6.87%)			
Commercial services			
8,587	Relx NV Com EUR 0.07	159	0.86
Cosmetics & personal care			
10,646	Unilever NV CVS EUR 0.16	540	2.93
Pipelines			
1,049	Koninklijke Vopak NV Com EUR 0.50	42	0.23
Semiconductors			
3,273	ASML Holding NV Com EUR 0.09	384	2.09
	Total Netherlands	1,125	6.11
Norway (31 May 2016: 1.19%)			
Insurance			
1,851	Gjensidige Forsikring ASA Com NOK 2.00	27	0.14
	Total Norway	27	0.14
Portugal (31 May 2016: 0.14%)			
Food			
1,671	Jeronimo Martins SGPS SA Com EUR 1.00	29	0.16
Oil & gas			
5,607	Galp Energia SGPS SA Com EUR 1.00	77	0.42
	Total Portugal	106	0.58
Spain (31 May 2016: 4.41%)			
Electricity			
1,673	Endesa SA Com EUR 1.20	37	0.20
30,533	Iberdrola SA Com EUR 0.75	217	1.18
1,768	Red Electrica Corp SA Com EUR 0.50	35	0.19
Gas			
117	Enagas SA Com EUR 1.50	3	0.02
Insurance			
8,977	Mapfre SA Com EUR 0.10	28	0.15
Machinery - diversified			
1,255	Zardoya Otis SA Com EUR 0.10	11	0.06
Retail			
10,255	Industria de Diseno Textil SA Com EUR 0.03	373	2.03
Software			
5,992	Amadeus IT Group SA Com EUR 0.01	311	1.69
	Total Spain	1,015	5.52
Sweden (31 May 2016: 3.62%)			
Engineering & construction			
2,531	Skanska AB Com NPV	54	0.29

Holding	Investment	Fair value €000	% of net asset value
Sweden (31 May 2016: 3.62%) (cont)			
Machinery, construction & mining			
2,698	Atlas Copco AB Class 'B' Com SEK 0.64	79	0.43
5,309	Atlas Copco AB Com SEK 0.64	175	0.95
Real estate investment & services			
337	L E Lundbergforetagen AB Com NPV	24	0.13
Retail			
10,514	Hennes & Mauritz AB Com NPV^	233	1.27
Specialty finance			
428	Investor AB Com SEK 6.25	18	0.10
Telecommunications			
9,096	Telia Co AB Com SEK 3.20	37	0.20
	Total Sweden	620	3.37
Switzerland (31 May 2016: 16.36%)			
Building materials and fixtures			
383	Geberit AG Com CHF 0.10	160	0.87
28	Sika AG Com CHF 0.60	160	0.87
Chemicals			
152	EMS-Chemie Holding AG Com CHF 0.01	95	0.52
127	Givaudan SA Com CHF 10.00	232	1.26
1,005	Syngenta AG Com CHF 0.10	407	2.21
Commercial services			
46	SGS SA Com CHF 1.00	98	0.53
Diversified financial services			
228	Partners Group Holding AG Com CHF 0.01	124	0.67
Hand & machine tools			
298	Schindler Holding AG Com CHF 0.10	57	0.31
150	Schindler Holding AG (voting) Com CHF 0.10	28	0.15
Insurance			
239	Swiss Life Holding AG Com CHF 5.10	71	0.38
2,783	Swiss Re AG Com CHF 0.10	226	1.23
1,133	Zurich Insurance Group AG Com CHF 0.10	296	1.61
Pharmaceuticals			
1,017	Actelion Ltd Com CHF 0.50	260	1.41
3,407	Roche Holding AG Com NPV	832	4.53
Telecommunications			
234	Swisscom AG Com CHF 1.00^	100	0.54
Transportation			
587	Kuehne & Nagel International AG Com CHF 1.00	84	0.46
	Total Switzerland	3,230	17.55
United Kingdom (31 May 2016: 36.14%)			
Aerospace & defence			
30,545	BAE Systems Plc Com GBP 0.025	234	1.26
11,077	Rolls-Royce Holdings Plc Com GBP 0.20	110	0.60
786,467	Rolls-Royce Holdings Plc Pref NPV	1	0.01

iShares Edge MSCI Europe Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 99.43%) (cont)			
United Kingdom (31 May 2016: 36.14%) (cont)			
Airlines			
1,414	easyJet Plc Com GBP 0.2728571	23	0.13
Apparel retailers			
3,465	Burberry Group Plc Com GBP 0.0005	72	0.39
Auto parts & equipment			
11,453	GKN Plc Com GBP 0.10	46	0.25
Beverages			
12,172	Diageo Plc Com GBP 0.2893518	325	1.77
Chemicals			
2,666	Croda International Plc Com GBP 0.1035714	121	0.66
2,407	Johnson Matthey Plc Com GBP 1.109245	86	0.47
Commercial services			
3,275	Ashtead Group Plc Com GBP 0.10	59	0.32
1,205	Intertek Group Plc Com GBP 0.01	59	0.32
9,529	Relx Plc Com GBP 0.144397	182	0.99
Cosmetics & personal care			
8,761	Unilever Plc Com GBP 0.0311	436	2.37
Distribution & wholesale			
2,132	Bunzl Plc Com GBP 0.3214286	60	0.33
Diversified financial services			
10,510	Aberdeen Asset Management Plc Com GBP 0.10	35	0.19
3,898	Hargreaves Lansdown Plc Com GBP 0.004	63	0.34
2,961	London Stock Exchange Group Plc Com GBP 0.06918605	116	0.63
1,456	Provident Financial Plc Com GBP 0.2072727	51	0.28
1,407	Schroders Plc Com GBP 1.00	51	0.28
Food Service			
18,088	Compass Group Plc Com GBP 0.10625	347	1.89
Forest products & paper			
4,691	Mondi Plc Com EUR 0.20	109	0.59
Gas			
10,893	Centrica Plc Com GBP 0.061728	25	0.14
18,043	National Grid Plc Com GBP 0.1139535	226	1.22
Home builders			
1,293	Berkeley Group Holdings Plc Com NPV	48	0.26
2,903	Persimmon Plc Com GBP 0.10	82	0.44
9,931	Taylor Wimpey Plc Com GBP 0.01	23	0.13
Household products			
4,106	Reckitt Benckiser Group Plc Com GBP 0.10	374	2.03
Insurance			
2,721	Admiral Group Plc Com GBP 0.001	64	0.35
11,560	Direct Line Insurance Group Plc Com GBP 0.1090909	46	0.25
58,028	Legal & General Group Plc Com GBP 0.025	168	0.91
39,841	Old Mutual Plc Com GBP 0.1142857	86	0.47
20,053	Prudential Plc Com GBP 0.05	400	2.17

Holding	Investment	Fair value €000	% of net asset value
United Kingdom (31 May 2016: 36.14%) (cont)			
Insurance (cont)			
5,310	St James's Place Plc Com GBP 0.15	71	0.39
15,086	Standard Life Plc Com GBP 0.122222	66	0.36
Media			
41,029	ITV Plc Com GBP 0.10	92	0.50
Miscellaneous manufacturers			
2,009	IMI Plc Com GBP 0.2857	29	0.15
2,675	Smiths Group Plc Com GBP 0.375	49	0.27
Pharmaceuticals			
9,020	AstraZeneca Plc Com USD 0.25	542	2.95
Real estate investment trusts			
4,644	British Land Co Plc Reits GBP 0.25	34	0.18
3,491	Hammerson Plc Reits GBP 0.25	24	0.13
3,690	Land Securities Group Plc Reits GBP 0.10	45	0.25
4,392	Segro Plc Reits GBP 0.10	25	0.14
Retail			
1,430	Next Plc Com GBP 0.10	72	0.39
Software			
15,024	Sage Group Plc Com GBP 0.01051948	124	0.67
Specialty finance			
9,903	3i Group Plc Com GBP 0.738636	102	0.55
Telecommunications			
121,911	BT Group Plc Com GBP 0.05	433	2.35
3,997	Inmarsat Plc Com EUR 0.0005	37	0.20
Tobacco			
8,653	British American Tobacco Plc Com GBP 0.25	549	2.98
4,931	Imperial Brands Plc Com GBP 0.10	207	1.12
Total United Kingdom		6,629	36.02
Total equities		17,930	97.44

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value	
Financial derivative instruments (31 May 2016: 0.04%)				
Futures Contracts (31 May 2016: 0.04%)				
1	Euro Stoxx 50 Index Futures June 2017*	32	-	0.00
8	Ibex Mini Index Futures June 2017*	87	-	0.00
Total unrealised losses on futures contracts			-	0.00
Total financial derivative instruments			-	0.00

iShares Edge MSCI Europe Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

	Fair value €000	% of net asset value
Total value of investments	17,930	97.44
Cash[†]	255	1.39
Other net assets	214	1.17
Net asset value attributable to redeemable participating shareholders at the end of the financial year	18,399	100.00

[†] Cash holdings of €235,521 are held with State Street Bank and Trust Company. €19,377 is held as security for futures contracts with Barclays Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

^{*} Investments which are less than \$500 have been rounded to zero.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	17,930	94.80
Other assets	983	5.20
Total current assets	18,913	100.00

iShares Edge MSCI Europe Quality Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
12,559	Novo Nordisk A/S Com DKK 0.20	564	5,118	Airbus Group SE Com EUR 1.00	359
2,277	Roche Holding AG Com NPV	523	1,641	Roche Holding AG Com NPV	345
12,012	Total SA Com EUR 2.50	521	3,186	Air Liquide SA Com EUR 5.50	305
9,020	AstraZeneca Plc Com USD 0.25	449	13,578	Statoil ASA Com NOK 2.50	219
84,261	BT Group Plc Com GBP 0.05	356	4,050	Total SA Com EUR 2.50	179
5,184	British American Tobacco Plc Com GBP 0.25	299	8,851	Experian Plc Com USD 0.10	157
6,367	Unilever NV CVS EUR 0.16	264	2,764	British American Tobacco Plc Com GBP 0.25	144
1,894	Allianz SE Com NPV	253	3,753	Unilever NV CVS EUR 0.16	141
664	Syngenta AG Com CHF 0.10	237	7,548	Prudential Plc Com GBP 0.05	139
5,231	Unilever Plc Com GBP 0.0311	222	6,442	Koninklijke Ahold Delhaize NV Com EUR 0.01	126
2,474	Reckitt Benckiser Group Plc Com GBP 0.10	218	1,490	Reckitt Benckiser Group Plc Com GBP 0.10	118
7,924	Diageo Plc Com GBP 0.2893518	204	3,071	Unilever Plc Com GBP 0.0311	115
12,190	Prudential Plc Com GBP 0.05	195	4,546	Diageo Plc Com GBP 0.2893518	107
1,932	ASML Holding NV Com EUR 0.09	188	3,336	Novo Nordisk A/S Com DKK 0.20	103
5,768	Industria de Diseno Textil SA Com EUR 0.03	182	534	Actelion Ltd Com CHF 0.50	96
10,279	Compass Group Plc Com GBP 0.10625	182	431	Unibail-Rodamco SE Reits EUR 5.00	90
9,090	AXA SA Com EUR 2.29	169	34,619	Centrica Plc Com GBP 0.061728	86
3,825	Amadeus IT Group SA Com EUR 0.01	163	571	Allianz SE Com NPV	85
92	Givaudan SA Com CHF 10.00	161	9,071	BAE Systems Plc Com GBP 0.025	64
5,652	Hennes & Mauritz AB Com NPV	155	1,478	DSV A/S Com DKK 1.00	63
806	Continental AG Com NPV	135	2,758	AXA SA Com EUR 2.29	60
2,827	Imperial Brands Plc Com GBP 0.10	134	1,397	Imperial Brands Plc Com GBP 0.10	58
601	Zurich Insurance Group AG Com CHF 0.001	132	14,947	Telia Co AB Com SEK 3.20	57
9,880	National Grid Plc Com GBP 0.113953	126	1,747	Industria de Diseno Textil SA Com EUR 0.03	56
6,442	Koninklijke Ahold Delhaize NV Com EUR 0.01	120	1,943	Atlas Copco AB Com SEK 0.64	56
1,224	Air Liquide SA Com EUR 0.055	116	12,960	BT Group Plc Com GBP 0.05	53
2,202	Airbus SE Com EUR 0.01	115			
1,495	Swiss Re AG Com CHF 0.001	114			
6,306	Arm Holdings Plc Com GBP 0.0005	113			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI Europe Size Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	248	327
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	606	(1,111)
Total gains/(losses)		854	(784)
Operating expenses	4	(22)	(25)
Net operating profit/(loss)		832	(809)
Finance costs:			
Interest expense*	6	-	-
Total finance costs		-	-
Net profit/(loss) for the financial year before tax		832	(809)
Taxation		(16)	(22)
Net profit/(loss) for the financial year after tax		816	(831)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(9)	5
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		807	(826)

* Amounts which are less than €500 are rounded to zero.

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	13,682	8,902
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	807	(826)
Share transactions:		
Proceeds from issue of redeemable participating shares	3,055	5,606
Payments on redemption of redeemable participating shares	(7,950)	-
(Decrease)/increase in net assets resulting from share transactions	(4,895)	5,606
Net assets attributable to redeemable participating shareholders at the end of the financial year	9,594	13,682

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Size Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		143	218
Margin cash account		9	21
Receivables	10	238	45
Financial assets at fair value through profit or loss	11	9,363	13,392
Total current assets		9,753	13,676
CURRENT LIABILITIES			
Payables	12	(159)	(3)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(159)	(3)
Net assets attributable to redeemable participating shareholders		9,594	13,673
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	9
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	9,594	13,682

* Amounts which are less than €500 are rounded to zero.

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Size Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	248	326
Securities lending income	-	1
	248	327

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	607	(1,106)
Net gains/(losses) on futures contracts	2	(3)
Net losses on foreign currency transactions	(3)	(2)
	606	(1,111)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(22)	(25)
	(22)	(25)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.25	0.25

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest*	-	-
	-	-

* Amounts which are less than €500 are rounded to zero.

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(15)	(16)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	2,500,000	1,500,000
Issued during the financial year	500,000	1,000,000
Redeemed during the financial year	(1,500,000)	-
Balance at the end of financial year	1,500,000	2,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	9,594
As at 31 May 2016	13,682
As at 31 May 2015	8,902

	No. of Shares
Shares in issue	
As at 31 May 2017	1,500,000
As at 31 May 2016	2,500,000
As at 31 May 2015	1,500,000

	€
Net asset value per share	
As at 31 May 2017	6.40
As at 31 May 2016	5.47
As at 31 May 2015	5.93

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sales of securities awaiting settlement	208	-
Dividend income receivable	21	38
Tax reclaim receivable	9	7
	238	45

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	9,363	13,384
Investment in rights	-	4
Unrealised gains on futures contracts	-	4
	9,363	13,392

	31 May 2017 €000	31 May 2016 €000
Financial liabilities:		
Unrealised losses on futures contracts*	-	-
	-	-

* Amounts which are less than €500 are rounded to zero.

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchases of securities awaiting settlement	(157)	-
Management fees payable	(2)	(3)
	(159)	(3)

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SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 97.84%)			
Equities (31 May 2016: 97.81%)			
Austria (31 May 2016: 1.60%)			
Banks			
2,018	Raiffeisen Bank International AG Com NPV	47	0.49
Iron & steel			
1,013	Voestalpine AG Com NPV	41	0.43
Machinery - diversified			
700	Andritz AG Com NPV	37	0.39
Oil & gas			
828	OMV AG Com NPV^	39	0.40
Total Austria		164	1.71
Belgium (31 May 2016: 2.70%)			
Chemicals			
348	Solvay SA Com EUR 15.00	41	0.42
616	Umicore SA Com NPV	36	0.38
Food			
709	Colruyt SA Com NPV	35	0.36
Insurance			
963	Ageas Com NPV^	34	0.36
Media			
709	Telenet Group Holding NV Com NPV	42	0.44
Total Belgium		188	1.96
Denmark (31 May 2016: 4.80%)			
Biotechnology			
204	Genmab A/S Com DKK 1.00	39	0.40
Chemicals			
1,029	Novozymes A/S Com DKK 2.00	42	0.43
Commercial services			
1,035	ISS A/S Com DKK 1.00	38	0.40
Energy - alternate sources			
571	Vestas Wind Systems A/S Com DKK 1.00	45	0.47
Food			
648	Chr Hansen Holding A/S Com DKK 10.00	41	0.42
Healthcare products			
1,971	William Demant Holding A/S Com DKK 0.20	46	0.48
Insurance			
2,236	Tryg A/S Com DKK 5.00	41	0.43
Retail			
442	Pandora A/S Com DKK 0.01	37	0.39
Telecommunications			
7,347	TDC A/S Com DKK 1.00	39	0.41
Transportation			
816	DSV A/S Com DKK 1.00	44	0.46
Total Denmark		412	4.29

Holding	Investment	Fair value €000	% of net asset value
Finland (31 May 2016: 3.31%)			
Auto parts & equipment			
994	Nokian Renkaat Oyj Com NPV	36	0.38
Forest products & paper			
3,770	Stora Enso Oyj Com NPV	43	0.44
1,568	UPM-Kymmene Oyj Com NPV	39	0.41
Machinery - diversified			
1,288	Metso Oyj Com NPV	39	0.41
Miscellaneous manufacturers			
753	Wartsila Oyj Abp Com NPV	40	0.41
Oil & gas			
1,071	Neste Oyj Com NPV	38	0.40
Pharmaceuticals			
708	Orion Oyj Com EUR 0.65	40	0.42
Telecommunications			
1,150	Elisa Oyj Com NPV	40	0.42
Total Finland		315	3.29
France (31 May 2016: 14.03%)			
Advertising			
1,327	JCDecaux SA Com NPV	39	0.41
Aerospace & defence			
33	Dassault Aviation SA Com EUR 8.00	44	0.45
1,588	Zodiac Aerospace Com NPV	37	0.39
Auto manufacturers			
2,146	Peugeot SA Com EUR 1.00	38	0.39
Auto parts & equipment			
651	Valeo SA Com EUR 1.00	40	0.42
Beverages			
469	Remy Cointreau SA Com EUR 1.60	46	0.48
Building materials and fixtures			
516	Imerys SA Com EUR 2.00	40	0.42
Chemicals			
381	Arkema SA Com EUR 10.00	35	0.36
Commercial services			
1,939	Bureau Veritas SA Com EUR 0.12	39	0.41
1,817	Edenred Com EUR 2.00	43	0.45
4,061	Groupe Eurotunnel SE Com EUR 0.40	43	0.44
Computers			
323	Atos SE Com EUR 1.00	41	0.43
438	Capgemini SE Com EUR 8.00	41	0.42
451	Ingenico Group SA Com EUR 1.00	39	0.41
Distribution & wholesale			
2,480	Rexel SA Com EUR 5.00	39	0.41
Diversified financial services			
683	Eurazeo SE Com NPV	43	0.45
Electrical components & equipment			
646	Legrand SA Com EUR 4.00	39	0.41
Engineering & construction			
305	Aéroports de Paris Com EUR 3.00	41	0.43
531	Eiffage SA Com EUR 4.00	43	0.45

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.81%) (cont)			
France (31 May 2016: 14.03%) (cont)			
Food			
762	Casino Guichard Perrachon SA Com EUR 1.53	42	0.44
Food Service			
333	Sodexo SA Com EUR 4.00	40	0.42
Holding companies - diversified operations			
316	Wendel SA Com EUR 4.00	43	0.45
Home furnishings			
261	SEB SA Com EUR 1.00	41	0.43
Hotels			
1,014	Accor SA Com EUR 3.00	43	0.45
Household products			
279	Societe BIC SA Com EUR 3.82	30	0.31
Insurance			
1,140	SCOR SE Com EUR 7.876972	40	0.42
Internet			
189	Iliad SA Com NPV	44	0.46
Machinery - diversified			
1,301	Alstom SA Com EUR 7.00	41	0.42
Media			
1,496	Lagardere SCA Com EUR 6.10	42	0.44
Pharmaceuticals			
71	Ipsen SA Com EUR 1.00	8	0.08
Real estate investment trusts			
451	Fonciere Des Regions Reits EUR 3.00	38	0.39
535	ICADE Reits NPV	38	0.40
279	Gecina SA Reits EUR 7.50	38	0.40
Telecommunications			
2,057	Eutelsat Communications SA Com EUR 1.00	47	0.49
Water			
2,657	Suez Com EUR 4.00	43	0.45
2,121	Veolia Environnement SA Com EUR 5.00	42	0.43
Total France		1,430	14.91
Germany (31 May 2016: 8.68%)			
Airlines			
2,387	Deutsche Lufthansa AG Com NPV	41	0.43
Auto parts & equipment			
2,804	Schaeffler AG Pref NPV	41	0.43
Banks			
4,329	Commerzbank AG Com NPV	41	0.42
Chemicals			
712	Brenntag AG Com NPV	37	0.38
672	Covestro AG Com NPV	45	0.47
837	Fuchs Petrolub SE Pref NPV	42	0.44
1,777	K&S AG Com NPV^	40	0.42
580	Lanxess AG Com NPV	39	0.40
601	Symrise AG Com NPV	38	0.40

Holding	Investment	Fair value €000	% of net asset value
Germany (31 May 2016: 8.68%) (cont)			
Electrical components & equipment			
586	OSRAM Licht AG Com NPV	40	0.42
Electricity			
2,666	RWE AG Com NPV	48	0.50
Engineering & construction			
558	Fraport AG Frankfurt Airport Services Worldwide Com NPV	40	0.42
236	Hochtief AG Com NPV	39	0.40
Food			
1,301	Metro AG Com NPV	39	0.41
Insurance			
343	Hannover Rueck SE Com NPV	36	0.38
Internet			
870	United Internet AG Com NPV	43	0.45
Leisure time			
2,782	TUI AG Com NPV	38	0.40
Machinery - diversified			
993	GEA Group AG Com NPV	36	0.38
Media			
715	Axel Springer SE Com EUR 1.00	40	0.42
1,016	ProSiebenSat.1 Media SE Com NPV	39	0.40
Real estate investment & services			
1,161	Deutsche Wohnen AG Com NPV	41	0.42
1,126	Vonovia SE Com NPV	39	0.41
Retail			
584	Hugo Boss AG Com NPV	39	0.40
969	Zalando SE Com NPV	41	0.43
Telecommunications			
9,757	Telefonica Deutschland Holding AG Com NPV	43	0.45
Total Germany		1,005	10.48
Ireland (31 May 2016: 1.20%)			
Banks			
153,590	Bank of Ireland Com EUR 0.05	37	0.38
Entertainment			
327	Paddy Power Betfair Plc Com EUR 0.09	31	0.32
Food			
513	Kerry Group Plc Com EUR 0.125	40	0.42
Oil & gas			
483	DCC Plc Com EUR 0.25	41	0.43
Total Ireland		149	1.55
Italy (31 May 2016: 3.07%)			
Aerospace & defence			
2,101	Leonardo SpA Com EUR 4.40	33	0.34
Banks			
5,137	Mediobanca SpA Com EUR 0.50	44	0.46
Electrical components & equipment			
1,629	Prysmian SpA Com EUR 0.10	40	0.42

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.81%) (cont)			
Italy (31 May 2016: 3.07%) (cont)			
Electricity			
8,794	Terna Rete Elettrica Nazionale SpA Com EUR 0.22	44	0.46
Insurance			
5,864	Poste Italiane SpA Com NPV	37	0.38
19,024	UnipolSai Assicurazioni SpA Com NPV	38	0.40
Oil & gas services			
8,902	Saipem SpA Com NPV	32	0.34
Pharmaceuticals			
199	Recordati SpA Com EUR 0.125	7	0.07
	Total Italy	275	2.87
Jersey (31 May 2016: 1.38%)			
Distribution & wholesale			
649	Wolseley Plc Com GBP 0.108030303	38	0.39
Mining			
497	Randgold Resources Ltd Com USD 0.05	42	0.44
Oil & gas services			
4,395	Petrofac Ltd Com USD 0.02	19	0.20
	Total Jersey	99	1.03
Luxembourg (31 May 2016: 1.64%)			
Healthcare services			
79	Eurofins Scientific SE Com EUR 0.10	38	0.40
Telecommunications			
861	Millicom International Cellular SA CVS USD 1.50	45	0.46
1,693	SES SA Receipt NPV	37	0.39
	Total Luxembourg	120	1.25
Netherlands (31 May 2016: 6.02%)			
Auto manufacturers			
569	Ferrari NV Com EUR 0.01	44	0.46
4,752	Fiat Chrysler Automobiles NV Com EUR 0.01	44	0.46
Chemicals			
620	Koninklijke DSM NV Com EUR 1.50	41	0.43
Commercial services			
793	AerCap Holdings NV Com EUR 0.01	31	0.32
697	Randstad Holding NV Com EUR 0.10	36	0.38
Computers			
706	Gemalto NV Com EUR 1.00^	37	0.39
Engineering & construction			
1,168	Boskalis Westminster Com EUR 0.01	36	0.37
Healthcare products			
1,243	Qiagen NV Com EUR 0.01	37	0.39
Insurance			
1,245	NN Group NV Com EUR 0.12	40	0.42
Investment services			
756	Exor NV Com EUR 0.01	38	0.39

Holding	Investment	Fair value €000	% of net asset value
Netherlands (31 May 2016: 6.02%) (cont)			
Machinery - diversified			
3,966	CNH Industrial NV Com EUR 0.01	39	0.41
Media			
1,051	Wolters Kluwer NV Com EUR 0.12	41	0.43
Pipelines			
775	Koninklijke Vopak NV Com EUR 0.50	31	0.32
Semiconductors			
2,713	STMicroelectronics NV Com EUR 1.04	40	0.41
Telecommunications			
13,648	Koninklijke KPN NV Com EUR 0.04	42	0.43
	Total Netherlands	577	6.01
Norway (31 May 2016: 1.75%)			
Chemicals			
1,149	Yara International ASA Com NOK 1.70	38	0.40
Food			
2,203	Marine Harvest ASA Com NOK 7.50	34	0.35
4,116	Orkla ASA Com NOK 1.25	37	0.39
Insurance			
2,285	Gjensidige Forsikring ASA Com NOK 2.00	33	0.34
Media			
760	Schibsted ASA Com NOK 0.50	16	0.16
897	Schibsted ASA Class 'B' Com NOK 0.50	17	0.18
Mining			
7,857	Norsk Hydro ASA Com NOK 1.098	38	0.40
	Total Norway	213	2.22
Portugal (31 May 2016: 1.23%)			
Food			
2,315	Jeronimo Martins SGPS SA Com EUR 1.00	41	0.43
Oil & gas			
2,635	Galp Energia SGPS SA Com EUR 1.00	36	0.37
	Total Portugal	77	0.80
Spain (31 May 2016: 4.04%)			
Banks			
26,257	Banco de Sabadell SA Com EUR 0.125	48	0.50
32,169	Banco Popular Espanol SA Com EUR 0.50	19	0.20
4,957	Bankinter SA Com EUR 0.30	41	0.43
Electrical components & equipment			
381	Gamesa Corp Tecnologica SA Com EUR 0.17	8	0.08
Electricity			
966	Red Electrica Corp SA Com EUR 0.50	19	0.20
Engineering & construction			
1,097	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	39	0.41

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.81%) (cont)			
Spain (31 May 2016: 4.04%) (cont)			
Food			
7,263	Distribuidora Internacional de Alimentacion SA Com EUR 0.10	40	0.42
Gas			
1,064	Enagas SA Com EUR 1.50	28	0.29
Insurance			
12,203	Mapfre SA Com EUR 0.10	39	0.40
Machinery - diversified			
3,503	Zardoya Otis SA Com EUR 0.10	31	0.32
Pharmaceuticals			
1,634	Grifols SA Com EUR 0.25	41	0.43
	Total Spain	353	3.68
Sweden (31 May 2016: 6.34%)			
Agriculture			
1,137	Swedish Match AB Com SEK 1.9823	34	0.35
Commercial services			
2,498	Securitas AB Com SEK 1.00	35	0.36
Engineering & construction			
1,582	Skanska AB Com NPV	34	0.35
Food			
1,236	ICA Gruppen AB Com SEK 2.50^	40	0.41
Healthcare products			
2,245	Getinge AB Com SEK 0.50	42	0.44
Holding companies - diversified operations			
2,054	Industrivarden AB Com SEK 2.50	43	0.45
Home furnishings			
1,450	Electrolux AB Com SEK 5.00	41	0.43
Investment services			
1,487	Kinnevik AB Com SEK 0.10	38	0.40
Machinery - diversified			
1,054	Hexagon AB Com EUR 0.22	41	0.43
4,842	Husqvarna AB Com SEK 2.00	45	0.47
Metal fabricate/ hardware			
2,177	SKF AB Com SEK 2.50	40	0.42
Mining			
1,430	Boliden AB Com SEK 2.11	35	0.36
Miscellaneous manufacturers			
2,303	Alfa Laval AB Com SEK 2.84	41	0.43
Oil & gas			
2,204	Lundin Petroleum AB Com SEK 0.01	38	0.40
Real estate investment & services			
562	L E Lundbergforetagen AB Com NPV	39	0.41
Telecommunications			
4,662	Tele2 AB Com SEK 1.25	43	0.45
	Total Sweden	629	6.56
Switzerland (31 May 2016: 9.00%)			
Beverages			
1,717	Coca-Cola HBC AG Com CHF 6.70	44	0.46

Holding	Investment	Fair value €000	% of net asset value
Switzerland (31 May 2016: 9.00%) (cont)			
Building materials and fixtures			
97	Geberit AG Com CHF 0.10	41	0.42
7	Sika AG Com CHF 0.60	40	0.42
Chemicals			
66	EMS-Chemie Holding AG Com CHF 0.01	41	0.43
22	Givaudan SA Com CHF 10.00	40	0.42
239	Lonza Group AG Com CHF 1.00	44	0.46
Commercial services			
613	Adecco Group AG Com CHF 1.00	41	0.43
Diversified financial services			
795	Julius Baer Group Ltd Com CHF 0.02	37	0.38
72	Partners Group Holding AG Com CHF 0.01	39	0.41
Food			
832	Aryzta AG Com CHF 0.02	24	0.24
30	Barry Callebaut AG Com CHF 7.29	38	0.40
7	Chocoladefabriken Lindt & Spruengli AG Com CHF 10.00	38	0.40
Healthcare products			
288	Sonova Holding AG Com CHF 0.05	42	0.44
Insurance			
292	Baloise Holding AG Com CHF 0.10	40	0.41
135	Swiss Life Holding AG Com CHF 5.10	40	0.42
Pharmaceuticals			
229	Actelion Ltd Com CHF 0.50	58	0.60
360	Vifor Pharma AG Com CHF 0.01	38	0.40
Real estate investment & services			
453	Swiss Prime Site AG Com CHF 15.30	37	0.39
Retail			
225	Dufry AG Com CHF 5.00	33	0.34
Specialty finance			
565	Pargesa Holding SA Com CHF 20.00	39	0.41
	Total Switzerland	794	8.28
United Kingdom (31 May 2016: 27.02%)			
Aerospace & defence			
25,008	Cobham Plc Com GBP 0.025	39	0.40
6,999	Meggitt Plc Com GBP 0.05	40	0.42
Airlines			
2,686	easyJet Plc Com GBP 0.27285714	44	0.46
Apparel retailers			
2,053	Burberry Group Plc Com GBP 0.0005	43	0.45
Auto parts & equipment			
9,514	GKN Plc Com GBP 0.10	38	0.40
Banks			
5,749	Investec Plc Com GBP 0.0002	40	0.42
Chemicals			
919	Croda International Plc Com GBP 0.1035714	42	0.44
897	Johnson Matthey Plc Com GBP 1.109245	32	0.33

iShares Edge MSCI Europe Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.81%) (cont)			
United Kingdom (31 May 2016: 27.02%) (cont)			
Commercial services			
2,044	Ashtead Group Plc Com GBP 0.10	37	0.39
2,936	Babcock International Group Plc Com GBP 0.60	31	0.32
5,234	Capita Plc Com GBP 0.020667	35	0.36
10,608	G4S Plc Com GBP 0.25	40	0.42
821	Intertek Group Plc Com GBP 0.01	40	0.42
Distribution & wholesale			
1,495	Bunzl Plc Com GBP 0.32142857	42	0.44
2,030	Travis Perkins Plc Com GBP 0.10	38	0.40
Diversified financial services			
4,452	3i Group Plc Com GBP 0.738636	46	0.48
10,055	Aberdeen Asset Management Plc Com GBP 0.10	33	0.34
2,350	Hargreaves Lansdown Plc Com GBP 0.004	38	0.40
1,029	London Stock Exchange Group Plc Com GBP 0.06918604	41	0.42
981	Provident Financial Plc Com GBP 0.2072727	34	0.35
1,026	Schroders Plc Com GBP 1.00	37	0.39
10,432	Worldpay Group Plc Com GBP 0.03	37	0.39
Entertainment			
6,590	Merlin Entertainments Plc Com GBP 0.01	40	0.42
9,805	William Hill Plc Com GBP 0.10	32	0.33
Food			
12,207	J Sainsbury Plc Com GBP 0.285714^	39	0.41
4,341	Tate & Lyle Plc Com GBP 0.25	37	0.38
14,112	Wm Morrison Supermarkets Plc Com GBP 0.10	40	0.42
Forest products & paper			
1,897	Mondi Plc Com EUR 0.20	44	0.46
Healthcare products			
2,579	Smith & Nephew Plc Com USD 0.20	40	0.42
Healthcare services			
3,930	Mediclinic International Plc Com GBP 0.10	36	0.38
Home builders			
6,178	Barratt Developments Plc Com GBP 0.10	43	0.45
1,032	Berkeley Group Holdings Plc Com NPV	39	0.40
1,408	Persimmon Plc Com GBP 0.10	40	0.42
17,284	Taylor Wimpey Plc Com GBP 0.01	40	0.42
Hotels			
798	Whitbread Plc Com GBP 0.767974	39	0.41
Insurance			
1,709	Admiral Group Plc Com GBP 0.001	40	0.42
8,043	Direct Line Insurance Group Plc Com GBP 0.1090909	32	0.33
15,747	Old Mutual Plc Com GBP 0.1142857	34	0.35
5,628	RSA Insurance Group Plc Com GBP 0.01	41	0.42
3,060	St James's Place Plc Com GBP 0.15	41	0.43

Holding	Investment	Fair value €000	% of net asset value
United Kingdom (31 May 2016: 27.02%) (cont)			
Insurance (cont)			
8,390	Standard Life Plc Com GBP 0.122222	37	0.39
Internet			
7,338	Auto Trader Group Plc Com GBP 0.01	35	0.36
Leisure time			
705	Carnival Plc Com USD 1.66	40	0.42
Lodging			
847	InterContinental Hotels Group Plc Com GBP 0.1980952	43	0.44
Machinery - diversified			
1,730	Weir Group Plc Com GBP 0.125	36	0.38
Media			
17,460	ITV Plc Com GBP 0.10	39	0.41
3,755	Pearson Plc Com GBP 0.25	31	0.32
Mining			
2,964	Anglo American Plc Com USD 0.54945	35	0.36
4,318	Antofagasta Plc Com GBP 0.05	40	0.42
2,231	Fresnillo Plc Com USD 0.50	40	0.42
Miscellaneous manufacturers			
3,066	IMI Plc Com GBP 0.2857	44	0.46
2,099	Smiths Group Plc Com GBP 0.375	39	0.40
Pharmaceuticals			
1,730	Hikma Pharmaceuticals Plc Com GBP 0.10	34	0.35
Real estate investment trusts			
5,441	British Land Co Plc Reits GBP 0.25	40	0.42
5,416	Hammerson Plc Reits GBP 0.25	37	0.39
11,282	Intu Properties Plc Reits GBP 0.50	35	0.36
2,879	Land Securities Group Plc Reits GBP 0.10	35	0.36
8,336	Segro Plc Reits GBP 0.10	48	0.50
Retail			
8,454	Dixons Carphone Plc Com GBP 0.001	32	0.33
7,764	Kingfisher Plc Com GBP 0.157143	29	0.30
8,550	Marks & Spencer Group Plc Com GBP 0.25	37	0.39
774	Next Plc Com GBP 0.10	39	0.40
Software			
4,271	Sage Group Plc Com GBP 0.01051948	35	0.36
Telecommunications			
4,348	Inmarsat Plc Com EUR 0.0005	40	0.42
Transportation			
7,988	Royal Mail Plc Com GBP 0.01	40	0.42
Water			
1,363	Severn Trent Plc Com GBP 0.9789	39	0.41
3,336	United Utilities Group Plc Com GBP 0.05	40	0.41
Total United Kingdom		2,563	26.71
Total equities		9,363	97.60
Rights (31 May 2016: 0.03%)			
Spain (31 May 2016: 0.03%)			

iShares Edge MSCI Europe Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value
Financial derivative instruments (31 May 2016: 0.03%)			
Futures contracts (31 May 2016: 0.03%)			
3 Ibex Mini Index Futures June 2017	33	-	0.00
Total unrealised losses on futures contracts		-	0.00
Total financial derivative instruments		-	0.00

	Fair value €000	% of net asset value
Total value of investments	9,363	97.60
Cash[†]	152	1.58
Other net assets	79	0.82
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9,594	100.00

[†] Cash holdings of €142,676 are held with State Street Bank and Trust Company or other depositories appointed. €9,437 is held as security for futures contracts with Barclays Bank Plc.

* These securities are partially or fully transferred as securities lent.

* Investments which are less than €500 are rounded to zero.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	9,363	96.00
Exchange traded financial derivative instruments	-	0.00
Other assets	390	4.00
Total current assets	9,753	100.00

iShares Edge MSCI Europe Size Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
1,959	Covestro AG Com NPV	87	26,707	ArcelorMittal Com NPV	139
3,066	Hikma Pharmaceuticals Plc Com GBP 0.10	82	9,634	STMicroelectronics NV Com EUR 1.04	81
5,291	Schaeffler AG Pref NPV	77	7,534	Anglo American Plc Com USD 0.54945	80
905	DCC Plc Com EUR 0.25	75	4,572	Fresnillo Plc Com USD 0.50	79
11,133	Poste Italiane SpA Com NPV	74	886	Thales SA Com EUR 3.00	75
4,779	Marine Harvest ASA Com NOK 7.50	71	1,231	Technip SA Com EUR 0.7625	71
583	Hochtief AG Com NPV	70	576	Aena SA Com EUR 10.00	71
1,033	Eiffage SA Com EUR 4.00	70	4,893	Infineon Technologies AG Com NPV	70
963	Next Plc Com GBP 0.10	53	419	Genmab A/S Com DKK 1.00	70
1,467	Yara International ASA Com NOK 1.70	51	751	Randgold Resources Ltd Com USD 0.05	69
44	Dassault Aviation SA Com EUR 8.00	47	1,287	Covestro AG Com NPV	67
5,013	Pearson Plc Com GBP 0.25	46	1,240	OSRAM Licht AG Com NPV	63
349	SEB SA Com EUR 1.00	45	15	Sika AG Com CHF 0.60	61
6,330	Commerzbank AG Com NPV	44	7,568	Rexam Plc Com GBP 0.8035714	60
106	Eurofins Scientific SE Com EUR 0.10	44	2,715	Boliden AB Com SEK 2.11	59
751	L E Lundbergforetagen AB Com NPV	42	1,425	Orion Oyj Com EUR 0.65	59
37,277	Banco Popular Espanol SA Com EUR 0.50	40	1,882	OMV AG Com NPV	59
1,301	Metro AG Com NPV	39	1,774	Neste Oyj Com NPV	58
2,037	Eutelsat Communications SA Com EUR 1.00	38	1,169	Ferrari NV Com EUR 0.01	56
15,721	ITV Plc Com GBP 0.10	38	114	EMS-Chemie Holding AG Com CHF 0.01	55

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI Europe Value Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	19,747	548
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	48,675	(2,228)
Total gains/(losses)		68,422	(1,680)
Operating expenses	4	(908)	(34)
Net operating profit/(loss)		67,514	(1,714)
Finance costs:			
Interest expense	6	(17)	-
Total finance costs		(17)	-
Net profit/(loss) for the financial year before tax		67,497	(1,714)
Taxation		(1,434)	(38)
Net profit/(loss) for the financial year after tax		66,063	(1,752)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(6)	1
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		66,057	(1,751)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	24,773	11,678
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	66,057	(1,751)
Share transactions:		
Proceeds from issue of redeemable participating shares	1,340,333	14,846
Payments on redemption of redeemable participating shares	(271,898)	-
Increase in net assets resulting from share transactions	1,068,435	14,846
Net assets attributable to redeemable participating shareholders at the end of the financial year	1,159,265	24,773

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Value Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		13,109	373
Margin cash account		902	30
Receivables	10	34,885	98
Financial assets at fair value through profit or loss	11	1,141,456	24,271
Total current assets		1,190,352	24,772
CURRENT LIABILITIES			
Bank overdraft		(26)	(1)
Payables	12	(30,991)	(4)
Financial liabilities at fair value through profit or loss	11	(70)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(31,087)	(5)
Net assets attributable to redeemable participating shareholders		1,159,265	24,767
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	6
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	1,159,265	24,773

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI Europe Value Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	19,682	547
Securities lending income	65	1
	19,747	548

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	48,584	(2,236)
Net gains on futures contracts	129	12
Net losses on foreign currency transactions	(38)	(4)
	48,675	(2,228)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(908)	(34)
	(908)	(34)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.25	0.25

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(17)	-
	(17)	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(2,151)	(32)

iShares Edge MSCI Europe Value Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	5,000,000	2,000,000
Issued during the financial year	241,500,000	3,000,000
Redeemed during the financial year	(48,000,000)	-
Balance at the end of financial year	198,500,000	5,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	1,159,265
As at 31 May 2016	24,773
As at 31 May 2015	11,678

	No. of Shares
Shares in issue	
As at 31 May 2017	198,500,000
As at 31 May 2016	5,000,000
As at 31 May 2015	2,000,000

	€
Net asset value per share	
As at 31 May 2017	5.84
As at 31 May 2016	4.95
As at 31 May 2015	5.84

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sale of securities awaiting settlement	29,885	6
Dividend income receivable	4,415	73
Securities lending income receivable	11	-
Tax reclaim receivable	574	19
	34,885	98

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	1,141,294	24,262
Investment in rights	160	2
Unrealised gains on futures contracts	2	7
	1,141,456	24,271

Financial liabilities:		
Unrealised losses on futures contracts	(70)	-
	(70)	-

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchases of securities awaiting settlement	(30,786)	-
Interest payable	(5)	-
Management fees payable	(198)	(4)
Other payables	(2)	-
	(30,991)	(4)

iShares Edge MSCI Europe Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 97.94%)			
Equities (31 May 2016: 97.93%)			
Austria (31 May 2016: 0.41%)			
Banks			
47,286	Raiffeisen Bank International AG Com NPV	1,109	0.10
Iron & steel			
62,044	Voestalpine AG Com NPV	2,501	0.21
Oil & gas			
27,613	OMV AG Com NPV^	1,281	0.11
Total Austria		4,891	0.42
Belgium (31 May 2016: 2.50%)			
Chemicals			
31,207	Solvay SA Com EUR 15.00	3,632	0.31
Insurance			
53,236	Ageas Com NPV^	1,914	0.17
Total Belgium		5,546	0.48
Denmark (31 May 2016: 2.65%)			
Beverages			
128,230	Carlsberg A/S Com DKK 20.00	12,427	1.07
Telecommunications			
240,218	TDC A/S Com DKK 1.00	1,276	0.11
Transportation			
3,489	AP Moller - Maersk A/S Com DKK 1000.00	5,637	0.49
5,707	AP Moller - Maersk A/S Class 'B' Com DKK 1000.00	9,674	0.83
Total Denmark		29,014	2.50
Finland (31 May 2016: 0.75%)			
Electricity			
88,778	Fortum Oyj Com EUR 3.40	1,259	0.11
Forest products & paper			
287,059	Stora Enso Oyj Com NPV	3,232	0.28
241,853	UPM-Kymmene Oyj Com NPV	6,071	0.52
Telecommunications			
1,729,610	Nokia Oyj Com NPV	9,763	0.84
Total Finland		20,325	1.75
France (31 May 2016: 19.72%)			
Auto manufacturers			
333,717	Peugeot SA Com EUR 1.00	5,857	0.51
126,992	Renault SA Com EUR 3.81	10,552	0.91
Auto parts & equipment			
67,430	Cie Generale des Etablissements Michelin Com EUR 2.00	7,552	0.65
53,638	Valeo SA Com EUR 1.00	3,324	0.29
Banks			
330,843	BNP Paribas SA Com EUR 2.00	20,784	1.79
380,377	Credit Agricole SA Com EUR 3.00	5,188	0.45

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 19.72%) (cont)			
Banks (cont)			
287,517	Societe Generale SA Com EUR 1.25	13,418	1.16
Building materials and fixtures			
265,312	Cie de Saint-Gobain Com EUR 4.00	13,206	1.14
Chemicals			
23,848	Arkema SA Com EUR 10.00	2,218	0.19
Computers			
68,397	Atos SE Com EUR 1.00	8,734	0.75
99,269	Cap Gemini SA Com EUR 8.00	9,149	0.79
Distribution & wholesale			
208,635	Rexel SA Com EUR 5.00	3,272	0.28
Electrical components & equipment			
183,589	Schneider Electric SE Com EUR 4.00	12,587	1.09
Electricity			
237,717	Electricite de France SA Com EUR 0.50	2,280	0.19
714,402	Engie SA Com EUR 1.00	9,705	0.84
Engineering & construction			
93,164	Bouygues SA Com EUR 1.00	3,552	0.31
188,252	Vinci SA Com EUR 2.50	14,633	1.26
Food			
315,330	Carrefour SA Com EUR 2.50	7,330	0.63
118,843	Casino Guichard Perrachon SA Com EUR 1.53	6,523	0.57
Insurance			
574,789	AXA SA Com EUR 2.29	13,645	1.18
47,647	CNP Assurances Com EUR 1.00	933	0.08
34,542	SCOR SE Com EUR 7.876972	1,211	0.10
Media			
38,535	Lagardere SCA Com EUR 6.10^	1,078	0.09
Oil & gas			
444,721	Total SA Com EUR 2.50	21,022	1.81
Pharmaceuticals			
426,228	Sanofi Com EUR 2.00	37,581	3.24
Real estate investment trusts			
14,283	ICADE Reits NPV	1,025	0.09
38,821	Unibail-Rodamco SE Reits EUR 5.00	8,915	0.77
Telecommunications			
632,012	Orange SA Com EUR 4.00	9,885	0.85
Total France		255,159	22.01
Germany (31 May 2016: 18.24%)			
Airlines			
283,939	Deutsche Lufthansa AG Com NPV	4,911	0.42
Auto manufacturers			
130,500	Bayerische Motoren Werke AG Com EUR 1.00	10,869	0.94
26,919	Bayerische Motoren Werke AG Pref EUR 1.00	1,969	0.17
390,813	Daimler AG Com NPV	25,251	2.18
130,498	Porsche Automobil Holding SE Pref NPV	6,649	0.57
18,393	Volkswagen AG Com NPV	2,565	0.22
124,315	Volkswagen AG Pref NPV	16,627	1.43

iShares Edge MSCI Europe Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.93%) (cont)			
Germany (31 May 2016: 18.24%) (cont)			
Banks			
509,518	Commerzbank AG Com NPV [^]	4,784	0.41
1,021,783	Deutsche Bank AG Com NPV [^]	15,914	1.38
Building materials and fixtures			
63,451	HeidelbergCement AG Com NPV	5,259	0.45
Chemicals			
10,365	Covestro AG Com NPV	690	0.06
46,087	Evonik Industries AG Com NPV	1,413	0.12
107,805	K&S AG Com NPV [^]	2,455	0.21
Electricity			
670,283	E.ON SE Com NPV	5,220	0.45
165,226	RWE AG Com NPV	2,987	0.26
Food			
243,776	Metro AG Com NPV	7,265	0.63
Healthcare services			
36,134	Fresenius Medical Care AG & Co KGaA Com NPV	3,077	0.27
Insurance			
87,542	Allianz SE Com NPV	14,961	1.29
31,073	Muenchener Rueckversicherungs- Gesellschaft AG Com NPV	5,461	0.47
Miscellaneous manufacturers			
299,010	Siemens AG Com NPV	37,989	3.28
Pharmaceuticals			
243,636	Bayer AG Com NPV	28,773	2.48
28,423	Merck KGaA Com NPV	3,054	0.27
Total Germany			
		208,143	17.96
Ireland (31 May 2016: 0.05%)			
Airlines			
54,767	Ryanair Holdings Plc Com EUR 0.006	986	0.09
Banks			
4,489,710	Bank of Ireland Com EUR 0.05	1,082	0.09
Total Ireland			
		2,068	0.18
Italy (31 May 2016: 2.13%)			
Aerospace & defence			
109,512	Leonardo SpA Com EUR 4.40	1,717	0.15
Banks			
161,980	Intesa Sanpaolo SpA Misc EUR 0.52 [^]	391	0.03
163,935	Mediobanca SpA Com EUR 0.50	1,384	0.12
740,083	UniCredit SpA Com NPV	11,523	1.00
Electrical components & equipment			
74,463	Prysmian SpA Com EUR 0.10	1,845	0.16
Electricity			
2,365,710	Enel SpA Com EUR 1.00	11,256	0.97
Insurance			
217,353	Assicurazioni Generali SpA Com EUR 1.00	3,054	0.26
227,134	UnipolSai Assicurazioni SpA Com NPV	458	0.04

Holding	Investment	Fair value €000	% of net asset value
Italy (31 May 2016: 2.13%) (cont)			
Telecommunications			
4,766,988	Telecom Italia SpA Com NPV	3,971	0.34
3,858,894	Telecom Italia SpA (non-voting) Misc NPV	2,649	0.23
Total Italy			
		38,248	3.30
Jersey (31 May 2016: 1.49%)			
Mining			
5,020,023	Glencore Plc Com USD 0.01	16,431	1.42
Oil & gas services			
35,380	Petrofac Ltd Com USD 0.02	154	0.01
Pharmaceuticals			
295,264	Shire Plc Com GBP 0.05	15,157	1.31
Total Jersey			
		31,742	2.74
Luxembourg (31 May 2016: 0.72%)			
Iron & steel			
400,280	ArcelorMittal Com NPV	7,727	0.67
Total Luxembourg			
		7,727	0.67
Netherlands (31 May 2016: 7.03%)			
Auto manufacturers			
717,978	Fiat Chrysler Automobiles NV Com EUR 0.01	6,709	0.58
Banks			
666,882	ING Groep NV Com EUR 0.01	9,930	0.86
Beverages			
75,904	Heineken Holding NV Com EUR 1.60 [^]	6,281	0.54
Commercial services			
139,504	AerCap Holdings NV Com EUR 0.01	5,461	0.47
Computers			
49,675	Gemalto NV Com EUR 1.00 [^]	2,624	0.23
Electronics			
317,565	Koninklijke Philips NV Com EUR 0.20	9,991	0.86
Engineering & construction			
54,423	Boskalis Westminster Com EUR 0.01 [^]	1,670	0.14
Food			
2,097,297	Koninklijke Ahold Delhaize NV Com EUR 0.01	41,170	3.55
Healthcare products			
34,941	Qiagen NV Com EUR 0.01	1,047	0.09
Insurance			
940,114	Aegon NV Com EUR 0.12	4,167	0.36
148,736	NN Group NV Com EUR 0.12	4,759	0.41
Semiconductors			
435,485	STMicroelectronics NV Com EUR 1.04	6,395	0.55
Total Netherlands			
		100,204	8.64
Norway (31 May 2016: 0.75%)			
Banks			
186,361	DNB ASA Com NOK 10.00	2,816	0.24

iShares Edge MSCI Europe Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.93%) (cont)			
Norway (31 May 2016: 0.75%) (cont)			
Chemicals			
90,599	Yara International ASA Com NOK 1.70	3,005	0.26
Food			
135,393	Marine Harvest ASA Com NOK 7.50	2,116	0.18
Mining			
567,332	Norsk Hydro ASA Com NOK 1.098	2,727	0.24
Total Norway		10,664	0.92
Portugal (31 May 2016: 0.21%)			
Electricity			
677,828	EDP - Energias de Portugal SA Com EUR 1.00	2,219	0.19
Total Portugal		2,219	0.19
Spain (31 May 2016: 3.74%)			
Airlines			
833,409	International Consolidated Airlines Group SA Com EUR 0.50	5,783	0.50
Banks			
1,475,180	Banco de Sabadell SA Com EUR 0.125	2,705	0.23
764,251	Banco Popular Espanol SA Com EUR 0.50	465	0.04
2,925,806	Banco Santander SA Com EUR 0.50	16,914	1.46
681,386	Bankia SA Com EUR 0.80	698	0.06
340,288	CaixaBank SA Com EUR 1.00	1,431	0.12
Electricity			
1,325,656	Iberdrola SA Com EUR 0.75	9,410	0.81
Engineering & construction			
121,465	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	4,320	0.37
Insurance			
250,571	Mapfre SA Com EUR 0.10	793	0.07
Oil & gas			
386,322	Repsol SA Com EUR 1.00	5,762	0.50
Telecommunications			
1,084,703	Telefonica SA Com EUR 1.00	10,754	0.93
Total Spain		59,035	5.09
Sweden (31 May 2016: 3.62%)			
Cosmetics & personal care			
488,763	Svenska Cellulosa AB SCA Com SEK 3.33	15,367	1.33
Healthcare products			
59,626	Getinge AB Com SEK 0.50^	1,106	0.09
Mining			
111,141	Boliden AB Com SEK 2.11	2,710	0.23
Telecommunications			
2,712,275	Telefonaktiebolaget LM Ericsson Com SEK 5.00^	17,628	1.52
875,028	Telia Co AB Com SEK 3.20	3,568	0.31
Total Sweden		40,379	3.48

Holding	Investment	Fair value €000	% of net asset value
Switzerland (31 May 2016: 7.26%)			
Banks			
458,917	Credit Suisse Group AG Com CHF 0.04	5,610	0.49
Food			
161,056	Aryzta AG Com CHF 0.02^	4,527	0.39
Insurance			
9,132	Baloise Holding AG Com CHF 0.10	1,244	0.11
10,811	Swiss Life Holding AG Com CHF 5.10	3,210	0.27
69,936	Swiss Re AG Com CHF 0.10	5,676	0.49
Pharmaceuticals			
607,384	Novartis AG Com CHF 0.50^	44,269	3.82
Total Switzerland		64,536	5.57
United Kingdom (31 May 2016: 26.66%)			
Aerospace & defence			
941,747	Cobham Plc Com GBP 0.025	1,449	0.13
479,322	Meggitt Plc Com GBP 0.05^	2,762	0.24
Airlines			
94,097	easyJet Plc Com GBP 0.27285714	1,528	0.13
Auto parts & equipment			
438,759	GKN Plc Com GBP 0.10	1,763	0.15
Banks			
5,288,458	Barclays Plc Com GBP 0.25	12,749	1.10
3,838,919	HSBC Holdings Plc Com USD 0.50	29,775	2.57
1,115,304	Royal Bank of Scotland Group Plc Com GBP 1.00	3,329	0.29
606,582	Standard Chartered Plc Com USD 0.50	5,097	0.44
Commercial services			
106,754	Babcock International Group Plc Com GBP 0.60	1,143	0.10
193,620	Capita Plc Com GBP 0.020667	1,295	0.11
Distribution & wholesale			
148,728	Travis Perkins Plc Com GBP 0.10^	2,790	0.24
Food			
4,357,684	J Sainsbury Plc Com GBP 0.285714^	14,058	1.21
4,293,416	Wm Morrison Supermarkets Plc Com GBP 0.10^	12,135	1.05
Home builders			
406,970	Barratt Developments Plc Com GBP 0.10	2,862	0.25
44,346	Berkeley Group Holdings Plc Com NPV	1,658	0.14
97,533	Persimmon Plc Com GBP 0.10	2,749	0.24
1,008,057	Taylor Wimpey Plc Com GBP 0.01	2,350	0.20
Media			
230,362	Pearson Plc Com GBP 0.25	1,868	0.16
Mining			
858,980	Anglo American Plc Com USD 0.54945	10,172	0.88
223,502	BHP Billiton Plc Com USD 0.50	3,010	0.26
468,682	Rio Tinto Plc Com GBP 0.10	16,693	1.44
Oil & gas			
2,668,439	BP Plc Com USD 0.25	14,297	1.23
834,523	Royal Dutch Shell Plc Com EUR 0.07	20,119	1.74
562,037	Royal Dutch Shell Plc Class 'B' Com EUR 0.07	13,831	1.19

iShares Edge MSCI Europe Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.93%) (cont)			
United Kingdom (31 May 2016: 26.66%) (cont)			
Pharmaceuticals			
240,320	AstraZeneca Plc Com USD 0.25	14,440	1.24
21,936	Hikma Pharmaceuticals Plc Com GBP 0.10	425	0.04
Real estate investment trusts			
389,951	Land Securities Group Plc Reits GBP 0.10	4,790	0.41
Retail			
261,529	Dixons Carphone Plc Com GBP 0.001	986	0.09
660,910	Kingfisher Plc Com GBP 0.157143	2,467	0.21
473,645	Marks & Spencer Group Plc Com GBP 0.25^	2,080	0.18
Specialty finance			
182,624	3i Group Plc Com GBP 0.738636	1,876	0.16
Telecommunications			
6,053,958	Vodafone Group Plc Com USD 0.2095	16,089	1.39
Tobacco			
829,690	Imperial Brands Plc Com GBP 0.10	34,566	2.98
Transportation			
827,570	Royal Mail Plc Com GBP 0.01	4,193	0.36
Total United Kingdom		261,394	22.55
Total equities		1,141,294	98.45
Rights (31 May 2016: 0.01%)			
Spain (31 May 2016: 0.01%)			
Switzerland (31 May 2016: Nil)			
386,894	Credit Suisse Group AG – Rights 7 June 2017	160	0.01
Total Switzerland		160	0.01
Total rights		160	0.01

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value
Financial derivative instruments (31 May 2016: 0.03%)			
Futures contracts (31 May 2016: 0.03%)			
50	Euro Stoxx 50 Index Futures June 2017	1,805	(29) (0.01)
80	Stoxx 50 Futures June 2017	2,599	(24) 0.00
5	Ibex 35 Index Futures June 2017	540	2 0.00
12	FTSE MIB Index Futures June 2017	1,263	(17) 0.00
Total unrealised gains on futures contracts		2	0.00
Total unrealised losses on futures contracts		(70)	(0.01)
Net unrealised losses on futures contracts		(68)	(0.01)
Total financial derivative instruments		(68)	(0.01)

	Fair value €000	% of net asset value
Total value of investments	1,141,386	98.45
Cash[†]	13,985	1.21
Other net assets	3,894	0.34
Net asset value attributable to redeemable participating shareholders at the end of the financial year	1,159,265	100.00

[†] Cash holdings of \$13,082,987 are held with State Street Bank and Trust Company. \$901,800 is held as security for futures contracts with Barclays Bank Plc.
[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	1,141,454	95.89
Exchange traded financial derivative instruments	2	0.00
Other assets	48,896	4.11
Total current assets	1,190,352	100.00

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
157,335	Sanofi Com EUR 2.00	13,258	743,908	Novartis AG Com CHF 0.50	51,568
151,658	Novartis AG Com CHF 0.50	10,533	2,536,058	Koninklijke Ahold Delhaize NV Com EUR 0.01	50,309
82,414	Siemens AG Com NPV	10,527	571,490	Sanofi Com EUR 2.00	46,712
1,367,143	HSBC Holdings Plc Com USD 0.50	10,385	374,124	Siemens AG Com NPV	44,959
497,581	Koninklijke Ahold Delhaize NV Com EUR 0.01	9,671	1,004,557	Imperial Brands Plc Com GBP 0.10	43,289
196,916	Imperial Brands Plc Com GBP 0.10	8,905	5,087,556	HSBC Holdings Plc Com USD 0.50	39,032
2,037,276	Glencore Plc Com USD 0.01	7,280	484,591	Daimler AG Com NPV	32,852
119,321	BNP Paribas SA Com EUR 2.00	7,180	296,965	Bayer AG Com NPV	31,191
103,352	Daimler AG Com NPV	6,935	441,787	BNP Paribas SA Com EUR 2.00	27,133
1,090,485	Banco Santander SA Com EUR 0.50	6,202	1,047,927	Royal Dutch Shell Plc Com EUR 0.07	25,856
57,825	Bayer AG Com NPV	6,183	548,289	Total SA Com EUR 2.50	25,704
248,974	Royal Dutch Shell Plc Com EUR 0.07	6,117	6,906,849	Glencore Plc Com USD 0.01	23,074
119,555	Total SA Com EUR 2.50	5,711	155,207	Volkswagen AG Pref NPV	21,307
353,281	UniCredit SpA Com NPV	5,148	3,960,561	Banco Santander SA Com EUR 0.50	21,240
314,288	Deutsche Bank AG Com NPV	4,900	571,425	Rio Tinto Plc Com GBP 0.10	20,565
796,496	Telefonaktiebolaget LM Ericsson Com SEK 5.00	4,889	362,805	Shire Plc Com GBP 0.05	19,762
27,747	Allianz SE Com NPV	4,762	3,459,088	Telefonaktiebolaget LM Ericsson Com SEK 5.00	19,251
102,983	Societe Generale SA Com EUR 1.25	4,723	3,358,680	BP Plc Com USD 0.25	18,394
34,087	Volkswagen AG Pref NPV	4,573	113,026	Allianz SE Com NPV	18,322
297,243	Orange SA Com EUR 4.00	4,417	7,345,497	Vodafone Group Plc Com USD 0.2095	18,043
115,384	Rio Tinto Plc Com GBP 0.10	4,345	1,073,088	Deutsche Bank AG Com NPV	17,972
772,466	BP Plc Com USD 0.25	4,182	688,142	Royal Dutch Shell Plc Com EUR 0.07	17,582
72,864	AstraZeneca Plc Com USD 0.25	4,020	383,358	Societe Generale SA Com EUR 1.25	17,455
1,579,563	Barclays Plc Com GBP 0.25	4,015	596,178	Svenska Cellulosa AB SCA Com SEK 3.33	16,823
280,060	ING Groep NV Com EUR 0.01	3,950	6,720,222	Barclays Plc Com GBP 0.25	16,581
69,537	Shire Plc Com GBP 0.05	3,800	305,985	AstraZeneca Plc Com USD 0.25	16,466
120,349	Svenska Cellulosa AB SCA Com SEK 3.33	3,558	700,295	AXA SA Com EUR 2.29	16,385
135,485	Royal Dutch Shell Plc Com EUR 0.07	3,478	228,909	Vinci SA Com EUR 2.50	16,214
1,447,839	Vodafone Group Plc Com USD 0.2095	3,476	5,293,066	J Sainsbury Plc Com GBP 0.285714	16,127
336,210	Telefonica SA Com EUR 1.00	3,471	225,339	Schneider Electric SE Com EUR 4.00	15,159
			323,629	Cie de Saint-Gobain Com EUR 4.00	15,047
			5,235,688	Wm Morrison Supermarkets Plc Com GBP 0.10	14,399

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI USA Momentum Factor UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 17 October 2016 to 31 May 2017 \$'000
Operating income	2	76
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,639
Total gains		1,715
Operating expenses	4	(10)
Net operating profit		1,705
Finance costs:		
Interest expense*	7	-
Total finance costs		-
Net profit for the financial period before tax		1,705
Taxation		(11)
Net profit for the financial period after tax		1,694
Increase in net assets attributable to redeemable participating shareholders from operations		1,694

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	1,694
Share transactions:	
Proceeds from issue of redeemable participating shares	17,403
Payments on redemption of redeemable participating shares	(10,280)
Increase in net assets resulting from share transactions	7,123
Net assets attributable to redeemable participating shareholders at the end of the financial period	8,817

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Momentum Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		8
Receivables	10	10,133
Financial assets at fair value through profit or loss	11	8,769
Total current assets		18,910
CURRENT LIABILITIES		
Payables	12	(10,093)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(10,093)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	8,817

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Momentum Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	76
	76

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	1,639
	1,639

4. OPERATING EXPENSES

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Management fees	(10)
	(10)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017
	0.20

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Transaction costs	(2)

7. INTEREST EXPENSE

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

iShares Edge MSCI USA Momentum Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial year period	3,500,000
Redeemed during the financial year period	(2,000,000)
Balance at the end of financial year period	1,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	8,817

	No. of Shares
Shares in issue	
As at 31 May 2017	1,500,000

	\$
Net asset value per share	
As at 31 May 2017	5.88

10. RECEIVABLES

	31 May 2017 \$'000
Sales of securities awaiting settlement	10,117
Dividend income receivable	16
	10,133

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	8,769
	8,769

12. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(7,152)
Payable for fund shares repurchased	(2,939)
Management fees payable	(2)
	(10,093)

iShares Edge MSCI USA Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Bermuda			
Insurance			
321	Arch Capital Group Ltd Com USD 0.01	31	0.35
166	Axis Capital Holdings Ltd Com USD 0.0125	11	0.12
497	XL Group Ltd Com USD 0.01	22	0.26
Total Bermuda		64	0.73
Canada			
Environmental control			
374	Waste Connections Inc Com NPV	35	0.40
Total Canada		35	0.40
Ireland			
Computers			
519	Seagate Technology Plc Com USD 0.00001	23	0.26
Miscellaneous manufacturers			
563	Ingersoll-Rand Plc Com USD 1.00	50	0.57
Total Ireland		73	0.83
Singapore			
Semiconductors			
654	Broadcom Ltd Com NPV	157	1.78
Total Singapore		157	1.78
United States			
Aerospace & defence			
1,229	Boeing Co Com USD 5.00	230	2.61
638	General Dynamics Corp Com USD 1.00	130	1.47
256	Harris Corp Com USD 1.00	29	0.33
145	L3 Technologies Inc Com USD 0.01	24	0.27
Banks			
18,808	Bank of America Corp Com USD 0.01	422	4.79
1,596	Citizens Financial Group Inc Com USD 0.01	54	0.61
400	Comerica Inc Com USD 5.00	27	0.31
306	East West Bancorp Inc Com USD 0.001	17	0.19
662	Goldman Sachs Group Inc Com USD 0.01	140	1.59
5,054	JPMorgan Chase & Co Com USD 1.00	415	4.71
2,227	KeyCorp Com USD 1.00	39	0.44
282	M&T Bank Corp Com USD 0.50	44	0.50
3,115	Morgan Stanley Com USD 0.01	130	1.47
1,058	PNC Financial Services Group Inc Com USD 5.00*	126	1.43
2,209	Regions Financial Corp Com USD 0.01	31	0.35
918	SunTrust Banks Inc Com USD 1.00	49	0.56
119	SVB Financial Group Com USD 0.001	20	0.23

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Biotechnology			
189	Seattle Genetics Inc Com USD 0.001	12	0.14
Chemicals			
223	Albemarle Corp Com USD 0.01	26	0.29
414	FMC Corp Com USD 0.10	31	0.35
169	Sherwin-Williams Co Com USD 1.00	56	0.64
Commercial services			
174	Cintas Corp Com NPV	22	0.25
196	Gartner Inc Com USD 0.0005	24	0.27
259	Rollins Inc Com USD 1.00	11	0.12
Computers			
2,800	Apple Inc Com USD 0.00001	428	4.85
497	Dell Technologies Inc Class V Com USD 0.01	34	0.39
854	DXC Technology Co Com USD 0.01	66	0.75
3,320	HP Inc Com USD 0.01	62	0.70
511	NetApp Inc Com USD 0.001	21	0.24
853	Western Digital Corp Com USD 0.01	77	0.87
Containers & packaging			
172	Packaging Corp of America Com USD 0.01	18	0.20
Diversified financial services			
322	Ameriprise Financial Inc Com USD 0.01	39	0.44
238	CBOE Holdings Inc Com USD 0.01	20	0.23
Electricity			
1,007	CenterPoint Energy Inc Com USD 0.01	29	0.33
Electronics			
686	Agilent Technologies Inc Com USD 0.01	41	0.47
439	Amphenol Corp Com USD 0.001	33	0.37
2,245	Corning Inc Com USD 0.50	65	0.74
70	Mettler-Toledo International Inc Com USD 0.01	41	0.47
151	Waters Corp Com USD 0.01	27	0.31
Entertainment			
97	Vail Resorts Inc Com USD 0.01	21	0.24
Environmental control			
717	Republic Services Inc Com USD 0.01	46	0.52
727	Waste Management Inc Com USD 0.01	53	0.60
Healthcare products			
244	Align Technology Inc Com USD 0.0001	35	0.40
814	Baxter International Inc Com USD 1.00	48	0.54
213	CR Bard Inc Com USD 0.25	66	0.75
572	Hologic Inc Com USD 0.01	25	0.28
318	IDEXX Laboratories Inc Com USD 0.10	54	0.61
69	Intuitive Surgical Inc Com USD 0.001	63	0.71
611	Stryker Corp Com USD 0.10	87	0.99
138	Teleflex Inc Com USD 1.00	28	0.32
162	Varian Medical Systems Inc Com USD 1.00	16	0.18
Healthcare services			
670	Anthem Inc Com USD 0.01	122	1.38

iShares Edge MSCI USA Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Healthcare services (cont)			
359	Quest Diagnostics Inc Com USD 0.01	39	0.44
2,062	UnitedHealth Group Inc Com USD 0.01	361	4.09
Holding companies - diversified operations			
793	Leucadia National Corp Com USD 1.00	19	0.22
Home builders			
10	NVR Inc Com USD 0.01	23	0.26
286	Toll Brothers Inc Com USD 0.01	10	0.11
Hotels			
752	Marriott International Inc Com USD 0.01	81	0.92
271	Wyndham Worldwide Corp Com USD 0.01	27	0.31
Insurance			
787	Allstate Corp Com USD 0.01	68	0.77
248	American Financial Group Inc/OH Com NPV	25	0.28
438	Lincoln National Corp Com NPV	28	0.32
597	Principal Financial Group Inc Com USD 0.01	38	0.43
1,298	Progressive Corp Com USD 1.00	55	0.62
791	Prudential Financial Inc Com USD 0.01	83	0.94
148	Reinsurance Group of America Inc Com USD 0.01	18	0.20
266	Torchmark Corp Com USD 1.00	20	0.23
456	Unum Group Com USD 0.10	21	0.24
190	WR Berkley Corp Com USD 0.20	13	0.15
Internet			
385	CDW Corp Com USD 0.01	23	0.26
93	MercadoLibre Inc Com USD 0.001	26	0.29
1,822	Symantec Corp Com USD 0.01	55	0.62
196	Zillow Group Inc Com USD 0.0001	9	0.10
Machinery - diversified			
144	IDEX Corp Com USD 0.01	16	0.18
271	Rockwell Automation Inc Com USD 1.00	43	0.49
208	Roper Technologies Inc Com USD 0.01	47	0.53
Marine transportation			
76	Huntington Ingalls Industries Inc Com USD 0.01	15	0.17
Media			
623	Charter Communications Inc Com USD 0.001	215	2.44
10,270	Comcast Corp Com USD 0.01	428	4.85
264	Liberty Broadband Corp Com USD 0.01	24	0.27
Miscellaneous manufacturers			
267	AO Smith Corp Com USD 1.00	15	0.17
631	Illinois Tool Works Inc Com NPV	89	1.01
275	Parker-Hannifin Corp Com USD 0.50	43	0.49
Pharmaceuticals			
88	Tesaro Inc Com USD 0.0001	13	0.15
185	VCA Inc Com USD 0.001	17	0.19

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Real estate investment trusts			
312	Digital Realty Trust Inc Reits USD 0.01	37	0.42
116	Equinix Inc Reits USD 0.001	51	0.58
Retail			
535	Best Buy Co Inc Com USD 0.10	32	0.36
292	Darden Restaurants Inc Com NPV	26	0.29
67	Domino's Pizza Inc Com USD 0.01	14	0.16
2,375	Home Depot Inc Com USD 0.05	365	4.14
Semiconductors			
2,780	Advanced Micro Devices Inc Com USD 0.01	31	0.35
3,388	Applied Materials Inc Com USD 0.01	155	1.76
294	KLA-Tencor Corp Com USD 0.001	31	0.35
558	Lam Research Corp Com USD 0.001	87	0.99
467	Microchip Technology Inc Com USD 0.001	39	0.44
3,314	Micron Technology Inc Com USD 0.10	102	1.16
2,045	NVIDIA Corp Com USD 0.001	295	3.35
1,466	Texas Instruments Inc Com USD 1.00	121	1.37
470	Xilinx Inc Com USD 0.01	31	0.35
Software			
1,175	Activision Blizzard Inc Com USD 0.000001	69	0.78
1,005	Adobe Systems Inc Com USD 0.0001	142	1.61
319	Autodesk Inc Com USD 0.01	36	0.41
621	Cadence Design Systems Inc Com USD 0.01	22	0.25
402	Fiserv Inc Com USD 0.01	50	0.57
149	Jack Henry & Associates Inc Com USD 0.01	16	0.18
6,402	Microsoft Corp Com USD 0.00000625	447	5.07
215	MSCI Inc Com USD 0.01	22	0.25
438	Synopsys Inc Com USD 0.01	33	0.37
234	Veeva Systems Inc Com USD 0.00001	15	0.17
140	VMware Inc Com USD 0.01	13	0.15
Telecommunications			
174	Arista Networks Inc Com USD 0.0001	25	0.28
2,213	Sprint Corp Com USD 0.01	19	0.22
814	T-Mobile US Inc Com USD 0.0001	55	0.63
Tobacco			
1,349	Reynolds American Inc Com USD 0.0001	91	1.04
Transportation			
3,453	CSX Corp Com USD 1.00	187	2.13
Total United States		8,440	95.72
Total equities		8,769	99.46

iShares Edge MSCI USA Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

	Fair value \$'000	% of net asset value
Total value of investments	8,769	99.46
Cash[†]	8	0.09
Other net assets	40	0.45
Net asset value attributable to redeemable participating shareholders at the end of the financial period	8,817	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	8,769	46.37
Other assets	10,141	53.63
Total current assets	18,910	100.00

iShares Edge MSCI USA Momentum Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
1,167	Amazon.com Inc Com USD 0.01	1,034	1,167	Amazon.com Inc Com USD 0.01	912
7,507	Facebook Inc Com USD 0.000006	1,023	7,507	Facebook Inc Com USD 0.000006	909
7,578	Johnson & Johnson Com USD 1.00	919	10,672	Procter & Gamble Co Com NPV	888
10,672	Procter & Gamble Co Com NPV	914	14,649	Microsoft Corp Com USD 0.0000063	886
8,581	Qualcomm Inc Com USD 0.0001	522	7,578	Johnson & Johnson Com USD 1.00	867
574	Alphabet Inc Com USD 0.001	513	4,486	UnitedHealth Group Inc Com USD 0.01	715
8,247	Microsoft Corp Com USD 0.0000063	511	3,906	Home Depot Inc Com USD 0.05	580
580	Alphabet Inc Class 'C' Com USD 0.001	506	13,708	Comcast Corp Com USD 0.01	572
2,424	UnitedHealth Group Inc Com USD 0.01	400	3,737	Apple Inc Com USD 0.00001	571
4,612	Texas Instruments Inc Com USD 1.00	350	25,030	Bank of America Corp Com USD 0.01	561
2,554	NextEra Energy Inc Com USD 0.01	332	6,745	JPMorgan Chase & Co Com USD 1.00	554
2,839	NVIDIA Corp Com USD 0.001	296	8,581	Qualcomm Inc Com USD 0.0001	546
989	Lockheed Martin Corp Com USD 1.00	272	574	Alphabet Inc Com USD 0.001	450
12,718	Hewlett Packard Enterprise Co Com USD 0.01	266	580	Alphabet Inc Class 'C' Com USD 0.001	444
6,393	Applied Materials Inc Com USD 0.01	234	6,078	Texas Instruments Inc Com USD 1.00	440
1,936	American Tower Corp Reits USD 0.01	231	4,884	NVIDIA Corp Com USD 0.001	432
1,194	Broadcom Ltd Com NPV	228	1,242	Charter Communications Inc Com USD 0.001	365
882	Northrop Grumman Corp Com USD 1.00	225	1,848	Broadcom Ltd Com NPV	320
1,531	Home Depot Inc Com USD 0.05	217	9,781	Applied Materials Inc Com USD 0.01	311
1,241	Raytheon Co Com USD 0.01	196	1,640	Boeing Co Com USD 5.00	308
1,443	S&P Global Inc Com USD 1.00	189	2,554	NextEra Energy Inc Com USD 0.01	299
			12,718	Hewlett Packard Enterprise Co Com USD 0.01	288
			989	Lockheed Martin Corp Com USD 1.00	259

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Edge MSCI USA Multifactor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Operating income	2	547	84
Net gains on financial assets/liabilities at fair value through profit or loss	3	3,835	245
Total gains		4,382	329
Operating expenses	4	(85)	(13)
Net operating profit		4,297	316
Net profit for the financial year/period before tax		4,297	316
Taxation		(75)	(11)
Net profit for the financial year/period after tax		4,222	305
Adjustment to align to the valuation methodology as set out in the prospectus	1	(2)	2
Increase in net assets attributable to redeemable participating shareholders from operations		4,220	307

There are no recognised gains or losses arising in the financial year/period other than those dealt with in the income statement. In arriving at the results of the financial year/period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year/period	7,808	-
Increase in net assets attributable to redeemable participating shareholders from operations	4,220	307
Share transactions:		
Proceeds from issue of redeemable participating shares	52,093	7,501
Payments on redemption of redeemable participating shares	(17,513)	-
Increase in net assets resulting from share transactions	34,580	7,501
Net assets attributable to redeemable participating shareholders at the end of the financial year/period	46,608	7,808

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Multifactor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		6,338	4
Margin cash account		4	-
Receivables	9	9,024	1,589
Financial assets at fair value through profit or loss	10	46,442	7,800
Total current assets		61,808	9,393
CURRENT LIABILITIES			
Payables	11	(15,200)	(1,587)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(15,200)	(1,587)
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period		46,608	7,806
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	2
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period	8	46,608	7,808

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Multifactor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Interest income*	-	-
Dividend income	547	84
	547	84

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Net gains on investments in securities held at fair value through profit or loss	3,828	245
Net gains on futures contracts	7	-
	3,835	245

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Management fees	(85)	(13)
	(85)	(13)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 11 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.35	0.35

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial year ended 31 May 2017 and financial period ended 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Transaction costs	(7)	-

7. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year/period	1,500,000	-
Issued during the financial year/period	9,000,000	1,500,000
Redeemed during the financial year/period	(3,000,000)	-
Balance at the end of financial year/period	7,500,000	1,500,000

iShares Edge MSCI USA Multifactor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	46,608
As at 31 May 2016	7,808

	No. of Shares
Shares in issue	
As at 31 May 2017	7,500,000
As at 31 May 2016	1,500,000

	\$
Net asset value per share	
As at 31 May 2017	6.21
As at 31 May 2016	5.21

9. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	8,965	1,579
Dividend income receivable	59	10
	9,024	1,589

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	46,440	7,800
Unrealised gains on futures contracts	2	-
	46,442	7,800

11. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(15,188)	(1,585)
Management fees payable	(12)	(2)
	(15,200)	(1,587)

iShares Edge MSCI USA Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.90%)			
Equities (31 May 2016: 99.90%)			
Bermuda (31 May 2016: 1.38%)			
Agriculture			
2,999	Bunge Ltd Com USD 0.01	240	0.52
Insurance			
2,763	Arch Capital Group Ltd Com USD 0.01	269	0.57
1,619	Athene Holding Ltd Com USD 0.001	80	0.17
2,112	Axis Capital Holdings Ltd Com USD 0.0125	138	0.30
5,626	XL Group Ltd Com USD 0.01	246	0.53
Total Bermuda		973	2.09
Ireland (31 May 2016: 3.29%)			
Computers			
8,875	Accenture Plc Com USD 0.0000225	1,105	2.37
6,268	Seagate Technology Plc Com USD 0.00001	273	0.58
Total Ireland		1,378	2.95
Jersey (31 May 2016: 0.99%)			
Liberia (31 May 2016: Nil)			
Leisure time			
1,062	Royal Caribbean Cruises Ltd Com USD 0.01	117	0.25
Total Liberia		117	0.25
Netherlands (31 May 2016: 1.56%)			
Chemicals			
7,489	LyondellBasell Industries NV Com EUR 0.04	603	1.30
Oil & gas services			
968	Core Laboratories NV Com EUR 0.02	99	0.21
Total Netherlands		702	1.51
Panama (31 May 2016: Nil)			
Leisure time			
7,395	Carnival Corp Com USD 0.01	474	1.02
Total Panama		474	1.02
Singapore (31 May 2016: 0.37%)			
Electronics			
11,436	Flex Ltd Com NPV	197	0.42
Total Singapore		197	0.42
Switzerland (31 May 2016: 1.16%)			
Electronics			
7,534	TE Connectivity Ltd Com CHF 0.57	594	1.27
Total Switzerland		594	1.27

Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (31 May 2016: 0.10%)			
Oil & gas services			
9,412	TechnipFMC PLC Com USD 1.00	272	0.58
Total United Kingdom		272	0.58
United States (31 May 2016: 91.05%)			
Advertising			
5,057	Omnicom Group Inc Com USD 0.15	423	0.91
Aerospace & defence			
2,665	Harris Corp Com USD 1.00	299	0.64
1,658	L3 Technologies Inc Com USD 0.01	279	0.60
3,522	Northrop Grumman Corp Com USD 1.00	913	1.96
Agriculture			
12,360	Archer-Daniels-Midland Co Com NPV	514	1.10
Airlines			
3,378	Southwest Airlines Co Com USD 1.00	203	0.44
1,720	United Continental Holdings Inc Com USD 0.01	137	0.29
Auto manufacturers			
28,344	General Motors Co Com USD 0.01	962	2.06
Auto parts & equipment			
1,908	Autoliv Inc Com USD 1.00	212	0.45
5,477	Goodyear Tire & Rubber Co Com NPV	176	0.38
1,502	Lear Corp Com USD 0.01	224	0.48
Banks			
10,206	Capital One Financial Corp Com USD 0.01	785	1.68
11,100	Citizens Financial Group Inc Com USD 0.01	379	0.81
3,062	East West Bancorp Inc Com USD 0.001	168	0.36
25,592	Regions Financial Corp Com USD 0.01	354	0.76
Beverages			
3,876	Dr Pepper Snapple Group Inc Com USD 0.01	360	0.77
Biotechnology			
955	United Therapeutics Corp Com USD 0.01	116	0.25
Chemicals			
3,066	Celanese Corp Com USD 0.0001	265	0.57
3,081	Eastman Chemical Co Com USD 0.01	247	0.53
Commercial services			
151	Amerco Com USD 0.25	56	0.12
2,763	CDK Global Inc Com USD 0.01	170	0.36
1,470	ManpowerGroup Inc Com USD 0.01	149	0.32
2,714	Robert Half International Inc Com USD 0.001	126	0.27
2,084	Rollins Inc Com USD 1.00	90	0.19
3,428	Total System Services Inc Com USD 0.10	204	0.44
Computers			
5,140	Apple Inc Com USD 0.00001	785	1.68
4,590	Dell Technologies Inc Class V Com USD 0.01	319	0.68

iShares Edge MSCI USA Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.90%) (cont)				United States (31 May 2016: 91.05%) (cont)			
United States (31 May 2016: 91.05%) (cont)				Healthcare products (cont)			
Computers (cont)				954	Teleflex Inc Com USD 1.00	191	0.41
35,799	Hewlett Packard Enterprise Co Com USD 0.01	673	1.45	2,025	Varian Medical Systems Inc Com USD 1.00	200	0.43
5,909	NetApp Inc Com USD 0.001	239	0.51	Healthcare services			
Containers & packaging				4,272	Aetna Inc Com USD 0.01	619	1.33
2,015	Packaging Corp of America Com USD 0.01	206	0.44	5,613	Anthem Inc Com USD 0.01	1,024	2.19
Diversified financial services				5,458	Cigna Corp Com USD 0.25	880	1.89
2,450	Eaton Vance Corp Com USD 0.00390625	114	0.24	1,960	Mednax Inc Com USD 0.01	107	0.23
5,487	FNF Group Com USD 0.0001	234	0.50	3,027	Quest Diagnostics Inc Com USD 0.01	329	0.71
2,679	Raymond James Financial Inc Com USD 0.01	194	0.42	1,860	Universal Health Services Inc Com USD 0.01	211	0.45
Electricity				Holding companies - diversified operations			
5,152	Ameren Corp Com USD 0.01	293	0.63	6,876	Leucadia National Corp Com USD 1.00	168	0.36
6,478	Consolidated Edison Inc Com USD 0.10	536	1.15	Home builders			
6,594	Edison International Com NPV	538	1.15	75	NVR Inc Com USD 0.01	171	0.37
5,723	Eversource Energy Com USD 5.00	355	0.76	Household goods & home construction			
19,671	Exelon Corp Com NPV	714	1.53	1,914	Avery Dennison Corp Com USD 1.00	161	0.35
4,517	OGE Energy Corp Com USD 0.01	161	0.35	Insurance			
2,423	Pinnacle West Capital Corp Com NPV	214	0.46	8,663	Aflac Inc Com USD 0.10	653	1.40
11,040	Public Service Enterprise Group Inc Com NPV	496	1.06	40	Alleghany Corp Com USD 1.00	23	0.05
2,937	Scana Corp Com NPV	200	0.43	1,581	American Financial Group Inc Com NPV	158	0.34
Electronics				1,263	Assurant Inc Com USD 0.01	124	0.26
6,873	Agilent Technologies Inc Com USD 0.01	415	0.89	5,028	Lincoln National Corp Com NPV	327	0.70
1,936	Arrow Electronics Inc Com USD 1.00	146	0.31	6,300	Loews Corp Com USD 0.01	297	0.64
2,748	Avnet Inc Com USD 1.00	101	0.22	14,662	MetLife Inc Com USD 0.01	742	1.59
19,951	Corning Inc Com USD 0.50	581	1.25	6,302	Principal Financial Group Inc Com USD 0.01	396	0.85
2,960	FLIR Systems Inc Com USD 0.01	112	0.24	1,365	Reinsurance Group of America Inc Com USD 0.01	170	0.36
6,612	Fortive Corp Com USD 0.01	413	0.89	2,655	Torchmark Corp Com USD 1.00	200	0.43
572	Mettler-Toledo International Inc Com USD 0.01	333	0.71	5,154	Unum Group Com USD 0.10	232	0.50
1,721	Waters Corp Com USD 0.01	309	0.66	4,024	Voya Financial Inc Com USD 0.01	138	0.29
Engineering & construction				2,142	WR Berkley Corp Com USD 0.20	148	0.32
2,609	Jacobs Engineering Group Inc Com USD 1.00	137	0.29	Internet			
Environmental control				1,376	F5 Networks Inc Com NPV	176	0.38
5,041	Republic Services Inc Com USD 0.01	321	0.69	Iron & steel			
Food				6,538	Nucor Corp Com USD 0.40	380	0.81
4,197	Campbell Soup Co Com USD 0.0375	242	0.52	Machinery - diversified			
6,153	Hormel Foods Corp Com USD 0.01465	207	0.44	1,396	AGCO Corp Com USD 0.01	89	0.19
1,567	Ingredion Inc Com USD 0.01	179	0.38	3,392	Cummins Inc Com USD 2.50	535	1.15
2,459	JM Smucker Co Com NPV	314	0.68	2,683	Rockwell Automation Inc Com USD 1.00	426	0.91
6,177	Tyson Foods Inc Com USD 0.10	354	0.76	Marine transportation			
Gas				986	Huntington Ingalls Industries Inc Com USD 0.01	193	0.41
2,234	Atmos Energy Corp Com NPV	186	0.40	Media			
3,673	UGI Corp Com NPV	188	0.40	8,154	News Corp Com USD 0.01	109	0.23
Healthcare products				Miscellaneous manufacturers			
1,508	Align Technology Inc Com USD 0.0001	219	0.47	3,189	AO Smith Corp Com USD 1.00	175	0.37
2,990	ResMed Inc Com USD 0.004	213	0.45	5,735	Textron Inc Com USD 0.125	274	0.59

iShares Edge MSCI USA Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.90%) (cont)			
United States (31 May 2016: 91.05%) (cont)			
Office & business equipment			
18,293	Xerox Corp Com USD 1.00	129	0.28
Oil & gas			
11,207	Marathon Petroleum Corp Com USD 0.01	583	1.25
9,346	Phillips 66 Com USD 0.01	711	1.52
1,542	Tesoro Corp Com USD 0.167	129	0.28
9,678	Valero Energy Corp Com USD 0.01	595	1.28
Packaging & containers			
5,388	WestRock Co Com USD 0.01	293	0.63
Pharmaceuticals			
6,874	Cardinal Health Inc Com NPV	511	1.10
1,725	VCA Inc Com USD 0.001	159	0.34
Real estate investment & services			
954	Jones Lang LaSalle Inc Com USD 0.01	110	0.24
Real estate investment trusts			
1,859	Camden Property Trust REIT USD 0.01	155	0.33
4,034	Colony NorthStar Inc REIT USD 0.01	57	0.12
3,377	Digital Realty Trust Inc REIT USD 0.01	399	0.86
10,030	HCP Inc Reits USD 1.00	314	0.68
15,697	Host Hotels & Resorts Inc REIT USD 0.01	282	0.61
3,172	Liberty Property Trust Reits USD 0.001	130	0.28
3,207	National Retail Properties Inc Reits USD 0.01	123	0.26
3,312	Public Storage Reits USD 0.10	713	1.53
5,548	Realty Income Corp Reits USD 1.00	305	0.65
7,575	Ventas Inc Reits USD 0.25	504	1.08
22,063	VEREIT Inc Reits USD 0.01	183	0.39
Retail			
5,942	Best Buy Co Inc Com USD 0.10	353	0.76
2,636	Darden Restaurants Inc Com NPV	234	0.51
2,838	Foot Locker Inc Com USD 0.01	168	0.36
8,335	Ross Stores Inc Com USD 0.01	533	1.14
13,962	Staples Inc Com USD 0.0006	127	0.27
2,616	Wal-Mart Stores Inc Com USD 0.1	206	0.44
Semiconductors			
22,929	Applied Materials Inc Com USD 0.01	1,052	2.26
2,694	Qorvo Inc Com USD 0.0001	210	0.45
Software			
2,519	Broadridge Financial Solutions Inc Com USD 0.01	191	0.41
6,672	CA Inc Com USD 0.10	212	0.45
1,649	Jack Henry & Associates Inc Com USD 0.01	175	0.37
3,037	Leidos Holdings Inc Com USD 0.0001	169	0.37
2,042	Microsoft Corp Com USD 0.00000625	143	0.32
6,739	Paychex Inc Com USD 0.01	399	0.87
3,276	Synopsys Inc Com USD 0.01	245	0.54
Telecommunications			
36,915	AT&T Inc Com USD 1.00	1,422	3.06

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 91.05%) (cont)			
Telecommunications (cont)			
11,554	CenturyLink Inc Com USD 1.00	288	0.63
16,795	Sprint Corp Com USD 0.01	143	0.31
Total United States		41,733	89.55
Total equities		46,440	99.64

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value	
Financial derivative instruments (31 May 2016: Nil)				
Futures contracts (31 May 2016: Nil)				
1	S&P 500 E Mini Index Futures June 2017	118	2	0.00
Total unrealised gains on futures contracts			2	0.00
Total financial derivative instruments			2	0.00

Holding	Investment	Fair value \$'000	% of net asset value
Total value of investments		46,442	99.64
Cash[†]		6,342	13.61
Other net liabilities		(6,176)	(13.25)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		46,608	100.00

[†] Cash holdings of \$6,338,439 are held with State Street Bank and Trust Company. \$3,765 is held as security for futures contracts with CitiGroup Global Markets Ltd.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	46,440	75.14
Exchange traded financial derivative instruments	2	0.00
Other assets	15,366	24.86
Total current assets	61,808	100.00

iShares Edge MSCI USA Multifactor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
46,616	AT&T Inc Com USD 1.00	1,760	15,177	NVIDIA Corp Com USD 0.001	1925
15,177	NVIDIA Corp Com USD 0.001	1,283	9,724	Kimberly-Clark Corp Com USD 1.25	1266
10,299	Accenture Plc Com USD 0.0000225	1,275	16,937	Gilead Sciences Inc Com USD 0.001	1141
39,976	General Motors Co Com USD 0.01	1,193	13,856	American International Group Inc Com USD 2.50	867
97,24	Kimberly-Clark Corp Com USD 1.25	1,154	10,621	TJX Cos Inc Com USD 1.00	828
8,682	Aetna Inc Com USD 0.01	1,112	5,833	Aetna Inc Com USD 0.01	788
4,534	Northrop Grumman Corp Com USD 1.00	1,107	6,177	Intuit Inc Com USD 0.01	785
14,851	Gilead Sciences Inc Com USD 0.001	1,066	6,295	Edwards Lifesciences Corp Com USD 1.00	697
22,929	Applied Materials Inc Com USD 0.01	1,052	20,080	"Weyerhaeuser Co Reits USD 1.25"	666
6,707	Anthem Inc Com USD 0.01	1,005	5,641	Travelers Cos Inc Com NPV	640
48,084	Hewlett Packard Enterprise Co Com USD 0.01	977	2,854	Humana Inc Com USD 0.166	595
8,162	Phillips 66 Com USD 0.01	974	13,794	AT&T Inc Com USD 1.00	568
17,568	MetLife Inc Com USD 0.01	938	1,848	O'Reilly Automotive Inc Com USD 0.01	506
6,526	Cigna Corp Com USD 0.25	924	14,294	Newmont Mining Corp Com USD 1.60	486
4,156	Public Storage Reits USD 0.10	886	6,050	"DXC Technology Co Com USD 0.01"	469
17,573	Marathon Petroleum Corp Com USD 0.01	873	436	Markel Corp Com NPV	425
6,752	Apple Inc Com USD 0.00001	849	5,314	Entergy Corp Com USD 0.01	416
23,667	Exelon Corp Com NPV	801	1,712	Northrop Grumman Corp Com USD 1.00	403
10,206	Capital One Financial Corp Com USD 0.01	785	4,300	Genuine Parts Co Com USD 1.00	401
8,989	LyondellBasell Industries NV Com EUR 0.04	775	11,632	General Motors Co Com USD 0.01	399
10,404	Aflac Inc Com USD 0.10	747	3,289	Accenture Plc Com USD 0.0000225	398
11,622	Valero Energy Corp Com USD 0.01	745	8,521	Marathon Petroleum Corp Com USD 0.01	390
10,845	American International Group Inc Com USD 2.50	689	11,574	Progressive Corp Com USD 1.00	383
			7,543	Hartford Financial Services Group Inc Com USD 0.01	352
			4,357	Phillips 66 Com USD 0.01	346
			5,277	Delphi Automotive Plc Com USD 0.01	342
			4,798	Cincinnati Financial Corp Com USD 2.00	340

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI USA Quality Factor UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 17 October 2016 to 31 May 2017 \$'000
Operating income	2	39
Net gains on financial assets/liabilities at fair value through profit or loss	3	286
Total gains		325
Operating expenses	4	(3)
Net operating profit		322
Net profit for the financial period before tax		322
Taxation		(6)
Net profit for the financial period after tax		316
Increase in net assets attributable to redeemable participating shareholders from operations		316

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	316
Share transactions:	
Proceeds from issue of redeemable participating shares	2,494
Increase in net assets resulting from share transactions	2,494
Net assets attributable to redeemable participating shareholders at the end of the financial period	2,810

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Quality Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		2
Receivables	9	817
Financial assets at fair value through profit or loss	10	2,805
Total current assets		3,624
CURRENT LIABILITIES		
Payables	11	(814)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(814)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	8	2,810

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Quality Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	39
	39

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	286
	286

4. OPERATING EXPENSES

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Management fees	(3)
	(3)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 11 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.20

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

7. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	500,000
Balance at the end of financial period	500,000

iShares Edge MSCI USA Quality Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	2,810
	No. of Shares
Shares in issue	
As at 31 May 2017	500,000
	\$
Net asset value per share	
As at 31 May 2017	5.62

9. RECEIVABLES

	31 May 2017 \$'000
Sales of securities awaiting settlement	811
Dividend income receivable	6
	817

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	2,805
	2,805

11. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(814)
	(814)

iShares Edge MSCI USA Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
British Virgin Islands			
Apparel retailers			
117	Michael Kors Holdings Ltd Com NPV	4	0.14
Total British Virgin Islands		4	0.14
Curacao			
Oil & gas services			
314	Schlumberger Ltd Com USD 0.01	22	0.78
Total Curacao		22	0.78
Ireland			
Computers			
422	Accenture Plc Com USD 0.0000225	52	1.85
Total Ireland		52	1.85
Jersey			
Auto parts & equipment			
194	Delphi Automotive Plc Com USD 0.01	17	0.60
Total Jersey		17	0.60
Netherlands			
Chemicals			
282	LyondellBasell Industries NV Com EUR 0.04	23	0.82
Oil & gas services			
23	Core Laboratories NV Com EUR 0.02	2	0.07
Total Netherlands		25	0.89
Switzerland			
Electronics			
132	TE Connectivity Ltd Com CHF 0.57	10	0.37
Total Switzerland		10	0.37
United Kingdom			
Insurance			
329	Aon Plc Com USD 0.01	43	1.53
Oil & gas services			
122	TechnipFMC Plc Com USD 1.00	4	0.14
Total United Kingdom		47	1.67
United States			
Advertising			
138	Omnicom Group Inc Com USD 0.15	11	0.39
Aerospace & defence			
149	General Dynamics Corp Com USD 1.00	30	1.07
100	Northrop Grumman Corp Com USD 1.00	26	0.92
91	Rockwell Collins Inc Com USD 0.01	10	0.36

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Agriculture			
2,760	Altria Group Inc Com USD 0.333	208	7.40
Airlines			
80	Southwest Airlines Co Com USD 1.00	5	0.17
Apparel retailers			
913	Nike Inc Com USD 1.00	49	1.74
191	VF Corp Com NPV	10	0.36
Banks			
183	East West Bancorp Inc Com USD 0.001	10	0.36
Beverages			
356	Brown-Forman Corp Com USD 0.15	18	0.64
Biotechnology			
141	Biogen Inc Com USD 0.0005	35	1.25
880	Gilead Sciences Inc Com USD 0.001	57	2.03
40	Regeneron Pharmaceuticals Inc Com USD 0.001	18	0.64
33	United Therapeutics Corp Com USD 0.01	4	0.14
Chemicals			
112	Air Products & Chemicals Inc Com USD 1.00	16	0.57
78	Celanese Corp Com USD 0.0001	6	0.21
42	International Flavors & Fragrances Inc Com USD 0.125	6	0.21
78	Sherwin-Williams Co Com USD 1.00	26	0.93
Commercial services			
238	Automatic Data Processing Inc Com USD 0.10	25	0.89
48	CDK Global Inc Com USD 0.01	3	0.11
93	Robert Half International Inc Com USD 0.001	4	0.14
68	Rollins Inc Com USD 1.00	3	0.11
Computers			
673	Apple Inc Com USD 0.00001	103	3.66
433	International Business Machines Corp Com USD 0.20	66	2.35
Cosmetics & personal care			
248	Estee Lauder Cos Inc Com USD 0.01	23	0.82
Distribution & wholesale			
169	Fastenal Co Com USD 0.01	7	0.25
30	WW Grainger Inc Com USD 0.50	5	0.18
Diversified financial services			
149	BlackRock Inc Com USD 0.01*	61	2.17
1,550	Charles Schwab Corp Com USD 0.01	60	2.14
189	Eaton Vance Corp Com USD 0.00390625	9	0.32
447	Franklin Resources Inc Com USD 0.10	19	0.68
593	Mastercard Inc Com USD 0.0001	73	2.59
230	SEI Investments Co Com USD 0.01	11	0.39
411	T Rowe Price Group Inc Com USD 0.20	29	1.03
354	TD Ameritrade Holding Corp Com USD 0.01	13	0.46
668	Visa Inc Com USD 0.0001	64	2.28

iShares Edge MSCI USA Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Electricity			
508	OGE Energy Corp Com USD 0.01	18	0.64
300	Pinnacle West Capital Corp Com NPV	27	0.96
Electronics			
147	Fortive Corp Com USD 0.01	9	0.32
21	Mettler-Toledo International Inc Com USD 0.01	12	0.43
43	Waters Corp Com USD 0.01	8	0.28
Food			
300	Hormel Foods Corp Com USD 0.01465	10	0.36
Gas			
276	Atmos Energy Corp Com NPV	23	0.82
452	UGI Corp Com NPV	23	0.82
Hand & machine tools			
29	Snap-on Inc Com USD 1.00	5	0.18
Healthcare products			
44	Align Technology Inc Com USD 0.0001	6	0.22
119	Edwards Lifesciences Corp Com USD 1.00	14	0.50
43	Henry Schein Inc Com USD 0.01	8	0.28
64	ResMed Inc Com USD 0.004	4	0.14
47	Varian Medical Systems Inc Com USD 1.00	5	0.18
Home builders			
2	NVR Inc Com USD 0.01	4	0.14
Home furnishings			
74	Leggett & Platt Inc Com USD 0.01	4	0.14
Household goods & home construction			
48	Avery Dennison Corp Com USD 1.00	4	0.14
Insurance			
494	Aflac Inc Com USD 0.10	37	1.32
788	Marsh & McLennan Cos Inc Com USD 1.00	61	2.17
362	Principal Financial Group Inc Com USD 0.01	23	0.81
137	Torchmark Corp Com USD 1.00	10	0.36
Internet			
27	F5 Networks Inc Com NPV	4	0.14
17	MercadoLibre Inc Com USD 0.001	5	0.18
29	Priceline Group Inc Com USD 0.008	54	1.92
Machinery - diversified			
81	Cummins Inc Com USD 2.50	13	0.46
28	Middleby Corp Com USD 0.01	4	0.14
77	Rockwell Automation Inc Com USD 1.00	12	0.43
Marine transportation			
27	Huntington Ingalls Industries Inc Com USD 0.01	5	0.18
Miscellaneous manufacturers			
445	3M Co Com USD 0.01	91	3.24
77	AO Smith Corp Com USD 1.00	4	0.14
173	Illinois Tool Works Inc Com USD 0.01	25	0.89

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Oil & gas			
451	Chevron Corp Com USD 0.75	47	1.67
803	Exxon Mobil Corp Com NPV	65	2.31
27	Helmerich & Payne Inc Com USD 0.10	1	0.05
146	Marathon Petroleum Corp Com USD 0.01	7	0.25
116	Phillips 66 Com USD 0.01	9	0.32
126	Valero Energy Corp Com USD 0.01	8	0.28
Pharmaceuticals			
825	Bristol-Myers Squibb Co Com USD 0.10	45	1.59
1,072	Johnson & Johnson Com USD 1.00	137	4.88
117	McKesson Corp Com USD 0.01	19	0.68
Pipelines			
53	Oneok Inc Com USD 0.01	3	0.11
Real estate investment & services			
231	CBRE Group Inc Com USD 0.01	8	0.28
41	Jones Lang LaSalle Inc Com USD 0.01	5	0.18
Real estate investment trusts			
67	Camden Property Trust Reits USD 0.01	6	0.21
51	Federal Realty Investment Trust Reits USD 0.01	6	0.22
107	Liberty Property Trust Reits USD 0.001	4	0.14
119	National Retail Properties Inc Reits USD 0.01	5	0.18
174	Public Storage Reits USD 0.10	38	1.35
167	Realty Income Corp Reits USD 1.00	9	0.32
105	Regency Centers Corp Reits USD 0.01	6	0.21
Retail			
94	Bed Bath & Beyond Inc Com USD 0.01	3	0.11
153	Best Buy Co Inc Com USD 0.10	9	0.32
32	Dick's Sporting Goods Inc Com USD 0.01	1	0.04
80	Foot Locker Inc Com USD 0.01	5	0.18
146	Gap Inc Com USD 0.05	3	0.11
80	Genuine Parts Co Com USD 1.00	8	0.28
74	Lululemon Athletica Inc Com USD 0.005	4	0.14
71	Nordstrom Inc Com NPV	3	0.11
83	O'Reilly Automotive Inc Com USD 0.01	20	0.71
317	Ross Stores Inc Com USD 0.01	20	0.71
1,198	Starbucks Corp Com USD 0.001	76	2.70
561	TJX Cos Inc Com USD 1.00	42	1.49
86	Tractor Supply Co Com USD 0.008	5	0.18
38	Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	12	0.43
Semiconductors			
415	Applied Materials Inc Com USD 0.01	19	0.68
111	Maxim Integrated Products Inc Com USD 0.001	5	0.18
205	NVIDIA Corp Com USD 0.001	30	1.07
82	Skyworks Solutions Inc Com USD 0.25	9	0.31
461	Texas Instruments Inc Com USD 1.00	38	1.35

iShares Edge MSCI USA Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Software			
43	Broadridge Financial Solutions Inc Com USD 0.01	3	0.11
146	Cerner Corp Com USD 0.01	10	0.36
145	Intuit Inc Com USD 0.01	20	0.71
35	Jack Henry & Associates Inc Com USD 0.01	4	0.14
1,537	Microsoft Corp Com USD 0.00000625	107	3.81
182	Paychex Inc Com USD 0.01	11	0.39
Telecommunications			
1,512	AT&T Inc Com USD 1.00	58	2.07
148	CenturyLink Inc Com USD 1.00	4	0.14
Transportation			
91	CH Robinson Worldwide Inc Com USD 0.10	6	0.22
103	Expeditors International of Washington Inc Com USD 0.01	6	0.21
48	JB Hunt Transport Services Inc Com USD 0.01	4	0.14
Total United States		2,628	93.52
Total equities		2,805	99.82
Total value of investments		2,805	99.82
Cash[†]		2	0.07
Other net assets		3	0.11
Net asset value attributable to redeemable participating shareholders at the end of the financial period		2,810	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	2,805	77.40
Other assets	819	22.60
Total current assets	3,624	100.00

iShares Edge MSCI USA Quality Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
1,144	PepsiCo Inc Com USD 0.017	115	2,760	Altria Group Inc Com USD 0.333	208
481	Boeing Co Com USD 5.00	90	1,290	Johnson & Johnson Com USD 1.00	153
1,430	Public Service Enterprise Group Inc Com NPV	64	1,046	Apple Inc Com USD 0.00001	122
373	Apple Inc Com USD 0.00001	53	1,144	PepsiCo Inc Com USD 0.017	121
330	McDonald's Corp Com USD 0.01	50	1,045	Kimberly-Clark Corp Com USD 1.25	121
307	Costco Wholesale Corp Com USD 0.005	46	1,995	Microsoft Corp Com USD 0.00000625	114
477	Eli Lilly & Co Com NPV	32	772	Berkshire Hathaway Inc Com USD 0.0033	112
248	Chubb Ltd Com CHF 24.15	32	445	3M Co Com USD 0.01	78
458	Microsoft Corp Com USD 0.00000625	30	985	Gilead Sciences Inc Com USD 0.001	72
218	Johnson & Johnson Com USD 1.00	25	803	Exxon Mobil Corp Com NPV	69
209	Monsanto Co Com USD 0.01	21	1,198	Starbucks Corp Com USD 0.001	68
317	Emerson Electric Co Com USD 0.50	18	433	International Business Machines Corp Com USD 0.20	67
87	Ameriprise Financial Inc Com USD 0.01	10	481	Boeing Co Com USD 5.00	64
128	Lincoln National Corp Com NPV	8	1,627	AT&T Inc Com USD 1.00	64
105	Gilead Sciences Inc Com USD 0.0001	7	593	Mastercard Inc Com USD 0.0001	60
235	Whole Foods Market Inc Com NPV	7	473	Home Depot Inc Com USD 0.05	60
213	Invesco Ltd Com USD 0.20	7	1,430	Public Service Enterprise Group Inc Com NPV	59
97	Linear Technology Corp Com USD 0.001	6	709	Visa Inc Com USD 0.0001	58
17	Biogen Inc Com USD 0.0005	5	788	Marsh & McLennan Cos Inc Com USD 1.00	56
32	Affiliated Managers Group Inc Com USD 0.01	5	149	BlackRock Inc Com USD 0.01*	56
			1,550	Charles Schwab Corp Com USD 0.01	55
			434	Accenture Plc Com USD 0.0000225	52
			913	Nike Inc Com USD 1.00	48
			468	Chevron Corp Com USD 0.75	47
			825	Bristol-Myers Squibb Co Com USD 0.10	46
			29	Priceline Group Inc Com USD 0.008	46
			307	Costco Wholesale Corp Com USD 0.005	46
			158	Biogen Inc Com USD 0.0005	46
			561	TJX Cos Inc Com USD 1.00	42
			329	Aon Plc Com USD 0.01	39
			330	McDonald's Corp Com USD 0.01	38
			477	Eli Lilly & Co Com NPV	38

* Investment in related party.

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Edge MSCI USA Size Factor UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 17 October 2016 to 31 May 2017 \$'000
Operating income	2	166
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,203
Total gains		1,369
Operating expenses	4	(20)
Net operating profit		1,349
Finance costs:		
Interest expense*	7	-
Total finance costs		-
Net profit for the financial period before tax		1,349
Taxation		(23)
Net profit for the financial period after tax		1,326
Increase in net assets attributable to redeemable participating shareholders from operations		1,326

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	1,326
Share transactions:	
Proceeds from issue of redeemable participating shares	29,075
Payments on redemption of redeemable participating shares	(8,115)
Increase in net assets resulting from share transactions	20,960
Net assets attributable to redeemable participating shareholders at the end of the financial period	22,286

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Size Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		21
Receivables	10	5,219
Financial assets at fair value through profit or loss	11	22,255
Total current assets		27,495
CURRENT LIABILITIES		
Payables	12	(5,209)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(5,209)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	22,286

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Size Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	166
	166

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	1,203
	1,203

4. OPERATING EXPENSES

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Management fees	(20)
	(20)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.20

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Transaction costs	(3)

7. INTEREST EXPENSE

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

iShares Edge MSCI USA Size Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	5,500,000
Redeemed during the financial period	(1,500,000)
Balance at the end of financial period	4,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	22,286

	No. of Shares
Shares in issue	
As at 31 May 2017	4,000,000

	\$
Net asset value per share	
As at 31 May 2017	5.57

10. RECEIVABLES

	31 May 2017 \$'000
Sales of securities awaiting settlement	2,411
Subscription for shares awaiting settlement	2,786
Dividend income receivable	22
	5,219

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	22,255
	22,255

12. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(5,206)
Management fees payable	(3)
	(5,209)

iShares Edge MSCI USA Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Bermuda			
Agriculture			
972	Bunge Ltd Com USD 0.01	78	0.35
Chemicals			
2,157	Axalta Coating Systems Ltd Com USD 1.00	68	0.30
Diversified financial services			
2,092	Invesco Ltd Com USD 0.20	66	0.30
Insurance			
777	Arch Capital Group Ltd Com USD 0.01	75	0.34
1,320	Athene Holding Ltd Com USD 0.001	65	0.29
1,081	Axis Capital Holdings Ltd Com USD 0.0125	71	0.32
1,661	XL Group Ltd Com USD 0.01	73	0.32
Leisure time			
1,368	Norwegian Cruise Line Holdings Ltd Com USD 0.001	68	0.31
Retail			
1,151	Signet Jewelers Ltd Com USD 0.18	56	0.25
Semiconductors			
4,429	Marvell Technology Group Ltd Com USD 0.002	76	0.34
Total Bermuda		696	3.12
British Virgin Islands			
Apparel retailers			
1,854	Michael Kors Holdings Ltd Com NPV	61	0.28
Total British Virgin Islands		61	0.28
Canada			
Environmental control			
735	Waste Connections Inc Com NPV	70	0.31
Total Canada		70	0.31
Ireland			
Computers			
1,568	Seagate Technology Plc Com USD 0.00001	68	0.31
Electronics			
854	Allegion Plc Com USD 0.01	67	0.30
Miscellaneous manufacturers			
1,101	Pentair Plc Com USD 0.01	73	0.33
Oil & gas services			
13,548	Weatherford International Plc Com USD 0.001	65	0.29
Pharmaceuticals			
1,117	Alkermes Plc Com USD 0.01	65	0.29
453	Jazz Pharmaceuticals Plc Com USD 0.0001	66	0.29
1,645	Mallinckrodt Plc Com USD 0.20	71	0.32
Ireland			
Pharmaceuticals			
892	Perrigo Co Plc Com EUR 0.001	65	0.29
Total Ireland		540	2.42

Holding	Investment	Fair value \$'000	% of net asset value
Netherlands			
Electronics			
1,736	Sensata Technologies Holding NV Com EUR 0.01	70	0.31
Oil & gas services			
621	Core Laboratories NV Com EUR 0.02	64	0.29
Total Netherlands		134	0.60
Singapore			
Electronics			
4,091	Flex Ltd Com NPV	70	0.32
Total Singapore		70	0.32
Switzerland			
Electronics			
1,322	Garmin Ltd Com CHF 10.00	69	0.31
Total Switzerland		69	0.31
United Kingdom			
Commercial services			
1,706	Nielsen Holdings Plc Com EUR 0.07	65	0.29
Total United Kingdom		65	0.29
United States			
Advertising			
2,680	Interpublic Group of Cos Inc Com USD 0.10	67	0.30
Aerospace & defence			
2,448	Arconic Inc Com USD 1.00	67	0.30
642	Harris Corp Com USD 1.00	72	0.32
417	L3 Technologies Inc Com USD 0.01	70	0.32
657	Rockwell Collins Inc Com USD 0.01	72	0.32
273	TransDigm Group Inc Com USD 0.01	73	0.33
Apparel retailers			
3,259	Hanesbrands Inc Com USD 0.01	67	0.30
974	Ralph Lauren Corp Com USD 0.01	66	0.30
1,810	Under Armour Inc Com USD 0.000333	35	0.15
1,844	Under Armour Inc Class 'C' Com USD 0.0003333	33	0.15
Auto parts & equipment			
658	Autoliv Inc Com USD 1.00	73	0.33
1,778	BorgWarner Inc Com USD 0.01	76	0.34
2,127	Goodyear Tire & Rubber Co Com NPV	68	0.31
489	Lear Corp Com USD 0.01	73	0.32
621	Wabco Holdings Inc Com USD 0.01	76	0.34
Banks			
2,012	Citizens Financial Group Inc Com USD 0.01	69	0.31
1,016	Comerica Inc Com USD 5.00	70	0.31
1,240	East West Bancorp Inc Com USD 0.001	68	0.31
2,792	Fifth Third Bancorp Com NPV	66	0.30
807	First Republic Bank Com USD 0.01	74	0.33
5,371	Huntington Bancshares Inc Com USD 0.01	67	0.30
4,652	Regions Financial Corp Com USD 0.01	64	0.29

iShares Edge MSCI USA Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Banks (cont)			
485	Signature Bank Com USD 0.01	69	0.31
384	SVB Financial Group Com USD 0.001	66	0.30
1,684	Zions Bancorporation Com NPV	68	0.30
Beverages			
769	Dr Pepper Snapple Group Inc Com USD 0.01	71	0.32
Biotechnology			
712	BioMarin Pharmaceutical Inc Com USD 0.001	62	0.28
1,014	Seattle Genetics Inc Com USD 0.001	65	0.29
555	United Therapeutics Corp Com USD 0.01	67	0.30
Building materials and fixtures			
1,109	Fortune Brands Home & Security Inc Com USD 0.01	70	0.31
385	Lennox International Inc Com USD 0.01	68	0.31
288	Martin Marietta Materials Inc Com USD 0.01	64	0.29
1,904	Masco Corp Com USD 1.00	71	0.32
510	Vulcan Materials Co Com USD 1.00	64	0.28
Chemicals			
611	Albemarle Corp Com USD 0.01	69	0.31
814	Celanese Corp Com USD 0.0001	70	0.31
2,364	CF Industries Holdings Inc Com USD 0.01	64	0.29
867	Eastman Chemical Co Com USD 0.01	69	0.31
909	FMC Corp Com USD 0.10	69	0.31
528	International Flavors & Fragrances Inc Com USD 0.125	73	0.33
2,854	Mosaic Co Com USD 0.01	65	0.29
945	WR Grace & Co Com USD 0.01	68	0.30
Commercial services			
186	Amerco Com USD 0.25	69	0.31
1,129	CDK Global Inc Com USD 0.01	69	0.31
584	Cintas Corp Com NPV	73	0.33
266	CoStar Group Inc Com USD 0.01	70	0.31
512	Equifax Inc Com USD 1.25	70	0.31
497	FleetCor Technologies Inc Com USD 0.001	72	0.32
595	Gartner Inc Com USD 0.0005	71	0.32
750	Global Payments Inc Com NPV	69	0.31
2,820	H&R Block Inc Com NPV	75	0.34
862	Macquarie Infrastructure Corp Com USD 0.001	67	0.30
Commercial services			
711	ManpowerGroup Inc Com USD 0.01	72	0.32
1,397	Robert Half International Inc Com USD 0.001	65	0.29
1,626	Rollins Inc Com USD 1.00	70	0.31
2,959	Sabre Corp Com USD 0.01	66	0.30
1,240	Total System Services Inc Com USD 0.10	74	0.33
673	United Rentals Inc Com USD 0.01	73	0.33
1,165	Vantiv Inc Com USD 0.00001	73	0.33

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Commercial services (cont)			
851	Verisk Analytics Inc Com USD 0.001	69	0.31
3,551	Western Union Co Com USD 0.01	68	0.31
Computers			
1,686	Fortinet Inc Com USD 0.001	66	0.30
1,295	Leidos Holdings Inc Com USD 0.0001	72	0.32
1,758	NetApp Inc Com USD 0.001	71	0.32
Containers & packaging			
1,217	Crown Holdings Inc Com USD 5.00	70	0.31
712	Packaging Corp of America Com USD 0.01	73	0.33
Distribution & wholesale			
1,495	Fastenal Co Com USD 0.01	65	0.29
1,612	HD Supply Holdings Inc Com USD 0.01	65	0.29
2,174	LKQ Corp Com USD 0.01	68	0.31
386	WW Grainger Inc Com USD 0.50	67	0.30
Diversified financial services			
471	Affiliated Managers Group Inc Com USD 0.01	73	0.32
287	Alliance Data Systems Corp Com USD 0.01	69	0.31
3,285	Ally Financial Inc Com USD 0.10	61	0.27
794	CBOE Holdings Inc Com NPV	69	0.31
1,028	CIT Group Inc Com USD 0.01	46	0.21
1,988	E*Trade Financial Corp Com USD 0.01	69	0.31
1,576	Eaton Vance Corp Com USD 0.00390625	73	0.33
1,639	FNF Group Com USD 0.0001	70	0.31
952	Nasdaq Inc Com USD 0.01	64	0.29
4,843	Navient Corp Com USD 0.01	70	0.31
857	Raymond James Financial Inc Com USD 0.01	62	0.28
1,365	SEI Investments Co Com USD 0.01	68	0.31
Electrical components & equipment			
399	Acuity Brands Inc Com USD 0.01	65	0.29
1,124	AMETEK Inc Com USD 0.01	69	0.31
Electricity			
6,028	AES Corp Com USD 0.01	70	0.31
1,772	Alliant Energy Corp Com USD 0.01	74	0.33
1,288	Ameren Corp Com USD 0.01	73	0.33
2,456	CenterPoint Energy Inc Com USD 0.01	70	0.31
1,585	CMS Energy Corp Com USD 0.01	75	0.34
697	DTE Energy Co Com NPV	76	0.34
1,216	Eversource Energy Com USD 5.00	76	0.34
2,097	OGE Energy Corp Com USD 0.01	75	0.34
848	Pinnacle West Capital Corp Com NPV	75	0.34
1,030	Scana Corp Com NPV	70	0.31
1,175	WEC Energy Group Inc Com USD 0.01	74	0.33
1,301	Westar Energy Inc Com USD 5.00	69	0.31
Electronics			
984	Arrow Electronics Inc Com USD 1.00	74	0.33
1,820	Avnet Inc Com USD 1.00	67	0.30

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Electronics (cont)			
1,813	FLIR Systems Inc Com USD 0.01	69	0.31
120	Mettler-Toledo International Inc Com USD 0.01	70	0.31
1,900	Trimble Inc Com NPV	68	0.31
385	Waters Corp Com USD 0.01	69	0.31
Engineering & construction			
1,472	Fluor Corp Com USD 0.01	66	0.30
1,273	Jacobs Engineering Group Inc Com USD 1.00	67	0.30
Entertainment			
334	Vail Resorts Inc Com USD 0.01	71	0.32
Environmental control			
837	Stericycle Inc Com USD 0.01	68	0.31
Food			
584	Ingredion Inc Com USD 0.01	67	0.30
505	JM Smucker Co Com NPV	65	0.29
705	McCormick & Co Inc Com NPV	73	0.33
2,004	Whole Foods Market Inc Com NPV	70	0.31
Food Service			
1,864	Aramark Com USD 0.01	69	0.31
Gas			
832	Atmos Energy Corp Com NPV	69	0.31
2,733	NiSource Inc Com USD 0.01	71	0.32
1,416	UGI Corp Com NPV	73	0.33
Hand & machine tools			
376	Snap-on Inc Com USD 1.00	61	0.27
Healthcare products			
488	Align Technology Inc Com USD 0.0001	71	0.32
318	Cooper Cos Inc Com USD 0.10	69	0.31
219	CR Bard Inc Com USD 0.25	67	0.30
1,048	Dentsply Sirona Inc Com USD 0.01	67	0.30
401	Henry Schein Inc Com USD 0.01	74	0.33
1,653	Hologic Inc Com USD 0.01	72	0.32
417	IDEXX Laboratories Inc Com USD 0.10	70	0.32
1,577	Patterson Cos Inc Com USD 0.01	70	0.31
1,056	ResMed Inc Com USD 0.004	75	0.34
343	Teleflex Inc Com USD 1.00	69	0.31
720	Varian Medical Systems Inc Com USD 1.00	71	0.32
Healthcare services			
899	Centene Corp Com USD 0.001	65	0.30
1,017	DaVita Inc Com USD 0.001	67	0.30
1,207	Envision Healthcare Corp Com USD 0.01	66	0.30
496	Laboratory Corp of America Holdings Com USD 0.10	69	0.31
Healthcare services			
1,234	Mednax Inc Com USD 0.01	67	0.30
638	Quest Diagnostics Inc Com USD 0.01	70	0.31
535	Universal Health Services Inc Com USD 0.01	61	0.27

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Holding companies - diversified operations			
2,740	Leucadia National Corp Com USD 1.00	67	0.30
Home builders			
2,197	DR Horton Inc Com USD 0.01	72	0.32
1,295	Lennar Corp Com USD 0.10	67	0.30
29	NVR Inc Com USD 0.01	66	0.30
2,919	PulteGroup Inc Com USD 0.01	66	0.30
1,784	Toll Brothers Inc Com USD 0.01	66	0.29
Home furnishings			
1,359	Leggett & Platt Inc Com USD 0.01	71	0.32
384	Whirlpool Corp Com USD 1.00	71	0.32
Hotels			
2,317	MGM Resorts International Com USD 0.01	74	0.33
554	Wynn Resorts Ltd Com USD 0.01	71	0.32
Household products			
816	Avery Dennison Corp Com USD 1.00	69	0.31
1,413	Church & Dwight Co Inc Com USD 1.00	73	0.33
521	Spectrum Brands Holdings Inc Com USD 0.01	70	0.31
Insurance			
694	American Financial Group Inc Com NPV	69	0.31
1,256	Arthur J Gallagher & Co Com USD 1.00	71	0.32
721	Assurant Inc Com USD 0.01	71	0.32
978	Cincinnati Financial Corp Com USD 2.00	69	0.31
1,352	Hartford Financial Services Group Inc Com USD 0.01	67	0.30
1,009	Lincoln National Corp Com NPV	66	0.30
77	Markel Corp Com NPV	75	0.34
1,132	Principal Financial Group Inc Com USD 0.01	71	0.32
520	Reinsurance Group of America Inc Com USD 0.01	65	0.29
950	Torchmark Corp Com USD 1.00	72	0.32
1,535	Unum Group Com USD 0.10	69	0.31
1,910	Voya Financial Inc Com USD 0.01	65	0.29
1,080	WR Berkley Corp Com USD 0.20	74	0.33
Internet			
1,229	CDW Corp Com USD 0.01	74	0.33
531	F5 Networks Inc Com NPV	68	0.31
248	MercadoLibre Inc Com USD 0.001	68	0.31
579	Palo Alto Networks Inc Com USD 0.0001	69	0.31
1,532	TripAdvisor Inc Com USD 0.001	59	0.26
3,679	Twitter Inc Com USD 0.000005	67	0.30
777	VeriSign Inc Com USD 0.001	70	0.31
1,701	Zillow Group Inc Com USD 0.0001	74	0.33
Iron & steel			
1,973	Steel Dynamics Inc Com USD 0.005	67	0.30
Leisure time			
1,282	Harley-Davidson Inc Com USD 0.01	68	0.30

iShares Edge MSCI USA Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)				United States (cont)			
United States (cont)				Oil & gas (cont)			
Leisure time (cont)				1,050	Tesoro Corp Com USD 0.167	87	0.39
746	Polaris Industries Inc Com USD 0.01	62	0.28	Packaging & containers			
Lodging				1,666	Ball Corp Com NPV	68	0.31
706	Wyndham Worldwide Corp Com USD 0.01	71	0.32	1,553	Sealed Air Corp Com USD 0.10	69	0.31
Machinery - diversified				1,351	WestRock Co Com USD 0.01	74	0.33
1,052	AGCO Corp Com USD 0.01	67	0.30	Pharmaceuticals			
1,405	Flowserve Corp Com USD 1.25	68	0.31	998	DexCom Inc Com USD 0.001	67	0.30
633	IDEX Corp Com USD 0.01	69	0.31	443	TESARO Inc Com USD 0.0001	66	0.30
501	Middleby Corp Com USD 0.01	64	0.29	735	VCA Inc Com USD 0.001	68	0.30
825	Wabtec Corp Com USD 0.01	68	0.30	Pipelines			
1,216	Xylem Inc Com USD 0.01	63	0.28	1,357	Cheniere Energy Inc Com USD 0.003	66	0.30
Marine transportation				1,295	Oneok Inc Com USD 0.01	64	0.29
353	Huntington Ingalls Industries Inc Com USD 0.01	69	0.31	2,391	Plains GP Holdings LP Com NPV	64	0.28
Media				1,551	Targa Resources Corp Com USD 0.001	71	0.32
1,041	Discovery Communications Inc Com USD 0.01	28	0.13	Real estate investment & services			
1,416	Discovery Communications Inc Class 'C' Com USD 0.01	37	0.17	2,005	CBRE Group Inc Com USD 0.01	70	0.31
807	Liberty Broadband Corp Com USD 0.01	72	0.32	649	Jones Lang LaSalle Inc Com USD 0.01	75	0.34
608	Liberty Media Corp-Liberty SiriusXM Com USD 0.01	25	0.11	Real estate investment trusts			
1,261	Liberty Media Corp-Liberty SiriusXM Class 'C' Com USD 0.01	52	0.23	3,543	AGNC Investment Corp Reits USD 0.01	74	0.33
5,443	News Corp Com USD 0.01	73	0.33	622	Alexandria Real Estate Equities Inc Reits USD 0.01	72	0.32
905	Scripps Networks Interactive Inc Com USD 0.01	60	0.27	6,349	Annaly Capital Management Inc Reits USD 0.01	76	0.34
2,949	Tegna Inc Com USD 1.00	70	0.31	3,619	Brixmor Property Group Inc Reits USD 0.01	65	0.29
Mining				866	Camden Property Trust Reits USD 0.01	72	0.32
5,755	Freeport-McMoRan Inc Com USD 0.10	66	0.30	5,015	Colony NorthStar Inc Reits USD 0.01	71	0.32
1,994	Newmont Mining Corp Com USD 1.60	68	0.30	587	Digital Realty Trust Inc Reits USD 0.01	69	0.31
Miscellaneous manufacturers				2,362	Duke Realty Corp Reits USD 0.01	68	0.30
1,373	AO Smith Corp Com USD 1.00	75	0.34	265	Essex Property Trust Inc Reits USD 0.0001	68	0.31
811	Dover Corp Com USD 1.00	67	0.30	902	Extra Space Storage Inc Reits USD 0.01	70	0.31
1,462	Textron Inc Com USD 0.125	70	0.31	537	Federal Realty Investment Trust Reits USD 0.01	66	0.30
Office & business equipment				3,780	Host Hotels & Resorts Inc Reits USD 0.01	68	0.31
9,644	Xerox Corp Com USD 1.00	68	0.31	1,965	Iron Mountain Inc Reits USD 0.01	68	0.31
Oil & gas				3,639	Kimco Realty Corp Reits USD 0.01	64	0.29
3,036	Antero Resources Corp Com USD 0.01	62	0.28	1,672	Liberty Property Trust Reits USD 0.001	69	0.31
2,837	Cabot Oil & Gas Corp Com USD 0.10	63	0.28	1,137	Macerich Co Reits USD 0.01	65	0.29
520	Cimarex Energy Co Com USD 0.01	56	0.25	675	Mid-America Apartment Communities Inc Reits USD 0.01	69	0.31
1,583	Continental Resources Inc Com USD 0.01	60	0.27	1,789	National Retail Properties Inc Reits USD 0.01	69	0.31
655	Diamondback Energy Inc Com USD 0.01	61	0.27	1,180	Realty Income Corp Reits USD 1.00	65	0.29
1,197	EQT Corp Com NPV	66	0.30	1,113	Regency Centers Corp Reits USD 0.01	68	0.30
1,125	Helmerich & Payne Inc Com USD 0.10	59	0.27	616	SL Green Realty Corp Reits USD 0.01	62	0.28
2,393	HollyFrontier Corp Com USD 0.01	57	0.26	1,896	UDR Inc Reits USD 0.01	73	0.33
4,646	Marathon Oil Corp Com USD 1.00	61	0.27	8,699	VEREIT Inc Reits USD 0.01	72	0.32
2,517	Murphy Oil Corp Com USD 1.00	61	0.27	509	SBA Communications Corp Reits USD 0.01	70	0.31
1,954	Newfield Exploration Co Com USD 0.01	64	0.29	Retail			
2,135	Parsley Energy Inc Com USD 0.01	63	0.28	446	Advance Auto Parts Inc Com USD 0.0001	60	0.27
2,642	Range Resources Corp Com USD 0.01	61	0.27				

iShares Edge MSCI USA Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)				United States (cont)			
United States (cont)				Software (cont)			
Retail (cont)				730	ServiceNow Inc Com USD 0.001	76	0.34
1,702	AutoNation Inc Com USD 0.01	67	0.30	1,068	Splunk Inc Com USD 0.001	66	0.30
1,911	Bed Bath & Beyond Inc Com USD 0.01	66	0.30	1,828	SS&C Technologies Holdings Inc Com USD 0.01	69	0.31
1,392	Best Buy Co Inc Com USD 0.10	83	0.37	951	Synopsys Inc Com USD 0.01	71	0.32
1,042	CarMax Inc Com USD 0.50	66	0.29	1,119	Veeva Systems Inc Com USD 0.00001	71	0.32
1,489	Coach Inc Com USD 0.01	69	0.31	690	Workday Inc Com USD 0.001	69	0.31
776	Darden Restaurants Inc Com NPV	69	0.31	Telecommunications			
1,655	Dick's Sporting Goods Inc Com USD 0.01	68	0.31	469	Arista Networks Inc Com USD 0.0001	69	0.31
776	Dollar Tree Inc Com USD 0.01	60	0.27	1,824	CommScope Holding Co Inc Com USD 0.01	68	0.31
345	Domino's Pizza Inc Com USD 0.01	73	0.33	2,388	Juniper Networks Inc Com USD 0.00001	70	0.31
1,150	Foot Locker Inc Com USD 0.01	68	0.31	2,160	Zayo Group Holdings Inc Com USD 0.001	69	0.31
3,030	Gap Inc Com USD 0.05	68	0.31	Textile			
743	Genuine Parts Co Com USD 1.00	69	0.31	312	Mohawk Industries Inc Com USD 0.01	75	0.34
1,804	Kohl's Corp Com USD 0.01	69	0.31	Toys			
2,957	Liberty Interactive Corp QVC Group Com USD 0.01	70	0.31	667	Hasbro Inc Com USD 0.50	70	0.32
1,369	Lululemon Athletica Inc Com USD 0.005	66	0.30	3,048	Mattel Inc Com USD 1.00	70	0.31
2,934	Macy's Inc Com USD 0.01	69	0.31	Transportation			
1,656	Nordstrom Inc Com NPV	69	0.31	1,002	CH Robinson Worldwide Inc Com USD 0.10	67	0.30
672	PVH Corp Com USD 1.00	71	0.32	1,256	Expeditors International of Washington Inc Com USD 0.01	67	0.30
7,741	Staples Inc Com USD 0.0006	70	0.31	802	JB Hunt Transport Services Inc Com USD 0.01	69	0.31
727	Tiffany & Co Com USD 0.01	63	0.28	747	Kansas City Southern Com USD 0.01	71	0.32
1,173	Tractor Supply Co Com USD 0.008	65	0.29	Water			
230	Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	70	0.31	905	American Water Works Co Inc Com USD 0.01	71	0.32
Savings & loans				Total United States			
5,197	New York Community Bancorp Inc Com USD 0.01	67	0.30	Total equities			
3,825	People's United Financial Inc Com USD 0.01	64	0.29	Total value of investments			
Semiconductors				Cash[†]			
5,916	Advanced Micro Devices Inc Com USD 0.01	66	0.30	Other net assets			
663	KLA-Tencor Corp Com USD 0.001	69	0.31	Net asset value attributable to redeemable participating shareholders at the end of the financial period.			
1,549	Maxim Integrated Products Inc Com USD 0.001	74	0.33	22,286 100.00			
842	Microchip Technology Inc Com USD 0.001	70	0.31	† Substantially all cash positions are held with State Street Bank and Trust Company.			
894	Qorvo Inc Com USD 0.0001	70	0.31	Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.			
650	Skyworks Solutions Inc Com USD 0.25	69	0.31				
1,013	Xilinx Inc Com USD 0.01	68	0.31				
Software							
1,425	Akamai Technologies Inc Com USD 0.01	67	0.30				
552	Ansys Inc Com USD 0.01	70	0.31				
973	Broadridge Financial Solutions Inc Com USD 0.01	74	0.33				
2,060	Cadence Design Systems Inc Com USD 0.01	72	0.32				
815	Citrix Systems Inc Com USD 0.001	67	0.30				
4,191	First Data Corp Com USD 0.01	72	0.32				
671	Jack Henry & Associates Inc Com USD 0.01	71	0.32				
682	MSCI Inc Com USD 0.01	69	0.31				
3,812	Nuance Communications Inc Com USD 0.001	71	0.32				
816	Red Hat Inc Com USD 0.0001	73	0.33				

iShares Edge MSCI USA Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	22,255	80.94
Other assets	5,240	19.06
Total current assets	27,495	100.00

iShares Edge MSCI USA Size Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
1,444	Western Union Co Com USD 0.01	120	1,906	Envision Healthcare Corp Com USD 0.01	130
838	Lam Research Corp Com USD 0.001	119	1,404	Mid-America Apartment Communities Inc Reits USD 0.01	130
1,411	Analog Devices Inc Com USD 0.167	117	1,754	Regency Centers Corp Reits USD 0.01	118
1,082	Autodesk Inc Com USD 0.01	110	3,326	Parsley Energy Inc Com USD 0.01	118
1,647	Dell Technologies Inc Class V Com USD 0.01	109	1,338	Tesoro Corp Com USD 0.167	114
2,456	IHS Markit Ltd Com USD 0.01	106	2,149	Dick's Sporting Goods Inc Com USD 0.01	113
801	Incyte Corp Com USD 0.001	102	2,363	Kohl's Corp Com USD 0.01	112
462	Roper Technologies Inc Com USD 0.01	100	2,192	Nordstrom Inc Com NPV	111
960	Royal Caribbean Cruises Ltd Com USD 0.01	100	8,042	Freeport-McMoRan Inc Com USD 0.10	111
631	Rockwell Collins Inc Com USD 0.01	97	4,833	Brixmor Property Group Inc Reits USD 0.01	110
602	Parker-Hannifin Corp Com USD 0.50	93	2,616	Bed Bath & Beyond Inc Com USD 0.01	109
5,255	KeyCorp Com USD 1.00	93	1,853	Akamai Technologies Inc Com USD 0.01	108
796	Valspar Corp Com USD 0.50	89	1,495	Signet Jewelers Ltd Com USD 0.18	108
7,072	Calpine Corp Com USD 0.001	89	1,500	Helmerich & Payne Inc Com USD 0.10	107
1,198	Amphenol Corp Com USD 0.001	87	1,208	Ralph Lauren Corp Com USD 0.01	107
674	Concho Resources Inc Com USD 0.001	87	3,247	Plains GP Holdings LP Com NPV	107
632	Expedia Inc Com USD 0.001	87	494	WW Grainger Inc Com USD 0.50	107
1,450	Level 3 Communications Inc Com USD 0.01	86	1,513	Foot Locker Inc Com USD 0.01	107
879	Molson Coors Brewing Co Com USD 0.01	84	2,024	Targa Resources Corp Com USD 0.001	106
3,815	Liberty Global Plc LiLAC Com USD 0.01	81	3,320	Range Resources Corp Com USD 0.01	106

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Edge MSCI USA Value Factor UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 17 October 2016 to 31 May 2017 \$'000
Operating income	2	8,230
Net gains on financial assets/liabilities at fair value through profit or loss	3	3,268
Total gains		11,498
Operating expenses	4	(622)
Net operating profit		10,876
Finance cost:		
Interest expense	6	(15)
Net profit for the financial period before tax		10,861
Taxation		(1,183)
Net profit for the financial period after tax		9,678
Increase in net assets attributable to redeemable participating shareholders from operations		9,678

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	9,678
Share transactions:	
Proceeds from issue of redeemable participating shares	1,050,982
Payments on redemption of redeemable participating shares	(8,365)
Increase in net assets resulting from share transactions	1,042,617
Net assets attributable to redeemable participating shareholders at the end of the financial period	1,052,295

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Value Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		5,369
Margin cash account		243
Receivables	10	8,407
Financial assets at fair value through profit or loss	11	1,043,978
Total current assets		1,057,997
CURRENT LIABILITIES		
Payables	12	(5,702)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(5,702)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	1,052,295

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI USA Value Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	8,230
	8,230

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	3,192
Net gains on futures contracts	76
	3,268

4. OPERATING EXPENSES

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Management fees	(622)
	(622)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.20

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. INTEREST EXPENSE

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Bank interest	(15)
	(15)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 17 October 2016 to 31 May 2017 \$'000
Transaction costs	(56)

iShares Edge MSCI USA Value Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	186,000,000
Redeemed during the financial period	(1,500,000)
Balance at the end of financial period	184,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	1,052,295

	No. of Shares
Shares in issue	
As at 31 May 2017	184,500,000

	\$
Net asset value per share	
As at 31 May 2017	5.70

10. RECEIVABLES

	31 May 2017 \$'000
Subscription for shares awaiting settlement	5,715
Dividend income receivable	2,692
	8,407

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	1,043,902
Unrealised gains on futures contracts	76
	1,043,978

12. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(5,527)
Management fees payable	(175)
	(5,702)

iShares Edge MSCI USA Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Bermuda			
Agriculture			
77,782	Bunge Ltd Com USD 0.01	6,220	0.59
Insurance			
7,391	Axis Capital Holdings Ltd Com USD 0.0125	485	0.05
30,997	XL Group Ltd Com USD 0.01	1,354	0.13
Semiconductors			
106,431	Marvell Technology Group Ltd Com USD 0.002	1,835	0.17
Total Bermuda		9,894	0.94
British Virgin Islands			
Apparel retailers			
19,940	Michael Kors Holdings Ltd Com NPV	662	0.06
Total British Virgin Islands		662	0.06
Ireland			
Computers			
85,249	Seagate Technology Plc Com USD 0.00001	3,714	0.35
Pharmaceuticals			
58,689	Allergan Plc Com USD 0.0033	13,132	1.25
33,195	Mallinckrodt Plc Com USD 0.20	1,432	0.14
23,599	Perrigo Co Plc Com EUR 0.001	1,719	0.16
Total Ireland		19,997	1.90
Netherlands			
Chemicals			
77,485	LyondellBasell Industries NV Com EUR 0.04	6,239	0.59
Pharmaceuticals			
116,949	Mylan NV Com EUR 0.01	4,559	0.44
Total Netherlands		10,798	1.03
Panama			
Leisure time			
124,706	Carnival Corp Com USD 0.01	7,990	0.76
Total Panama		7,990	0.76
Singapore			
Electronics			
141,337	Flex Ltd Com NPV	2,440	0.23
Total Singapore		2,440	0.23
United Kingdom			
Media			
12,850	Liberty Global Plc LiLac Com USD 0.01	269	0.02
Total United Kingdom		269	0.02

Holding	Investment	Fair value \$'000	% of net asset value
United States			
Aerospace & defence			
125,991	Arconic Inc Com USD 1.00	3,461	0.33
61,293	L3 Technologies Inc Com USD 0.01	10,333	0.98
Agriculture			
368,231	Archer-Daniels-Midland Co Com NPV	15,311	1.45
Airlines			
147,627	American Airlines Group Inc Com USD 0.01	7,147	0.68
253,720	Delta Air Lines Inc Com USD 0.0001	12,465	1.18
157,221	Southwest Airlines Co Com USD 1.00	9,447	0.90
106,121	United Continental Holdings Inc Com USD 0.01	8,455	0.80
Auto manufacturers			
1,945,784	Ford Motor Co Com USD 0.01	21,637	2.06
944,321	General Motors Co Com USD 0.01	32,041	3.04
Auto parts & equipment			
39,869	BorgWarner Inc Com USD 0.01	1,695	0.16
110,316	Goodyear Tire & Rubber Co Com NPV	3,554	0.34
26,566	Lear Corp Com USD 0.01	3,960	0.38
Banks			
1,337,668	Bank of America Corp Com USD 0.01	29,977	2.85
60,943	Capital One Financial Corp Com USD 0.01	4,688	0.45
410,406	Citigroup Inc Com USD 0.01	24,846	2.36
61,985	Citizens Financial Group Inc Com USD 0.01	2,114	0.20
35,625	Goldman Sachs Group Inc Com USD 0.01	7,526	0.71
296,881	JPMorgan Chase & Co Com USD 1.00	24,389	2.32
83,689	KeyCorp Com USD 1.00	1,462	0.14
140,909	Morgan Stanley Com USD 0.01	5,881	0.56
138,371	Regions Financial Corp Com USD 0.01	1,915	0.18
41,327	SunTrust Banks Inc Com USD 1.00	2,206	0.21
Biotechnology			
398,127	Gilead Sciences Inc Com USD 0.001	25,835	2.46
7,389	United Therapeutics Corp Com USD 0.01	893	0.08
Chemicals			
18,066	Celanese Corp Com USD 0.0001	1,564	0.15
34,871	CF Industries Holdings Inc Com USD 0.01	938	0.09
88,666	Dow Chemical Co Com USD 2.50	5,494	0.52
25,502	Eastman Chemical Co Com USD 0.01	2,043	0.20
88,922	Mosaic Co Com USD 0.01	2,012	0.19
Commercial services			
1,104	Amerco Com USD 0.25	408	0.04
9,581	ManpowerGroup Inc Com USD 0.01	976	0.09
76,677	United Rentals Inc Com USD 0.01	8,337	0.79
Computers			
684,395	Apple Inc Com USD 0.00001	104,548	9.94
30,531	DXC Technology Co Com USD 0.01	2,367	0.23
363,831	Hewlett Packard Enterprise Co Com USD 0.01	6,844	0.65

iShares Edge MSCI USA Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Computers (cont)			
449,542	HP Inc Com USD 0.01	8,433	0.80
91,048	NetApp Inc Com USD 0.001	3,686	0.35
68,242	Western Digital Corp Com USD 0.01	6,146	0.58
Diversified financial services			
74,915	Ally Financial Inc Com USD 0.10	1,389	0.13
26,583	CIT Group Inc Com USD 0.01	1,198	0.12
38,768	Navient Corp Com USD 0.01	559	0.05
Electricity			
122,905	AES Corp Com USD 0.01	1,435	0.13
67,933	Entergy Corp Com USD 0.01	5,371	0.51
430,971	Exelon Corp Com NPV	15,649	1.49
144,783	FirstEnergy Corp Com USD 0.10	4,233	0.40
149,703	Public Service Enterprise Group Inc Com NPV	6,723	0.64
Electronics			
28,029	Arrow Electronics Inc Com USD 1.00	2,119	0.20
34,689	Avnet Inc Com USD 1.00	1,272	0.12
287,863	Corning Inc Com USD 0.50	8,377	0.80
Engineering & construction			
62,749	Fluor Corp Com USD 0.01	2,815	0.27
124,258	Jacobs Engineering Group Inc Com USD 1.00	6,514	0.62
Food			
10,667	Ingredion Inc Com USD 0.01	1,217	0.12
25,818	JM Smucker Co Com NPV	3,301	0.31
292,752	Kroger Co Com USD 1.00	8,718	0.83
130,635	Tyson Foods Inc Com USD 0.10	7,490	0.71
80,077	Whole Foods Market Inc Com NPV	2,802	0.27
Forest products & paper			
59,424	International Paper Co Com USD 1.00	3,142	0.30
Healthcare services			
76,857	Aetna Inc Com USD 0.01	11,134	1.06
71,656	Anthem Inc Com USD 0.01	13,066	1.24
36,775	Centene Corp Com USD 0.001	2,671	0.26
45,253	Cigna Corp Com USD 0.25	7,296	0.69
23,203	Quest Diagnostics Inc Com USD 0.01	2,524	0.24
13,289	Universal Health Services Inc Com USD 0.01	1,510	0.14
Home builders			
37,286	Toll Brothers Inc Com USD 0.01	1,376	0.13
Home furnishings			
26,211	Whirlpool Corp Com USD 1.00	4,863	0.46
Insurance			
29,867	Aflac Inc Com USD 0.10	2,251	0.21
125,337	American International Group Inc Com USD 2.50	7,975	0.76
4,413	Assurant Inc Com USD 0.01	432	0.04
36,512	Hartford Financial Services Group Inc Com USD 0.01	1,803	0.17
37,317	Lincoln National Corp Com NPV	2,425	0.23

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Insurance (cont)			
27,661	Loews Corp Com USD 0.01	1,305	0.12
145,434	MetLife Inc Com USD 0.01	7,358	0.70
65,685	Prudential Financial Inc Com USD 0.01	6,887	0.66
27,289	Unum Group Com USD 0.10	1,228	0.12
36,143	Voya Financial Inc Com USD 0.01	1,235	0.12
Internet			
113,281	Symantec Corp Com USD 0.01	3,434	0.33
Iron & steel			
41,687	Nucor Corp Com USD 0.40	2,422	0.23
Machinery - diversified			
82,670	AGCO Corp Com USD 0.01	5,294	0.50
65,316	Cummins Inc Com USD 2.50	10,300	0.98
Media			
232,408	News Corp Com USD 0.01	3,110	0.30
55,358	Tegna Inc Com USD 1.00	1,314	0.12
65,725	Viacom Inc Com USD 0.001	2,286	0.22
Mining			
95,696	Newmont Mining Corp Com USD 1.60	3,268	0.31
Office & business equipment			
305,912	Xerox Corp Com USD 1.00	2,163	0.21
Oil & gas			
328,012	Chevron Corp Com USD 0.75	33,943	3.23
78,917	Devon Energy Corp Com USD 0.10	2,681	0.26
22,865	Helmerich & Payne Inc Com USD 0.10	1,204	0.11
41,332	HollyFrontier Corp Com USD 0.01	988	0.09
186,572	Marathon Oil Corp Com USD 1.00	2,429	0.23
85,582	Marathon Petroleum Corp Com USD 0.01	4,454	0.42
40,955	Murphy Oil Corp Com USD 1.00	1,000	0.10
73,837	Phillips 66 Com USD 0.01	5,620	0.53
90,281	Southwestern Energy Co Com USD 0.01	547	0.05
19,918	Tesoro Corp Com USD 0.167	1,658	0.16
139,861	Valero Energy Corp Com USD 0.01	8,597	0.82
Oil & gas services			
66,019	National Oilwell Varco Inc Com USD 0.01	2,157	0.20
Packaging & containers			
45,023	WestRock Co Com USD 0.01	2,450	0.23
Pharmaceuticals			
33,253	AmerisourceBergen Corp Com USD 0.01	3,052	0.29
61,628	Cardinal Health Inc Com NPV	4,578	0.44
123,058	Express Scripts Holding Co Com USD 0.01	7,353	0.70
28,274	McKesson Corp Com USD 0.01	4,611	0.44
1,081,083	Pfizer Inc Com USD 0.05	35,297	3.35
Pipelines			
16,819	Plains GP Holdings LP Com NPV	449	0.04

iShares Edge MSCI USA Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
United States (cont)			
Real estate investment & services			
15,748	Jones Lang LaSalle Inc Com USD 0.01	1,818	0.17
Real estate investment trusts			
40,941	AGNC Investment Corp Reits USD 0.01	851	0.08
119,931	Annaly Capital Management Inc Reits USD 0.01	1,437	0.13
514,085	Host Hotels & Resorts Inc Reits USD 0.01	9,248	0.88
98,783	Iron Mountain Inc Reits USD 0.01	3,450	0.33
51,743	Liberty Property Trust Reits USD 0.001	2,126	0.20
456,097	VEREIT Inc Reits USD 0.01	3,772	0.36
318,936	Weyerhaeuser Co Reits USD 1.25	10,512	1.00
Retail			
58,289	Bed Bath & Beyond Inc Com USD 0.01	2,006	0.19
147,991	Best Buy Co Inc Com USD 0.10	8,789	0.84
125,385	CVS Health Corp Com USD 0.01	9,633	0.92
22,502	Dick's Sporting Goods Inc Com USD 0.01	926	0.09
33,595	Foot Locker Inc Com USD 0.01	1,996	0.19
90,707	Gap Inc Com USD 0.05	2,041	0.19
85,228	Kohl's Corp Com USD 0.01	3,275	0.31
109,233	Macy's Inc Com USD 0.01	2,567	0.24
30,626	Nordstrom Inc Com NPV [^]	1,280	0.12
20,276	PVH Corp Com USD 1.00	2,148	0.21
357,203	Staples Inc Com USD 0.0006	3,243	0.31
152,937	Target Corp Com USD 0.0833	8,435	0.80
494,289	Wal-Mart Stores Inc Com USD 0.10	38,851	3.69
Semiconductors			
1,025,799	Intel Corp Com USD 0.001	37,042	3.52
17,000	Lam Research Corp Com USD 0.001	2,638	0.25
337,720	Micron Technology Inc Com USD 0.10	10,392	0.99
27,306	Qorvo Inc Com USD 0.0001	2,128	0.20
Software			
62,745	CA Inc Com USD 0.10	1,993	0.19
28,798	Nuance Communications Inc Com USD 0.001	533	0.05
Telecommunications			
607,913	AT&T Inc Com USD 1.00	23,423	2.23
84,961	CenturyLink Inc Com USD 1.00	2,120	0.20
1,136,406	Cisco Systems Inc Com USD 0.001	35,830	3.40
67,517	Juniper Networks Inc Com USD 0.00001	1,980	0.19
Transportation			
177,483	Norfolk Southern Corp Com USD 1.00	22,013	2.09
Total United States		991,852	94.26
Total equities		1,043,902	99.20

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net asset value	
Financial derivative instruments				
Futures contracts				
64	S&P 500 E Mini Index Futures June 2017	7,639	76	0.01
Total unrealised gains on futures contracts			76	0.01
Total financial derivative instruments			76	0.01

Holding	Investment	Fair value \$'000	% of net asset value
Total value of investments		1,043,978	99.21
Cash[†]		5,612	0.53
Other net assets		2,705	0.26
Net asset value attributable to redeemable participating shareholders at the end of the financial period		1,052,295	100.00

[†] Cash holdings of \$5,368,700 are held with State Street Bank and Trust Company. \$243,057 is held as security for futures contracts with HSBC Bank Plc.

[^] These securities are partially or fully transferred as securities lent

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	1,043,902	98.66
Exchange traded financial derivative instruments	76	0.01
Other assets	14,019	1.33
Total current assets	1,057,997	100.00

iShares Edge MSCI USA Value Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
13,356	UnitedHealth Group Inc Com USD 0.01	2,114	690,107	Apple Inc Com USD 0.00001	90,917
19,497	Medtronic Plc Com USD 0.10	1,423	1,049,884	Intel Corp Com USD 0.001	37,805
12,238	JPMorgan Chase & Co Com USD 1.00	991	1,166,838	Cisco Systems Inc Com USD 0.001	37,739
30,432	Cisco Systems Inc Com USD 0.001	918	333,455	Chevron Corp Com USD 0.75	37,159
24,085	Intel Corp Com USD 0.001	840	1,089,848	Pfizer Inc Com USD 0.05	36,074
5,712	Apple Inc Com USD 0.00001	794	503,654	Wal-Mart Stores Inc Com USD 0.10	35,196
57,965	Endo International Plc Com USD 0.0001	791	953,949	General Motors Co Com USD 0.01	34,436
28,229	Corning Inc Com USD 0.50	750	1,368,738	Bank of America Corp Com USD 0.01	32,147
9,365	Wal-Mart Stores Inc Com USD 0.10	682	401,356	Gilead Sciences Inc Com USD 0.001	28,127
15,669	Archer-Daniels-Midland Co Com NPV	678	309,119	JPMorgan Chase & Co Com USD 1.00	26,939
31,070	Bank of America Corp Com USD 0.01	674	420,654	Citigroup Inc Com USD 0.01	24,917
2,777	Allergan Plc Com USD 0.0033	663	612,843	AT&T Inc Com USD 1.00	24,901
5,443	Chevron Corp Com USD 0.75	599	1,961,575	Ford Motor Co Com USD 0.01	24,171
10,248	Citigroup Inc Com USD 0.01	596	181,787	Norfolk Southern Corp Com USD 1.00	21,343
5,208	PNC Financial Services Group Inc Com USD 5.00*	576	383,900	Archer-Daniels-Midland Co Com NPV	17,124
8,106	PG&E Corp Com NPV	477	434,462	Exelon Corp Com NPV	15,225
4,304	Norfolk Southern Corp Com USD 1.00	466	61,466	Allergan Plc Com USD 0.0033	14,487
3,528	Chubb Ltd Com CHF 24.15	452	259,163	Delta Air Lines Inc Com USD 0.0001	12,884
26,525	HP Inc Com USD 0.01	417	72,236	Anthem Inc Com USD 0.01	11,527
6,598	American International Group Inc Com USD 2.50	413	321,527	Weyerhaeuser Co Reits USD 1.25	10,631
4,139	AmerisourceBergen Corp Com USD 0.01	377			
1,626	Goldman Sachs Group Inc Com USD 0.01	362			
7,923	Morgan Stanley Com USD 0.01	331			
9,628	General Motors Co Com USD 0.01	330			
1,874	L3 Technologies Inc Com USD 0.01	298			
2,604	Travelers Cos Inc Com NPV	295			
13,769	Micron Technology Inc Com USD 0.10	284			
8,765	Pfizer Inc Com USD 0.05	280			
3,293	Capital One Financial Corp Com USD 0.01	279			

* Investment in related party.

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Edge MSCI World Momentum Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	5,648	982
Net gains on financial assets/liabilities at fair value through profit or loss	3	33,384	1,221
Total gains		39,032	2,203
Operating expenses	4	(594)	(180)
Net operating profit		38,438	2,023
Finance costs:			
Interest expense	6	(6)	(1)
Total finance costs		(6)	(1)
Net profit for the financial year before tax		38,432	2,022
Taxation		(531)	(122)
Net profit for the financial year after tax		37,901	1,900
Adjustment to align to the valuation methodology as set out in the prospectus	1	(72)	56
Increase in net assets attributable to redeemable participating shareholders from operations		37,829	1,956

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	132,502	27,745
Increase in net assets attributable to redeemable participating shareholders from operations	37,829	1,956
Share transactions:		
Proceeds from issue of redeemable participating shares	200,540	102,801
Payments on redemption of redeemable participating shares	(33,731)	-
Increase in net assets resulting from share transactions	166,809	102,801
Net assets attributable to redeemable participating shareholders at the end of the financial year	337,140	132,502

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Momentum Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		2,703	23,514
Margin cash account		100	19
Receivables	10	199,205	69,580
Financial assets at fair value through profit or loss	11	334,658	131,917
Total current assets		536,666	225,030
CURRENT LIABILITIES			
Payables	12	(199,526)	(92,600)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(199,526)	(92,600)
Net assets attributable to redeemable participating shareholders		337,140	132,430
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	72
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	337,140	132,502

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Momentum Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income*	-	-
Dividend income	5,636	981
Securities lending income*	12	1
	5,648	982

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains on investments in securities held at fair value through profit or loss	33,120	1,265
Net gains/(losses) on futures contracts	254	(32)
Net gains/(losses) on foreign currency transactions	10	(12)
	33,384	1,221

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(594)	(180)
	(594)	(180)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.30	0.30

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(6)	(1)
	(6)	(1)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Transaction costs	(366)	(57)

iShares Edge MSCI World Momentum Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	4,800,000	1,000,000
Issued during the financial year	6,800,000	3,800,000
Redeemed during the financial year	(1,200,000)	-
Balance at the end of financial year	10,400,000	4,800,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	337,140
As at 31 May 2016	132,502
As at 31 May 2015	27,745

	No. of Shares
Shares in issue	
As at 31 May 2017	10,400,000
As at 31 May 2016	4,800,000
As at 31 May 2015	1,000,000

	\$
Net asset value per share	
As at 31 May 2017	32.42
As at 31 May 2016	27.60
As at 31 May 2015	27.75

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	198,176	69,398
Dividend income receivable	1,000	169
Securities lending income receivable	2	1
Tax reclaim receivable	27	12
	199,205	69,580

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	334,624	131,887
Investment in rights	-	4
Unrealised gains on futures contracts	34	26
	334,658	131,917

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(199,446)	(92,573)
Management fees payable	(80)	(27)
	(199,526)	(92,600)

iShares Edge MSCI World Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.54%)			
Equities (31 May 2016: 99.54%)			
Australia (31 May 2016: 2.72%)			
Banks			
10,097	Macquarie Group Ltd Com NPV	674	0.20
Biotechnology			
17,035	CSL Ltd Com NPV	1,640	0.49
Computers			
20,509	Computershare Ltd Com NPV	220	0.06
Electricity			
36,535	AGL Energy Ltd Com NPV	717	0.21
Entertainment			
30,862	Aristocrat Leisure Ltd Com NPV	501	0.15
Insurance			
22,378	Challenger Ltd Com NPV	213	0.06
Iron & steel			
20,431	BlueScope Steel Ltd Com NPV	175	0.05
Mining			
130,992	South32 Ltd Com NPV	257	0.08
Real estate investment trusts			
26,422	Dexus Reits NPV	204	0.06
Total Australia		4,601	1.36
Austria (31 May 2016: Nil)			
Oil & gas			
7,500	OMV AG Com NPV	391	0.12
Total Austria		391	0.12
Belgium (31 May 2016: 0.18%)			
Bermuda (31 May 2016: 0.15%)			
Holding companies - diversified operations			
9,500	Jardine Strategic Holdings Ltd Com USD 0.05	399	0.12
Insurance			
6,476	Arch Capital Group Ltd Com USD 0.01	630	0.18
3,529	Axis Capital Holdings Ltd Com USD 0.0125	231	0.07
9,892	XL Group Ltd Com GBp 0.05	432	0.13
Semiconductors			
9,803	Marvell Technology Group Ltd Com USD 0.002	169	0.05
Total Bermuda		1,861	0.55
British Virgin Islands (31 May 2016: 0.08%)			
Canada (31 May 2016: 2.63%)			
Aerospace & defence			
9,228	CAE Inc Com NPV	149	0.04
Diversified financial services			
2,437	Onex Corp Com NPV	177	0.05

Holding	Investment	Fair value \$'000	% of net asset value
Canada (31 May 2016: 2.63%) (cont)			
Environmental control			
6,906	Waste Connections Inc Com NPV	657	0.20
Insurance			
2,658	Industrial Alliance Insurance & Financial Services Inc Com NPV	99	0.03
Internet			
5,036	Shopify Inc Com NPV	465	0.14
Media			
10,177	Thomson Reuters Corp Com NPV	444	0.13
3,872	Pack Resources Ltd Com NPV	69	0.02
Packaging & containers			
908	CCL Industries Inc Com NPV	215	0.06
Pipelines			
9,407	Veresen Inc Com NPV	128	0.04
Retail			
2,202	Canadian Tire Corp Ltd Com NPV	251	0.07
3,288	Dollarama Inc Com NPV	305	0.09
6,527	Restaurant Brands International Inc Com NPV	399	0.12
Software			
6,057	Open Text Corp Com NPV	198	0.06
Telecommunications			
12,176	Rogers Communications Inc Com NPV	568	0.17
Total Canada		4,124	1.22
Cayman Islands (31 May 2016: 0.08)			
Hotels			
7,645	Melco Resorts & Entertainment Ltd Com USD 0.01	173	0.05
45,200	Wynn Macau Ltd Com HKD 0.001	100	0.03
Semiconductors			
16,800	ASM Pacific Technology Ltd Com HKD 0.10	241	0.07
Total Cayman Islands		514	0.15
Denmark (31 May 2016: 0.93%)			
Banks			
25,859	Danske Bank A/S Com DKK 10.00	972	0.29
Biotechnology			
1,335	Genmab A/S Com DKK 1.00	285	0.09
Healthcare products			
3,511	Coloplast A/S Com DKK 1.00	301	0.09
3,573	William Demant Holding A/S Com DKK 0.20	94	0.03
Pharmaceuticals			
3,348	H Lundbeck A/S Com DKK 5.00	179	0.05
Transportation			
6,227	DSV A/S Com DKK 1.00	379	0.11
Total Denmark		2,210	0.66

iShares Edge MSCI World Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.54%) (cont)			
Finland (31 May 2016: 0.10%)			
Forest products & paper			
16,355	Stora Enso OYJ Com NPV	207	0.06
13,453	UPM-Kymmene Oyj Com NPV	380	0.11
Machinery - diversified			
4,221	Metso OYJ Com NPV	143	0.04
Miscellaneous manufacturers			
7,063	Wartsila OYJ Abp Com NPV	420	0.13
Pharmaceuticals			
5,726	Orion Oyj Com EUR 0.65	371	0.11
Total Finland		1,521	0.45
France (31 May 2016: 0.83%)			
Aerospace & defence			
2,789	Thales SA Com EUR 3.00	308	0.09
Apparel retailers			
3,211	Christian Dior SE Com EUR 2.00	921	0.27
764	Hermes International Com NPV	378	0.11
13,796	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	3,535	1.05
Auto manufacturers			
14,907	Peugeot SA Com EUR 1.00	295	0.09
Auto parts & equipment			
5,424	Cie Generale des Etablissements Michelin Com EUR 2.00	685	0.20
7,004	Valeo SA Com EUR 1.00	490	0.15
Banks			
37,813	Credit Agricole SA Com EUR 3.00	582	0.17
28,681	Natixis SA Com EUR 11.20	190	0.06
26,111	Societe Generale SA Com EUR 1.25	1,375	0.41
Building materials and fixtures			
1,122	Imerys SA Com EUR 2.00	98	0.03
Computers			
4,102	Atos SE Com EUR 1.00	589	0.17
Engineering & construction			
1,074	Aeroports de Paris Com EUR 3.00	165	0.05
7,603	Bouygues SA Com EUR 1.00	327	0.10
Food Service			
2,549	Sodexo SA Com EUR 4.00	348	0.10
Holding companies - diversified operations			
863	Wendel SA Com EUR 4.00	132	0.04
Home furnishings			
708	SEB SA Com EUR 1.00	124	0.04
Pharmaceuticals			
2,381	Ipsen SA Com EUR 1.00	302	0.09
Retail			
4,182	Kering Com EUR 4.00	1,385	0.41
Total France		12,229	3.63
Germany (31 May 2016: 1.30%)			
Apparel retailers			
6,750	Adidas AG Com NPV	1,292	0.38

Holding	Investment	Fair value \$'000	% of net asset value
Germany (31 May 2016: 1.30%) (cont)			
Chemicals			
5,506	Covestro AG Com NPV	412	0.12
2,161	Lanxess AG Com NPV	162	0.05
Diversified financial services			
6,062	Deutsche Boerse AG Com NPV	630	0.19
Engineering & construction			
1,915	Fraport AG Frankfurt Airport Services Worldwide Com NPV	155	0.04
1,035	Hochtief AG Com NPV	191	0.06
Miscellaneous manufacturers			
31,199	Siemens AG Com NPV	4,458	1.32
Semiconductors			
33,816	Infineon Technologies AG Com NPV	749	0.22
Software			
30,344	SAP SE Com NPV	3,257	0.97
Total Germany		11,306	3.35
Hong Kong (31 May 2016: 0.28%)			
Banks			
102,000	BOC Hong Kong Holdings Ltd Com NPV [^]	460	0.14
Holding companies - diversified operations			
39,000	Wharf Holdings Ltd Com NPV	332	0.10
Hotels			
76,000	Galaxy Entertainment Group Ltd Com NPV	440	0.13
Real estate investment & services			
33,000	Wheelock & Co Ltd Com NPV [^]	247	0.07
Total Hong Kong		1,479	0.44
Ireland (31 May 2016: 1.40%)			
Computers			
9,325	Seagate Technology Plc Com USD 0.00001	406	0.12
Miscellaneous manufacturers			
10,413	Ingersoll-Rand Plc Com USD 1.00	933	0.28
Total Ireland		1,339	0.40
Isle of Man (31 May 2016: Nil)			
Entertainment			
259,500	Genting Singapore Plc Com USD 0.10	222	0.07
Total Isle of Man		222	0.07
Israel (31 May 2016: Nil)			
Banks			
39,808	Bank Hapoalim BM Com ILS 1.00	265	0.08
4,573	Mizrahi Tefahot Bank Ltd Com ILS 0.10	82	0.02
Computers			
4,396	Check Point Software Technologies Ltd Com USD 0.01	492	0.15
Total Israel		839	0.25

iShares Edge MSCI World Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.54%) (cont)			
Italy (31 May 2016: 0.28%)			
Pharmaceuticals			
4,680	Recordati SpA Com EUR 0.125	189	0.06
	Total Italy	189	0.06
Japan (31 May 2016: 3.47%)			
Auto manufacturers			
10,600	Suzuki Motor Corp Com NPV	500	0.15
Banks			
78,100	Resona Holdings Inc Com NPV	400	0.12
Beverages			
27,200	Kirin Holdings Co Ltd Com NPV	575	0.17
Building materials and fixtures			
32,000	Asahi Glass Co Ltd Com NPV	262	0.08
Chemicals			
28,000	Asahi Kasei Corp Com NPV	270	0.08
3,500	Hitachi Chemical Co Ltd Com NPV	97	0.03
43,300	Mitsubishi Chemical Holdings Corp Com NPV	328	0.10
6,700	Mitsubishi Gas Chemical Co Inc Com NPV	138	0.04
20,000	Mitsui Chemicals Inc Com NPV	100	0.03
14,300	Shin-Etsu Chemical Co Ltd Com NPV	1,284	0.38
28,000	Tosoh Corp Com NPV	238	0.07
Commercial services			
14,900	Recruit Holdings Co Ltd Com NPV	791	0.23
Computers			
55,000	Fujitsu Ltd Com NPV	402	0.12
Cosmetics & personal care			
5,600	Lion Corp Com NPV	119	0.03
Distribution & wholesale			
7,500	Toyota Tsusho Corp Com NPV	230	0.07
Electrical components & equipment			
7,600	Brother Industries Ltd Com NPV	169	0.05
Electricity			
29,700	Kansai Electric Power Co Inc Com NPV	416	0.12
Electronics			
13,700	Minebea Mitsumi Inc Com NPV	224	0.07
9,200	Yaskawa Electric Corp Com NPV	183	0.05
Food			
5,000	NH Foods Ltd Com NPV	157	0.05
Hand & machine tools			
1,300	Disco Corp Com NPV	224	0.07
Home furnishings			
91,000	Sharp Corp Com NPV	333	0.10
Internet			
6,100	Start Today Co Ltd Com NPV	152	0.04
Machinery - diversified			
22,000	Sumitomo Heavy Industries Ltd Com NPV	144	0.04
Machinery, construction & mining			
3,700	Hitachi Construction Machinery Co Ltd Com NPV	86	0.03

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 3.47%) (cont)			
Machinery, construction & mining (cont)			
31,600	Komatsu Ltd Com NPV	753	0.22
Office & business equipment			
31,100	Canon Inc Com NPV	1,063	0.32
Oil & gas			
3,600	Idemitsu Kosan Co Ltd Com NPV	101	0.03
Retail			
1,900	Nitori Holdings Co Ltd Com NPV	278	0.08
Semiconductors			
3,400	Rohm Co Ltd Com NPV	273	0.08
6,200	Tokyo Electron Ltd Com NPV	880	0.26
Toys			
4,900	Bandai Namco Holdings Inc Com NPV	175	0.05
Transportation			
14,000	Keikyu Corp Com NPV	167	0.05
	Total Japan	11,512	3.41
Jersey (31 May 2016: 0.33%)			
Mining			
293,381	Glencore Plc Com USD 0.01	1,080	0.32
	Total Jersey	1,080	0.32
Liberia (31 May 2016: Nil)			
Leisure time			
5,499	Royal Caribbean Cruises Ltd Com USD 0.01	606	0.18
	Total Liberia	606	0.18
Netherlands (31 May 2016: 0.63%)			
Aerospace & defence			
20,034	Airbus SE Com EUR 1.00	1,646	0.49
Auto manufacturers			
5,669	Ferrari NV Com EUR 0.01	491	0.15
35,785	Fiat Chrysler Automobiles NV Com EUR 0.01	376	0.11
Auto parts & equipment			
12,612	Mobileye NV Com EUR 0.01	781	0.23
Banks			
118,350	ING Groep NV Com EUR 0.01	1,982	0.59
Chemicals			
9,823	Akzo Nobel NV Com EUR 2.00	823	0.24
Cosmetics & personal care			
52,561	Unilever NV Com EUR 0.16	2,997	0.89
Healthcare products			
7,421	QIAGEN NV Com EUR 0.01	250	0.07
Investment services			
4,181	Exor NV Com NPV	233	0.07
Machinery - diversified			
40,935	CNH Industrial NV Com EUR 0.01	455	0.13
Media			
3,860	Altice NV Com EUR 0.25	96	0.03

iShares Edge MSCI World Momentum Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.54%) (cont)			
Netherlands (31 May 2016: 0.63%) (cont)			
Media (cont)			
10,789	Altice NV Com EUR 0.01	269	0.08
Semiconductors			
11,615	ASML Holding NV Com EUR 0.09	1,535	0.46
35,670	STMicroelectronics NV Com EUR 1.04	589	0.17
Total Netherlands		12,523	3.71
New Zealand (31 May 2016: 0.17%)			
Norway (31 May 2016: 0.15%)			
Mining			
41,908	Norsk Hydro ASA Com NOK 1.098	227	0.07
Total Norway		227	0.07
Panama (31 May 2016: Nil)			
Leisure time			
10,790	Carnival Corp Com USD 0.01	691	0.20
Total Panama		691	0.20
Portugal (31 May 2016: 0.06%)			
Singapore (31 May 2016: 0.76%)			
Banks			
65,700	DBS Group Holdings Ltd Com NPV	973	0.29
Hotels			
14,000	City Developments Ltd Com NPV	108	0.03
Real estate investment & services			
151,300	Global Logistic Properties Ltd Com NPV	317	0.10
15,800	UOL Group Ltd Com NPV	80	0.02
Semiconductors			
12,132	Broadcom Ltd Com NPV	2,905	0.86
Total Singapore		4,383	1.30
Spain (31 May 2016: 0.17%)			
Banks			
428,989	Banco Santander SA Com EUR 0.50	2,789	0.83
118,741	Bankia SA Com EUR 0.80	137	0.04
163,133	CaixaBank SA Com EUR 1.00	771	0.23
Engineering & construction			
1,647	Aena SA Com EUR 10.00	333	0.10
Pharmaceuticals			
10,799	Grifols SA Com EUR 0.25	306	0.09
Total Spain		4,336	1.29
Sweden (31 May 2016: 0.24%)			
Auto manufacturers			
71,928	Volvo AB Com SEK 1.20	1,178	0.35
Banks			
93,587	Nordea Bank AB Com SEK 1.00	1,204	0.36
Hand & machine tools			
55,533	Sandvik AB Com SEK 1.20	872	0.26

Holding	Investment	Fair value \$'000	% of net asset value
Sweden (31 May 2016: 0.24%) (cont)			
Holding companies - diversified operations			
7,119	Industrivarden AB Com SEK 2.50	169	0.05
Investment services			
17,858	Investor AB Com SEK 6.25	827	0.24
Machinery - diversified			
15,266	Husqvarna AB Com SEK 2.00	159	0.05
Machinery, construction & mining			
14,273	Atlas Copco AB Class 'B' Com SEK 0.64	472	0.14
27,318	Atlas Copco AB Com SEK 0.64	1,013	0.30
Metal fabricate/ hardware			
11,056	SKF AB Com SEK 2.50	227	0.07
Mining			
9,136	Boliden AB Com SEK 2.11	250	0.07
Miscellaneous manufacturers			
13,193	Alfa Laval AB Com SEK 2.84	266	0.08
Real estate investment & services			
1,344	L E Lundbergforetagen AB Com NPV	106	0.03
Total Sweden		6,743	2.00
Switzerland (31 May 2016: 2.33%)			
Beverages			
6,833	Coca-Cola HBC AG Com CHF 6.70	199	0.06
Building materials and fixtures			
96	Sika AG Com CHF 0.60	619	0.18
Chemicals			
219	EMS-Chemie Holding AG Com CHF 0.01	154	0.04
Diversified financial services			
641	Partners Group Holding AG Com CHF 0.01	393	0.12
Electronics			
11,480	TE Connectivity Ltd Com CHF 0.57	905	0.27
Healthcare products			
464	Straumann Holding AG Com CHF 0.10	257	0.08
Insurance			
1,836	Baloise Holding AG Com CHF 0.10	281	0.08
10,261	Chubb Ltd Com CHF 24.15	1,469	0.44
1,106	Swiss Life Holding AG Com CHF 5.10	370	0.11
Pharmaceuticals			
6,000	Actelion Ltd Com CHF 0.50	1,706	0.51
Retail			
15,823	Cie Financiere Richemont SA Com CHF 1.00	1,322	0.39
1,083	Dufry AG Com CHF 5.00	178	0.05
Total Switzerland		7,853	2.33
United Kingdom (31 May 2016: 5.37%)			
Aerospace & defence			
89,529	BAE Systems Plc Com GBP 0.025	769	0.23
Banks			
455,824	HSBC Holdings Plc Com USD 0.50	3,976	1.18

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.54%) (cont)			
United Kingdom (31 May 2016: 5.37%) (cont)			
Commercial services			
19,254	Ashtead Group Plc Com GBP 0.10	389	0.12
72,238	G4S Plc Com GBp 0.05	305	0.09
3,933	Intertek Group Plc Com GBP 0.01	218	0.06
26,996	Relx Plc Com GBP 0.1444	580	0.17
Cosmetics & personal care			
35,984	Unilever Plc Com GBP 0.0311	2,012	0.60
Diversified financial services			
39,013	3i Group Plc Com GBP 0.738636	451	0.13
Forest products & paper			
13,504	Mondi Plc Com EUR 0.20	355	0.11
Insurance			
77,762	Prudential Plc Com GBP 0.05	1,752	0.52
Leisure time			
6,345	Carnival Plc Com USD 1.66	409	0.12
Lodging			
6,229	InterContinental Hotels Group Plc Com GBP 0.1980952	352	0.10
Machinery - diversified			
5,774	Weir Group Plc Com GBP 0.125	135	0.04
Mining			
14,757	Antofagasta Plc Com GBP 0.05	153	0.05
Miscellaneous manufacturers			
9,065	IMI Plc Com GBp 0.05	147	0.04
13,184	Smiths Group Plc Com GBP 0.375	273	0.08
Tobacco			
43,447	British American Tobacco Plc Com GBP 0.25	3,102	0.92
Total United Kingdom		15,378	4.56
United States (31 May 2016: 74.90%)			
Aerospace & defence			
22,678	Boeing Co Com USD 5.00	4,255	1.26
11,797	General Dynamics Corp Com USD 1.00	2,398	0.71
4,706	Harris Corp Com USD 1.00	528	0.16
2,687	L3 Technologies Inc Com USD 0.01	453	0.13
7,404	Raytheon Co Com USD 0.01	1,214	0.36
4,802	Rockwell Collins Inc Com USD 0.01	524	0.16
Airlines			
4,561	Southwest Airlines Co Com USD 1.00	274	0.08
Auto manufacturers			
4,091	Tesla Inc Com USD 0.001	1,395	0.41
Banks			
471,206	Bank of America Corp Com USD 0.01	10,561	3.13
29,502	Citizens Financial Group Inc Com USD 0.01	1,006	0.30
7,341	Comerica Inc Com USD 5.00	503	0.15
6,187	East West Bancorp Inc Com USD 0.001	339	0.10
16,838	Fifth Third Bancorp Com NPV	400	0.12
4,815	First Republic Bank Com USD 0.01	443	0.13

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 74.90%) (cont)			
Banks (cont)			
12,214	Goldman Sachs Group Inc Com USD 0.01	2,580	0.77
137,799	JPMorgan Chase & Co Com USD 1.00	11,321	3.36
41,037	KeyCorp Com USD 1.00	717	0.21
5,232	M&T Bank Corp Com USD 0.50	819	0.24
57,397	Morgan Stanley Com USD 0.01	2,396	0.71
6,682	Northern Trust Corp Com USD 1.667	584	0.17
19,500	PNC Financial Services Group Inc Com USD 5.00*	2,315	0.69
40,643	Regions Financial Corp Com USD 0.01	563	0.17
17,010	SunTrust Banks Inc Com USD 1.00	908	0.27
2,188	SVB Financial Group Com USD 0.001	373	0.11
7,044	Zions Bancorporation Com NPV	282	0.08
Biotechnology			
5,402	Incyte Corp Com USD 0.001	699	0.21
3,704	Seattle Genetics Inc Com USD 0.001	237	0.07
Chemicals			
4,132	Albemarle Corp Com USD 0.01	469	0.14
7,589	FMC Corp Com USD 0.10	572	0.17
3,119	Sherwin-Williams Co Com USD 1.00	1,035	0.31
Commercial services			
13,599	Automatic Data Processing Inc Com USD 0.1	1,392	0.41
3,116	Cintas Corp Com NPV	392	0.12
3,628	Gartner Inc Com USD 0.0005	434	0.13
2,171	ManpowerGroup Inc Com USD 0.01	221	0.06
4,714	Rollins Inc Com USD 1.00	203	0.06
2,663	United Rentals Inc Com USD 0.01	290	0.09
Computers			
107,746	Apple Inc Com USD 0.00001	16,460	4.88
9,187	Dell Technologies Inc Com USD 0.01	637	0.19
15,804	DXC Technology Co Com USD 0.01	1,225	0.37
42,408	Hewlett Packard Enterprise Co Com USD 0.01	798	0.24
61,526	HP Inc Com USD 0.01	1,154	0.34
4,808	Leidos Holdings Inc Com USD 0.0001	267	0.08
9,362	NetApp Inc Com USD 0.001	379	0.11
16,117	Western Digital Corp Com USD 0.01	1,452	0.43
Containers & packaging			
3,148	Packaging Corp of America Com USD 0.01	322	0.10
Diversified financial services			
5,922	Ameriprise Financial Inc Com USD 0.01	715	0.22
4,352	CBOE Holdings Inc Com USD 0.01	376	0.11
4,472	CIT Group Inc Com USD 0.01	202	0.06
4,303	Raymond James Financial Inc Com USD 0.01	311	0.09
Electrical components & equipment			
7,721	AMETEK Inc Com USD 0.01	471	0.14
Electricity			
17,080	CenterPoint Energy Inc Com USD 0.01	489	0.14
2,542	Pinnacle West Capital Corp Com NPV	224	0.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.54%) (cont)			
United States (31 May 2016: 74.90%) (cont)			
Electronics			
12,643	Agilent Technologies Inc Com USD 0.01	763	0.23
7,972	Amphenol Corp Com USD 0.001	595	0.18
40,618	Corning Inc Com USD 0.50	1,182	0.35
10,054	Fortive Corp Com USD 0.01	628	0.18
1,159	Mettler-Toledo International Inc Com USD 0.01	676	0.20
7,531	Trimble Inc Com NPV	271	0.08
2,786	Waters Corp Com USD 0.01	500	0.15
Entertainment			
1,790	Vail Resorts Inc Com USD 0.01	383	0.11
11,175	Republic Services Inc Com USD 0.01	711	0.21
13,302	Waste Management Inc Com USD 0.01	970	0.29
Gas			
3,928	UGI Corp Com NPV	201	0.06
Hand & machine tools			
4,659	Stanley Black & Decker Inc Com USD 2.50	641	0.19
Healthcare products			
4,494	Align Technology Inc Com USD 0.0001	653	0.19
14,954	Baxter International Inc Com USD 1.00	887	0.26
1,284	Cooper Cos Inc Com USD 0.10	281	0.08
3,880	CR Bard Inc Com USD 0.25	1,193	0.35
10,491	Hologic Inc Com USD 0.01	454	0.14
5,508	IDEXX Laboratories Inc Com USD 0.10	928	0.28
1,252	Intuitive Surgical Inc Com USD 0.001	1,145	0.34
11,017	Stryker Corp Com USD 0.10	1,575	0.47
2,526	Teleflex Inc Com USD 1.00	505	0.15
2,869	Varian Medical Systems Inc Com USD 1.00	284	0.08
Healthcare services			
12,399	Anthem Inc Com USD 0.01	2,261	0.67
6,634	Quest Diagnostics Inc Com USD 0.01	722	0.21
38,269	UnitedHealth Group Inc Com USD 0.01	6,704	1.99
Holding companies - diversified operations			
14,494	Leucadia National Corp Com USD 1.00	353	0.10
Home builders			
180	NVR Inc Com USD 0.01	411	0.12
5,212	Toll Brothers Inc Com USD 0.01	192	0.06
Hotels			
6,093	Hilton Worldwide Holdings Inc Com USD 0.01	405	0.12
13,919	Marriott International Inc Com USD 0.01	1,499	0.44
5,311	Wyndham Worldwide Corp Com USD 0.01	536	0.16
1,793	Wynn Resorts Ltd Com USD 0.01	231	0.07
Insurance			
14,420	Allstate Corp Com USD 0.01	1,245	0.37
4,548	American Financial Group Inc Com NPV	454	0.13

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 74.90%) (cont)			
Insurance (cont)			
4,787	Arthur J Gallagher & Co Com USD 1.00	272	0.08
8,040	Lincoln National Corp Com NPV	523	0.16
16,396	Marsh & McLennan Cos Inc Com USD 1.00	1,272	0.38
10,857	Principal Financial Group Inc Com USD 0.01	683	0.20
24,019	Progressive Corp Com USD 1.00	1,019	0.30
14,858	Prudential Financial Inc Com USD 0.01	1,558	0.46
2,328	Reinsurance Group of America Inc Com USD 0.01	290	0.09
4,863	Torchmark Corp Com USD 1.00	367	0.11
8,344	Unum Group Com USD 0.10	375	0.11
3,934	WR Berkley Corp Com USD 0.20	271	0.08
9,747	Amazon.com Inc Com USD 0.01	9,695	2.87
7,618	CDW Corp Com USD 0.01	458	0.14
52,693	Facebook Inc Com USD 0.000006	7,981	2.37
Internet			
1,716	MercadoLibre Inc Com USD 0.001	472	0.14
33,714	Symantec Corp Com USD 0.01	1,022	0.30
3,535	Zillow Group Inc Com USD 0.0001	154	0.05
Machinery - diversified			
4,109	Cummins Inc Com USD 2.50	648	0.19
9,086	Deere & Co Com USD 1.00	1,113	0.33
2,637	IDEX Corp Com USD 0.01	286	0.08
5,021	Rockwell Automation Inc Com USD 1.00	797	0.24
3,794	Roper Technologies Inc Com USD 0.01	862	0.26
Marine transportation			
1,397	Huntington Ingalls Industries Inc Com USD 0.01	273	0.08
Media			
11,576	Charter Communications Inc Com USD 0.001	4,000	1.18
189,855	Comcast Corp Com USD 0.01	7,916	2.35
4,837	Liberty Broadband Corp Class 'C' Com USD 0.01	431	0.13
52,216	Sirius XM Holdings Inc Com USD 0.001	274	0.08
Miscellaneous manufacturers			
18,589	3M Co Com USD 0.01	3,801	1.13
5,261	AO Smith Corp Com USD 1.00	288	0.08
11,662	Illinois Tool Works Inc Com USD 0.01	1,647	0.49
5,091	Parker-Hannifin Corp Com USD 0.50	802	0.24
Pharmaceuticals			
1,601	Tesaro Inc Com USD 0.0001	239	0.07
3,387	VCA Inc Com USD 0.001	312	0.09
Real estate investment & services			
10,951	CBRE Group Inc Com USD 0.01	382	0.11
Real estate investment trusts			
5,307	Digital Realty Trust Inc Reits USD 0.01	627	0.18
2,121	Equinix Inc Reits USD 0.001	936	0.28

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.54%) (cont)			
United States (31 May 2016: 74.90%) (cont)			
Retail			
9,853	Best Buy Co Inc Com USD 0.10	585	0.17
14,211	Costco Wholesale Corp Com USD 0.005	2,564	0.76
5,356	Darden Restaurants Inc Com NPV	476	0.14
1,253	Domino's Pizza Inc Com USD 0.01^	265	0.08
43,897	Home Depot Inc Com USD 0.05	6,739	2.00
26,843	McDonald's Corp Com USD 0.01	4,051	1.20
1,402	Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	427	0.13
Semiconductors			
51,047	Advanced Micro Devices Inc Com USD 0.01	571	0.17
62,375	Applied Materials Inc Com USD 0.01	2,862	0.85
5,413	KLA-Tencor Corp Com USD 0.001	563	0.17
10,292	Lam Research Corp Com USD 0.001	1,597	0.47
8,592	Microchip Technology Inc Com USD 0.001	716	0.21
60,858	Micron Technology Inc Com USD 0.10	1,873	0.56
34,060	NVIDIA Corp Com USD 0.001	4,916	1.46
27,080	Texas Instruments Inc Com USD 1.00	2,234	0.66
9,140	Xilinx Inc Com USD 0.01	610	0.18
Software			
21,802	Activision Blizzard Inc Com USD 0.000001	1,277	0.38
18,630	Adobe Systems Inc Com USD 0.0001	2,643	0.78
2,644	Ansys Inc Com USD 0.01	334	0.10
5,879	Autodesk Inc Com USD 0.01	657	0.20
9,564	Cadence Design Systems Inc Com USD 0.01	336	0.10
9,486	Fidelity National Information Services Inc Com USD 0.01	815	0.24
7,442	Fiserv Inc Com USD 0.01	932	0.28
6,039	Intuit Inc Com USD 0.01	849	0.25
2,727	Jack Henry & Associates Inc Com USD 0.01	290	0.09
199,004	Microsoft Corp Com USD 0.00000625	13,899	4.12
2,598	MSCI Inc Com USD 0.01	264	0.08
7,804	Synopsys Inc Com USD 0.01	584	0.17
4,271	Veeva Systems Inc Com USD 0.00001	272	0.08
2,597	VMware Inc Com USD 0.01	252	0.07
Telecommunications			
2,921	Arista Networks Inc Com USD 0.0001	430	0.13
36,168	Sprint Corp Com USD 0.01	307	0.09
14,905	T-Mobile US Inc Com USD 0.0001	1,005	0.30
Textile			
2,073	Mohawk Industries Inc Com USD 0.01	496	0.15
Tobacco			
24,844	Reynolds American Inc Com USD 0.0001	1,671	0.50
Transportation			
58,551	CSX Corp Com USD 1.00	3,172	0.94
8,576	Norfolk Southern Corp Com USD 1.00	1,063	0.32

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 74.90%) (cont)			
Transportation (cont)			
25,455	Union Pacific Corp Com USD 2.50	2,808	0.83
Total United States		226,467	67.17
Total equities		334,624	99.25

Rights (31 May 2016: 0.00%)			
Spain (31 May 2016: 0.00%)			

No. of contracts		Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial derivative instruments (31 May 2016: 0.02%)				
Futures contracts (31 May 2016: 0.02%)				
7	MSCI EAFE Mini Index Futures June 2017**	660	-	0.00
19	S&P 500 E Mini Index Futures June 2017	2,257	34	0.01
Total unrealised gains on futures contracts			34	0.01
Total financial derivative instruments			34	0.01

Holding	Investment	Fair value \$'000	% of net asset value
Total value of investments		334,658	99.26
Cash[†]		2,803	0.83
Other net liabilities		(321)	(0.09)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		337,140	100.00

[†] Cash holdings of \$2,702,562 are held with State Street Bank and Trust Company. \$100,085 is held as security for futures contracts with Barclays Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

^{*} Investment in related party.

^{**} Investments which are less than \$500 have been rounded to zero.

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	334,624	62.35
Exchange traded financial derivative instruments	34	0.01
Other assets	202,008	37.64
Total current assets	536,666	100.00

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
113,097	Johnson & Johnson Com USD 1.00	14,083	107,746	Apple Inc Com USD 0.00001	16,460
14,518	Amazon.com Inc Com USD 0.01	12,026	240,727	Microsoft Corp Com USD 0.00000625	15,031
83,046	Facebook Inc Com USD 0.000006	10,946	17,039	Amazon.com Inc Com USD 0.01	13,412
96,303	Exxon Mobil Corp Com NPV	8,415	95,434	Facebook Inc Com USD 0.000006	11,793
92,903	Procter & Gamble Co Com NPV	8,183	137,799	JPMorgan Chase & Co Com USD 1.00	11,321
207,357	AT&T Inc Com USD 1.00	8,102	237,354	Comcast Corp Com USD 0.01	11,112
666,143	HSBC Holdings Plc Com USD 0.50	5,809	471,206	Bank of America Corp Com USD 0.01	10,561
179,420	General Electric Co Com USD 0.06	5,564	1,121,967	HSBC Holdings Plc Com USD 0.50	9,238
907,766	BP Plc Com USD 0.25	5,460	96,303	Exxon Mobil Corp Com NPV	8,554
73,813	Altria Group Inc Com USD 0.333	5,337	92,903	Procter & Gamble Co Com NPV	7,896
104,101	Verizon Communications Inc Com USD 0.1	5,231	52,764	Home Depot Inc Com USD 0.05	7,889
186,542	Royal Dutch Shell Plc Com EUR 0.07	4,986	113,097	Johnson & Johnson Com USD 1.00	7,647
58,951	Wal-Mart Stores Inc Com USD 0.10	4,575	31,583	3M Co Com USD 0.01	6,116
31,915	Home Depot Inc Com USD 0.05	4,377	104,101	Verizon Communications Inc Com USD 0.1	5,741
157,122	Royal Dutch Shell Plc Com EUR 0.07	4,323	907,766	BP Plc Com USD 0.25	5,260
5,502	Alphabet Inc Class 'C' Com USD 0.001	4,183	36,090	McDonald's Corp Com USD 0.01	5,124
5,020	Alphabet Inc Com USD 0.001	3,924	180,685	Royal Caribbean Cruises Ltd Com USD 0.01	4,756
34,544	Chevron Corp Com USD 0.75	3,826	30,292	UnitedHealth Group Inc Com USD 0.01	4,620
66,488	Qualcomm Inc Com USD 0.0001	3,808	31,199	Siemens AG Com NPV	4,458
173,218	GlaxoSmithKline Plc Com GBP 0.25	3,807	157,122	Royal Dutch Shell Plc Com EUR 0.07	4,289

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI World Multifactor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Operating income	2	4,356	368
Net gains on financial assets/liabilities at fair value through profit or loss	3	28,254	1,635
Total gains		32,610	2,003
Operating expenses	4	(907)	(60)
Net operating profit		31,703	1,943
Finance costs:			
Interest expense	6	(5)	-
Net profit for the financial year/period before tax		31,698	1,943
Taxation		(504)	(39)
Net profit for the financial year/period after tax		31,194	1,904
Adjustment to align to the valuation methodology as set out in the prospectus	1	(34)	34
Increase in net assets attributable to redeemable participating shareholders from operations		31,160	1,938

There are no recognised gains or losses arising in the financial year/period other than those dealt with in the income statement. In arriving at the results of the financial year/period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year/period	46,985	-
Increase in net assets attributable to redeemable participating shareholders from operations	31,160	1,938
Share transactions:		
Proceeds from issue of redeemable participating shares	254,618	50,303
Payments on redemption of redeemable participating shares	(109,572)	(5,256)
Increase in net assets resulting from share transactions	145,046	45,047
Net assets attributable to redeemable participating shareholders at the end of the financial year/period	223,191	46,985

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Multifactor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		2,562	5,695
Margin cash account		120	4
Receivables	10	43,349	9,655
Financial assets at fair value through profit or loss	11	222,449	46,886
Total current assets		268,480	62,240
CURRENT LIABILITIES			
Margin cash account		(25)	-
Payables	12	(45,248)	(15,289)
Financial liabilities at fair value through profit or loss	11	(16)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(45,289)	(15,289)
Net assets attributable to redeemable participating shareholders		223,191	46,951
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	34
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period	9	223,191	46,985

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Multifactor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Interest income	5	-
Dividend income	4,340	368
Securities lending income*	11	-
	4,356	368

* Amounts which are less than €500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Net gains on investments in securities held at fair value through profit or loss	27,575	1,638
Net gains on forward currency contracts	585	-
Net gains on futures contracts	166	-
Net losses on foreign currency transactions	(72)	(3)
	28,254	1,635

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Management fees	(907)	(60)
	(907)	(60)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
USD (Acc) Class	0.50	0.50
EUR Hedged (Acc) Class*	0.55	-

* This charge can be up to 1.00%. Any increase in this charge will be subject to prior shareholder approval.

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 £'000	Financial year ended 31 May 2016 £'000
Bank interest	(5)	-
	(5)	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial period from 8 September 2015 to 31 May 2016 \$'000
Transaction costs	(179)	(33)

iShares Edge MSCI World Multifactor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

USD (Acc) Class	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year/period	9,000,000	-
Issued during the financial year/period	42,000,000	10,000,000
Redeemed during the financial year/period	(19,000,000)	(1,000,000)
Balance at the end of financial year/period	32,000,000	9,000,000

EUR Hedged (Acc) Class	31 May 2017 No. of Shares
Balance at the beginning of financial year/period	-
Issued during the financial year/period	5,010,000
Redeemed during the financial year/period	-
Balance at the end of financial year/period	5,010,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

USD (Acc) Class

	\$'000
Net asset value	
As at 31 May 2017	193,895
As at 31 May 2016	46,985

	No. of Shares
Shares in issue	
As at 31 May 2017	32,000,000
As at 31 May 2016	9,000,000

	\$
Net asset value per share	
As at 31 May 2017	6.06
As at 31 May 2016	5.22

EUR Hedged (Acc) Class

	€000
Net asset value	
As at 31 May 2017	26,317

	No. of Shares
Shares in issue	
As at 31 May 2017	5,010,000

	€
Net asset value per share	
As at 31 May 2017	5.25

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	42,637	9,562
Dividend income receivable	685	91
Securities lending income receivable	1	-
Tax reclaim receivable	26	2
	43,349	9,655

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	221,882	46,884
Unrealised gains on forward currency contracts	501	-
Unrealised gains on futures contracts	66	2
	222,449	46,886

	31 May 2017 \$'000	31 May 2016 \$'000
Financial liabilities:		
Unrealised losses on forward currency contracts	(16)	-
	(16)	-

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(45,159)	(15,276)
Interest payable	(1)	-
Management fees payable	(88)	(13)
	(45,248)	(15,289)

iShares Edge MSCI World Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.79%)			
Equities (31 May 2016: 99.79%)			
Australia (31 May 2016: 1.79%)			
Airlines			
26,868	Qantas Airways Ltd Com NPV	100	0.05
Banks			
28,125	Bendigo & Adelaide Bank Ltd Com NPV	236	0.11
Engineering & construction			
33,262	LendLease Group Com NPV	404	0.18
Entertainment			
32,278	Aristocrat Leisure Ltd Com NPV	524	0.24
Healthcare products			
3,424	Cochlear Ltd Com NPV	374	0.17
Iron & steel			
34,389	BlueScope Steel Ltd Com NPV	294	0.13
92,774	Fortescue Metals Group Ltd Com NPV	335	0.15
Real estate investment & services			
3,014	REA Group Ltd Com NPV	144	0.06
Real estate investment trusts			
58,131	Dexus Reits NPV	450	0.20
108,352	Goodman Group Reits NPV	686	0.31
109,982	GPT Group Reits NPV	429	0.19
227,338	Mirvac Group Reits NPV	386	0.17
Retail			
32,141	Harvey Norman Holdings Ltd Com NPV	90	0.04
Telecommunications			
(31,314)	Vocus Group Ltd Com NPV^	(66)	(0.03)
	Total Australia	4,386	1.97
Austria (31 May 2016: Nil)			
Integrated oil & gas			
8,845	OMV AG Com NPV	462	0.21
	Total Austria	462	0.21
Belgium (31 May 2016: 1.02%)			
Food			
3,602	Colruyt SA Com NPV	200	0.09
Insurance			
11,904	Ageas Com NPV^	481	0.22
	Total Belgium	681	0.31
Bermuda (31 May 2016: 0.78%)			
Agriculture			
8,445	Bunge Ltd Com USD 0.01	675	0.30
Apparel retailers			
37,500	Yue Yuen Industrial Holdings Ltd Com HKD 0.25	149	0.07
Holding companies - diversified operations			
12,900	Jardine Matheson Holdings Ltd Com USD 0.25	825	0.37

Holding	Investment	Fair value \$'000	% of net asset value
Bermuda (31 May 2016: 0.78%) (cont)			
Holding companies - diversified operations (cont)			
5,500	Jardine Strategic Holdings Ltd Com USD 0.05	231	0.10
94,835	NWS Holdings Ltd Com HKD 1.00	183	0.08
Hotels			
76,000	Shangri-La Asia Ltd Com HKD 1.00	115	0.05
Insurance			
7,599	Arch Capital Group Ltd Com USD 0.01	739	0.33
4,577	Athene Holding Ltd Com USD 0.001	226	0.10
5,320	Axis Capital Holdings Ltd Com USD 0.0125	349	0.16
16,873	XL Group Ltd Com USD 0.01	737	0.33
Real estate investment & services			
70,700	Hongkong Land Holdings Ltd Com USD 0.10	535	0.24
Semiconductors			
25,901	Marvell Technology Group Ltd Com USD 0.002	447	0.20
	Total Bermuda	5,211	2.33
British Virgin Islands (31 May 2016: 0.24%)			
Apparel retailers			
10,058	Michael Kors Holdings Ltd Com NPV^	334	0.15
	Total British Virgin Islands	334	0.15
Canada (31 May 2016: 2.02%)			
Aerospace & defence			
16,714	CAE Inc Com NPV	270	0.12
Auto parts & equipment			
3,108	Linamar Corp Com NPV	141	0.06
21,820	Magna International Inc Com NPV	977	0.44
Food			
13,529	Metro Inc Com NPV	453	0.20
Insurance			
6,379	Industrial Alliance Insurance & Financial Services Inc Com NPV	236	0.11
Mining			
23,234	Cameco Corp Com NPV^	214	0.10
34,412	Teck Resources Ltd Com NPV	613	0.27
Packaging & containers			
1,676	CCL Industries Inc Com NPV	396	0.18
Pipelines			
18,620	Veresen Inc Com NPV	253	0.11
Retail			
4,160	Jean Coutu Group PJC Inc Com NPV	68	0.03
Software			
1,209	Constellation Software Inc Com NPV	625	0.28
15,544	Open Text Corp Com NPV	508	0.23
	Total Canada	4,754	2.13

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)			
Cayman Islands (31 May 2016: 0.14%)			
Food			
471,500	WH Group Ltd Com USD 0.0001	442	0.20
Real estate investment & services			
160,000	Cheung Kong Property Holdings Ltd Com HKD 1.00	1,201	0.54
Semiconductors			
15,900	ASM Pacific Technology Ltd Com HKD 0.1	228	0.10
Total Cayman Islands		1,871	0.84
Denmark (31 May 2016: 1.49%)			
Healthcare products			
7,135	Coloplast A/S Com DKK 1.00	612	0.27
6,567	William Demant Holding A/S Com DKK 0.20	172	0.08
Insurance			
6,915	Tryg A/S Com DKK 5.00	142	0.07
Telecommunications			
48,765	TDC A/S Com DKK 1.00	292	0.13
Total Denmark		1,218	0.55
Finland (31 May 2016: 1.06%)			
Forest products & paper			
32,269	UPM-Kymmene Oyj Com NPV	911	0.41
Pharmaceuticals			
5,868	Orion Oyj Com EUR 0.65	380	0.17
Telecommunications			
1,943	Elisa Oyj Com NPV	76	0.03
Total Finland		1,367	0.61
France (31 May 2016: 3.11%)			
Aerospace & defence			
6,188	Thales SA Com EUR 3.00	684	0.31
Auto manufacturers			
28,912	Peugeot SA Com EUR 1.00	571	0.25
2,625	Renault SA Com EUR 3.81	245	0.11
Auto parts & equipment			
10,439	Cie Generale des Etablissements Michelin Com EUR 2.00	1,315	0.59
14,112	Valeo SA Com EUR 1.00	983	0.44
Building materials and fixtures			
2,094	Imerys SA Com EUR 2.00	182	0.08
Chemicals			
4,041	Arkema SA Com EUR 10.00	423	0.19
Clothing & accessories			
1,268	Hermes International Com NPV	629	0.28
Computers			
5,561	Atos SE Com EUR 1.00	799	0.36
Distribution & wholesale			
18,016	Rexel SA Com EUR 5.00	318	0.14

Holding	Investment	Fair value \$'000	% of net asset value
France (31 May 2016: 3.11%) (cont)			
Electricity			
20,656	Electricite de France SA Com EUR 0.50	223	0.10
Food			
3,333	Casino Guichard Perrachon SA Com EUR 1.53	206	0.09
Home furnishings			
1,352	SEB SA Com EUR 1.00	237	0.11
Insurance			
10,467	CNP Assurances Com EUR 1.00	231	0.10
Insurance			
10,638	SCOR SE Com EUR 7.876972	419	0.19
Pharmaceuticals			
2,259	Ipsen SA Com EUR 1.00	286	0.13
Total France		7,751	3.47
Germany (31 May 2016: 2.19%)			
Airlines			
14,078	Deutsche Lufthansa AG Com NPV	274	0.12
Auto manufacturers			
1,940	Volkswagen AG Com NPV	304	0.14
Building materials and fixtures			
8,837	HeidelbergCement AG Com NPV	824	0.37
Chemicals			
5,374	Covestro AG Com NPV	402	0.18
9,730	Evonik Industries AG Com NPV	335	0.15
3,647	Fuchs Petrolub SE Pref NPV	204	0.09
Electrical components & equipment			
5,030	OSRAM Licht AG Com NPV	386	0.17
Engineering & construction			
2,498	Fraport AG Frankfurt Airport Services Worldwide Com NPV	203	0.09
1,158	Hochtief AG Com NPV	213	0.10
Food			
10,036	Metro AG Com NPV	336	0.15
Household products			
6,104	Henkel AG & Co KGaA Com NPV	759	0.34
Insurance			
3,783	Hannover Rueck SE Com NPV	451	0.20
Media			
2,580	Axel Springer SE Com EUR 1.00	162	0.07
Semiconductors			
67,485	Infineon Technologies AG Com NPV	1,494	0.67
Total Germany		6,347	2.84
Hong Kong (31 May 2016: 1.02%)			
Electricity			
159,000	HK Electric Investments & HK Electric Investments Ltd Com HKD 0.0005	146	0.06
Holding companies - diversified operations			
73,000	Wharf Holdings Ltd Com NPV	621	0.28

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)			
Hong Kong (31 May 2016: 1.02%) (cont)			
Real estate investment & services			
53,000	Hang Lung Group Ltd Com NPV	218	0.10
122,000	Hang Lung Properties Ltd Com NPV	316	0.14
40,000	Hysan Development Co Ltd Com NPV	189	0.08
188,881	Sino Land Co Ltd Com NPV	329	0.15
70,400	Swire Properties Ltd Com NPV^	235	0.11
49,000	Wheelock & Co Ltd Com NPV^	366	0.16
	Total Hong Kong	2,420	1.08
Ireland (31 May 2016: 2.83%)			
Airlines			
9,521	Ryanair Holdings Plc Com EUR 0.006	194	0.09
Computers			
37,393	Accenture Plc Com USD 0.0000225	4,654	2.08
17,727	Seagate Technology Plc Com USD 0.00001	773	0.35
	Total Ireland	5,621	2.52
Israel (31 May 2016: 0.25%)			
Banks			
8,966	Mizrahi Tefahot Bank Ltd Com ILS 0.10	160	0.07
Pharmaceuticals			
676	Taro Pharmaceutical Industries Ltd Com ILS 0.0001	72	0.03
Real estate investment & services			
2,539	Azrieli Group Ltd Com ILS 0.10	136	0.06
	Total Israel	368	0.16
Italy (31 May 2016: 0.07%)			
Insurance			
59,480	UnipolSai Assicurazioni SpA Com NPV	135	0.06
Pharmaceuticals			
6,280	Recordati SpA Com EUR 0.125	253	0.11
	Total Italy	388	0.17
Japan (31 May 2016: 12.96%)			
Advertising			
14,000	Hakuhodo DY Holdings Inc Com NPV	185	0.08
Airlines			
7,400	Japan Airlines Co Ltd Com NPV	217	0.10
Auto manufacturers			
33,100	Isuzu Motors Ltd Com NPV	405	0.18
Auto parts & equipment			
12,500	JTEKT Corp Com NPV	188	0.08
6,800	Koito Manufacturing Co Ltd Com NPV	358	0.16
5,700	NOK Corp Com NPV	125	0.06
8,487	Stanley Electric Co Ltd Com NPV	256	0.11
11,000	Sumitomo Rubber Industries Ltd Com NPV	188	0.08
4,200	Toyoda Gosei Co Ltd Com NPV	101	0.05
6,600	Yokohama Rubber Co Ltd Com NPV	129	0.06

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 12.96%) (cont)			
Banks			
24,500	Bank of Kyoto Ltd Com NPV	207	0.09
42,000	Chiba Bank Ltd Com NPV	276	0.12
10,300	Chugoku Bank Ltd Com NPV	145	0.07
73,500	Concordia Financial Group Ltd Com NPV	339	0.15
49,000	Fukuoka Financial Group Inc Com NPV^	221	0.10
26,100	Hachijuni Bank Ltd Com NPV	150	0.07
37,000	Hiroshima Bank Ltd Com NPV^	151	0.07
20,900	Kyushu Financial Group Inc Com NPV^	129	0.06
12,000	Yamaguchi Financial Group Inc Com NPV^	138	0.06
Beverages			
7,400	Coca-Cola Bottlers Japan Inc Com NPV	238	0.11
Chemicals			
9,000	Air Water Inc Com NPV	162	0.07
76,000	Asahi Kasei Corp Com NPV	732	0.33
16,800	Daicel Corp Com NPV	199	0.09
6,300	Hitachi Chemical Co Ltd Com NPV	174	0.08
11,900	JSR Corp Com NPV	200	0.09
17,053	Kaneka Corp Com NPV	129	0.06
21,300	Kuraray Co Ltd Com NPV	384	0.17
85,900	Mitsubishi Chemical Holdings Corp Com NPV	651	0.29
10,400	Mitsubishi Gas Chemical Co Inc Com NPV	215	0.10
35,000	Tosoh Corp Com NPV	298	0.13
Commercial services			
33,000	Toppan Printing Co Ltd Com NPV	364	0.16
Computers			
7,900	Nomura Research Institute Ltd Com NPV	301	0.13
3,100	Otsuka Corp Com NPV	191	0.09
Cosmetics & personal care			
12,100	Lion Corp Com NPV	256	0.11
Distribution & wholesale			
92,100	ITOCHU Corp Com NPV	1,310	0.59
103,500	Marubeni Corp Com NPV	640	0.28
Diversified financial services			
60,200	Mebuki Financial Group Inc Com NPV	236	0.11
Electrical components & equipment			
14,100	Brother Industries Ltd Com NPV	313	0.14
Electricity			
42,300	Kansai Electric Power Co Inc Com NPV	593	0.27
Electronics			
1,900	Hirose Electric Co Ltd Com NPV	254	0.11
3,700	Hitachi High-Technologies Corp Com NPV	147	0.07
25,000	Nippon Electric Glass Co Ltd Com NPV	175	0.08
11,500	Yokogawa Electric Corp Com NPV	200	0.09
Engineering & construction			
39,000	Obayashi Corp Com NPV	431	0.19
2,000	Shimizu Corp Com NPV	20	0.01

iShares Edge MSCI World Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)				Japan (31 May 2016: 12.96%) (cont)			
Japan (31 May 2016: 12.96%) (cont)				Pharmaceuticals (cont)			
Engineering & construction (cont)				9,100	Sumitomo Dainippon Pharma Co Ltd Com NPV	139	0.06
62,000	Taisei Corp Com NPV	531	0.24	3,800	Suzuken Co Ltd Com NPV	125	0.06
Food				1,900	Taisho Pharmaceutical Holdings Co Ltd Com NPV^	149	0.07
8,500	NH Foods Ltd Com NPV	267	0.12	Real estate investment & services			
11,200	Nisshin Seifun Group Inc Com NPV	185	0.09	7,000	Aeon Mall Co Ltd Com NPV	131	0.06
5,300	Toyo Suisan Kaisha Ltd Com NPV^	207	0.09	4,200	Daito Trust Construction Co Ltd Com NPV	664	0.30
Forest products & paper				Real estate investment trusts			
52,000	Oji Holdings Corp Com NPV	255	0.11	226	Nomura Real Estate Master Fund Inc REIT NPV	341	0.15
Gas				Retail			
114,000	Osaka Gas Co Ltd Com NPV	451	0.20	4,300	Sundrug Co Ltd Com NPV	168	0.07
23,000	Toho Gas Co Ltd Com NPV	177	0.08	18,500	Takashimaya Co Ltd Com NPV	172	0.08
Hand & machine tools				37,000	Yamada Denki Co Ltd Com NPV^	194	0.09
1,700	Disco Corp Com NPV	293	0.13	Software			
35,000	Fuji Electric Co Ltd Com NPV	188	0.09	5,600	Konami Holdings Corp Com NPV	275	0.12
Healthcare services				2,300	Oracle Corp Japan Com NPV	136	0.06
3,400	Miraca Holdings Inc Com NPV^	143	0.06	Telecommunications			
Home builders				1,300	Hikari Tsushin Inc Com NPV	132	0.06
34,300	Daiwa House Industry Co Ltd Com NPV^	1,123	0.50	41,200	Nippon Telegraph & Telephone Corp Com NPV	1,978	0.89
8,800	Iida Group Holdings Co Ltd Com NPV	145	0.07	83,200	NTT DoCoMo Inc Com NPV	2,044	0.91
23,900	Sekisui Chemical Co Ltd Com NPV	421	0.19	Transportation			
Insurance				14,000	Kamigumi Co Ltd Com NPV	143	0.06
21,200	Sompo Holdings Inc Com NPV	820	0.37	Total Japan			
36,400	T&D Holdings Inc Com NPV	516	0.23			30,054	13.47
Internet				Jersey (31 May 2016: 0.67%)			
2,700	Mixi Inc Com NPV	170	0.08	Auto parts & equipment			
11,600	Start Today Co Ltd Com NPV	290	0.13	16,263	Delphi Automotive Plc Com USD 0.01	1,431	0.64
Iron & steel				Distribution & wholesale			
12,900	Hitachi Metals Ltd Com NPV	172	0.08	15,189	Wolseley Plc Com GBp 0.1080303	1,002	0.45
Machinery - diversified				Total Jersey			
20,400	Amada Holdings Co Ltd Com NPV	238	0.11			2,433	1.09
37,000	Sumitomo Heavy Industries Ltd Com NPV	242	0.11	Luxembourg (31 May 2016: 0.10%)			
Metal fabricate/ hardware				Media			
3,300	Maruichi Steel Tube Ltd Com NPV	97	0.04	2,285	RTL Group SA Com NPV	178	0.08
Mining				Total Luxembourg			
6,700	Mitsubishi Materials Corp Com NPV	189	0.08			178	0.08
Miscellaneous manufacturers				Mauritius (31 May 2016: 0.06%)			
24,700	FUJIFILM Holdings Corp Com NPV	902	0.41	Netherlands (31 May 2016: 2.86%)			
28,700	Konica Minolta Inc Com NPV	226	0.10	Chemicals			
Oil & gas				21,059	LyondellBasell Industries NV Com EUR 0.04	1,696	0.76
3,900	Idemitsu Kosan Co Ltd Com NPV	109	0.05	Commercial services			
57,100	Inpex Corp Com NPV	526	0.23	8,997	AerCap Holdings NV Com EUR 0.01	396	0.18
182,650	JXTG Holdings Inc Com NPV	797	0.36	58,013	Relx NV Com EUR 0.07	1,205	0.54
Pharmaceuticals				Food			
11,100	Alfresa Holdings Corp Com NPV	215	0.10	75,846	Koninklijke Ahold Delhaize NV Com EUR 0.01	1,674	0.75
3,700	Hisamitsu Pharmaceutical Co Inc Com NPV^	186	0.08				
8,700	Medipal Holdings Corp Com NPV	160	0.07				
13,500	Mitsubishi Tanabe Pharma Corp Com NPV	301	0.13				

iShares Edge MSCI World Multifactor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)			
Netherlands (31 May 2016: 2.86%) (cont)			
Insurance			
108,385	Aegon NV Com EUR 0.12	540	0.24
18,479	NN Group NV Com EUR 0.12	665	0.30
Oil & gas services			
2,750	Core Laboratories NV Com EUR 0.02	281	0.13
Pipelines			
3,823	Koninklijke Vopak NV Com EUR 0.50	173	0.08
Semiconductors			
37,302	STMicroelectronics NV Com EUR 1.04^	616	0.27
Total Netherlands		7,246	3.25
Singapore (31 May 2016: 0.45%)			
Airlines			
33,800	Singapore Airlines Ltd Com NPV	245	0.11
Electronics			
32,615	Flex Ltd Com NPV	563	0.25
Engineering & construction			
40,100	SATS Ltd Com NPV	149	0.07
Food			
96,100	Wilmar International Ltd Com NPV	246	0.11
Hotels			
24,600	City Developments Ltd Com NPV	189	0.08
Marine transportation			
138,300	Yangzijiang Shipbuilding Holdings Ltd Com NPV	127	0.06
Real estate investment & services			
154,000	CapitaLand Ltd Com NPV	396	0.18
27,000	UOL Group Ltd Com NPV	137	0.06
Total Singapore		2,052	0.92
Spain (31 May 2016: 0.06%)			
Airlines			
38,204	International Consolidated Airlines Group SA Com EUR 0.50	298	0.13
Electricity			
19,075	Endesa SA Com EUR 1.20	477	0.21
Food			
37,382	Distribuidora Internacional de Alimentacion SA Com EUR 0.10	230	0.10
Gas			
21,034	Gas Natural SDG SA Com EUR 1.00	530	0.24
Insurance			
67,401	Mapfre SA Com EUR 0.10	240	0.11
Oil & gas			
71,674	Repsol SA Com EUR 1.00	1,202	0.54
Total Spain		2,977	1.33
Sweden (31 May 2016: 0.15%)			
Food			
4,807	ICA Gruppen AB Com SEK 2.50^	174	0.08

Holding	Investment	Fair value \$'000	% of net asset value
Sweden (31 May 2016: 0.15%) (cont)			
Machinery - diversified			
24,816	Husqvarna AB Com SEK 2.00	258	0.12
Mining			
16,304	Boliden AB Com SEK 2.11	447	0.20
Real estate investment & services			
2,419	L E Lundbergforetagen AB Com NPV	190	0.08
Total Sweden		1,069	0.48
Switzerland (31 May 2016: 4.92%)			
Beverages			
10,161	Coca-Cola HBC AG Com CHF 6.70	296	0.13
Building materials and fixtures			
2,213	Geberit AG Com CHF 0.10^	1,037	0.46
127	Sika AG Com CHF 0.60	819	0.37
Chemicals			
475	EMS-Chemie Holding AG Com CHF 0.01^	334	0.15
Commercial services			
9,765	Adecco Group AG Com CHF 1.00	729	0.33
Diversified financial services			
1,054	Partners Group Holding AG Com CHF 0.01	647	0.29
Electronics			
21,338	TE Connectivity Ltd Com CHF 0.57	1,683	0.75
Food			
132	Barry Callebaut AG Com CHF 7.29	190	0.09
Hand & machine tools			
2,434	Schindler Holding AG (non-voting) Com CHF 0.10	522	0.23
1,175	Schindler Holding AG (voting) Com CHF 0.10	245	0.11
Healthcare products			
572	Straumann Holding AG Com CHF 0.10	317	0.14
Insurance			
3,003	Baloise Holding AG Com CHF 0.10	460	0.21
1,968	Swiss Life Holding AG Com CHF 5.10	657	0.29
19,462	Swiss Re AG Com CHF 0.10	1,776	0.80
Pharmaceuticals			
5,779	Actelion Ltd Com CHF 0.50	1,660	0.74
Real estate investment & services			
3,720	Swiss Prime Site AG Com CHF 15.30	343	0.15
Specialty finance			
2,212	Pargesa Holding SA Com CHF 20.00	172	0.08
Transportation			
3,129	Kuehne & Nagel International AG Com CHF 1.00^	505	0.23
Total Switzerland		12,392	5.55
United Kingdom (31 May 2016: 9.71%)			
Aerospace & defence			
189,757	BAE Systems Plc Com GBP 0.025	1,630	0.73
45,566	Meggitt Plc Com GBP 0.05	295	0.13

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)			
United Kingdom (31 May 2016: 9.71%) (cont)			
Auto parts & equipment			
102,015	GKN Plc Com GBP 0.10	461	0.21
Banks			
36,471	Investec Plc Com GBP 0.0002	286	0.13
Beverages			
13,055	Coca-Cola European Partners Plc Com EUR 0.01	539	0.24
Chemicals			
7,579	Croda International Plc Com GBP 0.1035714	388	0.17
Commercial services			
29,877	Ashtead Group Plc Com GBP 0.10	604	0.27
14,805	Babcock International Group Plc Com GBP 0.60	179	0.08
9,481	Intertek Group Plc Com GBP 0.01	526	0.24
7,555	Relx Plc Com GBP 0.144397	162	0.07
Distribution & wholesale			
19,905	Bunzl Plc Com GBP 0.321428	625	0.28
Diversified financial services			
59,042	3i Group Plc Com GBP 0.738636	682	0.31
16,155	Hargreaves Lansdown Plc Com GBP 0.004	292	0.13
Food			
92,324	J Sainsbury Plc Com GBP 0.285714^	335	0.15
25,824	Tate & Lyle Plc Com GBP 0.25	246	0.11
126,360	Wm Morrison Supermarkets Plc Com GBP 0.10	402	0.18
Forest products & paper			
21,883	Mondi Plc Com EUR 0.20	572	0.26
Home builders			
59,316	Barratt Developments Plc Com GBP 0.10	469	0.21
7,618	Berkeley Group Holdings Plc Com NPV	320	0.14
18,204	Persimmon Plc Com GBP 0.10	577	0.26
194,218	Taylor Wimpey Plc Com GBP 0.01	509	0.23
Insurance			
12,123	Admiral Group Plc Com GBP 0.001	319	0.14
97,679	Old Mutual Plc Com GBP 0.1142857	237	0.11
Media			
213,568	ITV Plc Com GBP 0.10	539	0.24
Miscellaneous manufacturers			
15,727	IMI Plc Com GBP 0.2857	255	0.11
23,551	Smiths Group Plc Com GBP 0.375	487	0.22
Real estate investment trusts			
55,379	Segro Plc Reits GBP 0.10	360	0.16
Software			
62,364	Sage Group Plc Com GBP 0.01051948	580	0.26
Total United Kingdom			
		12,876	5.77
United States (31 May 2016: 49.84%)			
Advertising			
14,097	Omnicom Group Inc Com USD 0.15	1,180	0.53

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 49.84%) (cont)			
Aerospace & defence			
15,454	General Dynamics Corp Com USD 1.00	3,141	1.41
7,507	Harris Corp Com USD 1	842	0.38
4,672	L3 Technologies Inc Com USD 0.01	788	0.35
10,096	Northrop Grumman Corp Com USD 1.00	2,617	1.17
7,885	Rockwell Collins Inc Com USD 0.01	860	0.38
Agriculture			
34,662	Archer-Daniels-Midland Co Com NPV	1,441	0.65
Airlines			
9,414	Southwest Airlines Co Com USD 1.00	566	0.25
4,806	United Continental Holdings Inc Com USD 0.01	383	0.17
Auto manufacturers			
82,677	General Motors Co Com USD 0.01	2,805	1.26
Auto parts & equipment			
5,344	Autoliv Inc Com USD 1.00	593	0.27
15,617	Goodyear Tire & Rubber Co Com NPV	503	0.22
4,255	Lear Corp Com USD 0.01	634	0.28
Banks			
28,866	Capital One Financial Corp Com USD 0.01	2,221	1.00
31,030	Citizens Financial Group Inc Com USD 0.01	1,058	0.47
10,561	Comerica Inc Com USD 5.00	724	0.32
8,658	East West Bancorp Inc Com USD 0.001	474	0.21
72,383	Regions Financial Corp Com USD 0.01	1,002	0.45
345	SVB Financial Group Com USD 0.001	59	0.03
12,157	Zions Bancorporation Com NPV	487	0.22
Beverages			
11,022	Dr Pepper Snapple Group Inc Com USD 0.01	1,023	0.46
Biotechnology			
2,700	United Therapeutics Corp Com USD 0.01	326	0.15
Chemicals			
6,772	Albemarle Corp Com USD 0.01	769	0.34
8,633	Celanese Corp Com USD 0.0001	747	0.34
8,798	Eastman Chemical Co Com USD 0.01	705	0.32
4,599	Valspar Corp Com USD 0.50	520	0.23
Commercial services			
425	Amerco Com USD 0.25	157	0.07
5,082	Cintas Corp Com NPV	640	0.29
4,079	ManpowerGroup Inc Com USD 0.01	415	0.19
7,834	Robert Half International Inc Com USD 0.001	364	0.16
5,892	Rollins Inc Com USD 1.00	254	0.11
9,910	Total System Services Inc Com USD 0.10	590	0.26
Computers			
2,847	Apple Inc Com USD 0.00001	435	0.20
2,772	Arista Networks Inc Com USD 0.0001	408	0.18
12,979	Dell Technologies Inc Class V Com USD 0.01	901	0.40

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)			
United States (31 May 2016: 49.84%) (cont)			
Computers (cont)			
100,220	Hewlett Packard Enterprise Co Com USD 0.01	1,885	0.85
16,589	NetApp Inc Com USD 0.001	672	0.30
Containers & packaging			
5,722	Packaging Corp of America Com USD 0.01	585	0.26
Diversified financial services			
7,038	Eaton Vance Corp Com USD 0.00390625	328	0.15
14,893	FNF Group Com USD 0.0001	635	0.29
7,766	Raymond James Financial Inc Com USD 0.01	561	0.25
8,164	SEI Investments Co Com USD 0.01	409	0.18
Electricity			
13,825	Alliant Energy Corp Com USD 0.01	573	0.26
14,590	Ameren Corp Com USD 0.01	828	0.37
55,648	Exelon Corp Com NPV	2,021	0.91
11,993	OGE Energy Corp Com USD 0.01	427	0.19
6,807	Pinnacle West Capital Corp Com NPV	601	0.27
30,467	Public Service Enterprise Group Inc Com NPV	1,368	0.61
8,174	Scana Corp Com NPV	558	0.25
8,531	Westar Energy Inc Com USD 5.00	452	0.20
Electronics			
5,535	Arrow Electronics Inc Com USD 1.00	418	0.19
7,871	Avnet Inc Com USD 1.00	289	0.13
56,464	Corning Inc Com USD 0.50	1,643	0.74
8,465	FLIR Systems Inc Com USD 0.01	321	0.14
18,719	Fortive Corp Com USD 0.01	1,169	0.52
1,588	Mettler-Toledo International Inc Com USD 0.01	925	0.41
4,813	Waters Corp Com USD 0.01	865	0.39
Engineering & construction			
7,425	Jacobs Engineering Group Inc Com USD 1.00	389	0.17
Food			
12,017	Campbell Soup Co Com USD 0.0375	693	0.31
4,321	Ingredion Inc Com USD 0.01	493	0.22
17,731	Tyson Foods Inc Com USD 0.10	1,016	0.46
Gas			
6,399	Atmos Energy Corp Com NPV	533	0.24
10,386	UGI Corp Com NPV	532	0.24
Hand & machine tools			
3,481	Snap-on Inc Com USD 1.00	563	0.25
Healthcare products			
4,547	Align Technology Inc Com USD 0.0001	660	0.30
8,652	ResMed Inc Com USD 0.004	615	0.28
2,697	Teleflex Inc Com USD 1	540	0.24
5,689	Varian Medical Systems Inc Com USD 1.00	563	0.25

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 49.84%) (cont)			
Healthcare services			
15,877	Anthem Inc Com USD 0.01	2,895	1.30
15,445	Cigna Corp Com USD 0.25	2,490	1.11
5,683	Mednax Inc Com USD 0.01^	309	0.14
8,293	Quest Diagnostics Inc Com USD 0.01	902	0.40
5,417	Universal Health Services Inc Com USD 0.01	616	0.28
Holding companies - diversified operations			
19,448	Leucadia National Corp Com USD 1.00	474	0.21
Home builders			
213	NVR Inc Com USD 0.01	486	0.22
Home furnishings			
8,032	Leggett & Platt Inc Com USD 0.01	418	0.19
Household goods & home construction			
5,468	Avery Dennison Corp Com USD 1.00	461	0.21
Insurance			
24,647	Aflac Inc Com USD 0.10	1,858	0.83
435	Alleghany Corp Com USD 1.00	255	0.12
4,471	American Financial Group Inc Com NPV	446	0.20
3,763	Assurant Inc Com USD 0.01	369	0.17
13,874	Lincoln National Corp Com NPV	901	0.40
17,184	Loews Corp Com USD 0.01	810	0.36
17,322	Principal Financial Group Inc Com USD 0.01	1,090	0.49
3,796	Reinsurance Group of America Inc Com USD 0.01	473	0.21
7,221	Torchmark Corp Com USD 1.00	545	0.25
4,323	Travelers Cos Inc Com NPV	540	0.24
13,985	Unum Group Com USD 0.10	629	0.28
11,931	Voya Financial Inc Com USD 0.01	408	0.18
5,865	WR Berkley Corp Com USD 0.20	405	0.18
Internet			
9,639	CDW Corp Com USD 0.01	580	0.26
3,958	F5 Networks Inc Com NPV	507	0.22
2,418	MercadoLibre Inc Com USD 0.001	665	0.30
Leisure time			
Machinery - diversified			
7,774	Rockwell Automation Inc Com USD 1.00	1,234	0.55
Marine transportation			
2,797	Huntington Ingalls Industries Inc Com USD 0.01	548	0.24
Miscellaneous manufacturers			
9,006	AO Smith Corp Com USD 1.00	494	0.22
16,220	Textron Inc Com USD 0.125	775	0.35
Office & business equipment			
52,207	Xerox Corp Com USD 1.00	369	0.17
Oil & gas			
31,697	Marathon Petroleum Corp Com USD 0.01	1,650	0.74
12,630	Phillips 66 Com USD 0.01	961	0.43
27,494	Valero Energy Corp Com USD 0.01	1,690	0.76

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.79%) (cont)				United States (31 May 2016: 49.84%) (cont)			
United States (31 May 2016: 49.84%) (cont)				Software (cont)			
Real estate investment trusts				16,742	Cadence Design Systems Inc Com USD 0.01	589	0.26
5,256	Camden Property Trust REIT USD 0.01	438	0.20	9,390	Citrix Systems Inc Com USD 0.001	775	0.35
8,828	Liberty Property Trust Reits USD 0.001	363	0.16	4,662	Jack Henry & Associates Inc Com USD 0.01	495	0.22
9,069	National Retail Properties Inc Reits USD 0.01	348	0.16	8,586	Leidos Holdings Inc Com USD 0.0001	477	0.21
9,366	Public Storage Reits USD 0.10	2,017	0.90	19,585	Paychex Inc Com USD 0.01	1,160	0.52
Retail				9,120	Synopsys Inc Com USD 0.01	683	0.31
16,963	Best Buy Co Inc Com USD 0.10	1,007	0.45	Telecommunications			
7,457	Darden Restaurants Inc Com NPV	663	0.30	22,940	Juniper Networks Inc Com USD 0.00001	673	0.30
8,090	Foot Locker Inc Com USD 0.01	481	0.21	Transportation			
23,964	Ross Stores Inc Com USD 0.01	1,532	0.69	8,541	CH Robinson Worldwide Inc Com USD 0.10^	572	0.25
39,142	Staples Inc Com USD 0.0006	355	0.16	10,894	Expeditors International of Washington Inc Com USD 0.01	582	0.26
Savings & loans				5,426	JB Hunt Transport Services Inc Com USD 0.01	463	0.21
20,630	People's United Financial Inc Com USD 0.01^	342	0.15	Total United States			
Semiconductors				107,426 48.13			
65,029	Applied Materials Inc Com USD 0.01	2,984	1.34	Total equities			
16,977	Maxim Integrated Products Inc Com USD 0.001	812	0.36	221,882 99.41			
32,423	NVIDIA Corp Com USD 0.001	4,680	2.10				
7,624	Qorvo Inc Com USD 0.0001	594	0.27				
11,164	Skyworks Solutions Inc Com USD 0.25	1,188	0.53				
Software							
7,118	Broadridge Financial Solutions Inc Com USD 0.01	540	0.24				
18,826	CA Inc Com USD 0.10^	598	0.27				

Currency	Amount Purchased	Currency	Amount Sold	Underlying Exposure (\$)*	Maturity date	Unrealised gain/(loss) \$'000	% of net asset value
Financial derivative instruments (31 May 2016: Nil)							
Forward currency contracts** (31 May 2016: Nil)							
AUD	355	EUR	243	274	05/06/2017	-	0.00
CAD	655	EUR	440	494	05/06/2017	-	0.00
CHF	2	EUR	1	2	06/06/2017	-	0.00
DKK	2	EUR	0	0	06/06/2017	-	0.00
DKK	1,188	EUR	160	180	06/06/2017	-	0.00
EUR	616,558	AUD	910,784	677,990	05/06/2017	15.00	0.01
EUR	705,468	CAD	1,057,180	782,734	05/06/2017	11.00	0.00
EUR	224,320	CHF	243,063	251,275	06/06/2017	1.00	0.00
EUR	924,898	CHF	1,012,144	1,046,337	06/06/2017	(6.00)	0.00
EUR	43,179	DKK	321,105	48,545	06/06/2017	-	0.00
EUR	170,852	DKK	1,271,305	192,197	06/06/2017	-	0.00
EUR	2,160,327	GBP	1,833,777	2,367,496	05/06/2017	62.00	0.03
EUR	376,631	HKD	3,216,208	412,764	05/06/2017	11.00	0.00
EUR	46,019	ILS	181,960	51,415	05/06/2017	-	0.00
EUR	641,842	JPY	77,998,415	705,396	05/06/2017	16.00	0.01
EUR	2,504,093	JPY	312,487,638	2,826,051	05/06/2017	(10.00)	0.00
EUR	219,606	SEK	2,125,151	245,011	05/06/2017	2.00	0.00
EUR	107,484	SGD	164,892	119,198	05/06/2017	2.00	0.00

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Currency	Amount Purchased	Currency	Amount Sold	Underlying Exposure (\$)*	Maturity date	Unrealised gain/(loss) \$'000	% of net asset value
Financial derivative instruments (31 May 2016: Nil) (cont)							
Forward currency contracts** (31 May 2016: Nil) (cont)							
EUR	13,912,172	USD	15,265,466	15,646,385	05/06/2017	381.00	0.17
GBP	2	EUR	3	3	05/06/2017	-	0.00
HKD	4	EUR	0	1	05/06/2017	-	0.00
ILS	0	EUR	0	0	05/06/2017	-	0.00
ILS	404	EUR	102	115	05/06/2017	-	0.00
JPY	463	EUR	4	4	05/06/2017	-	0.00
SEK	3	EUR	0	0	05/06/2017	-	0.00
SEK	2,343	EUR	243	273	05/06/2017	-	0.00
SGD	0	EUR	0	0	05/06/2017	-	0.00
USD	19	EUR	17	19	05/06/2017	-	0.00
Total unrealised gains on forward currency contracts						501	0.22
Total unrealised losses on forward currency contracts						(16)	0.00
Net unrealised gains on forward currency contracts						485	0.22

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Futures contracts (31 May 2016: 0.00%)			
50 Euro Stoxx 50 Index Futures June 2017	1,767	42	0.02
12 S&P 500 E Mini Index Futures June 2017	1,423	24	0.01
Total unrealised gains on futures contracts		66	0.03
Total financial derivative instruments		551	0.25

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Holding	Investment	Fair value \$'000	% of net asset value
Total value of investments		222,433	99.66
Cash[†]		2,657	1.19
Other net liabilities		(1,899)	(0.85)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		223,191	100.00

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	221,882	82.64
Exchange traded financial derivative instruments	66	0.02
Over-the-counter financial derivative instruments	501	0.19
Other assets	46,031	17.15
Total current assets	268,480	100.00

[†] Cash holdings of \$2,561,595 are held with State Street Bank and Trust Company. \$95,356 is held as security for futures contracts with CitiGroup Global Markets Ltd.

^{*} These securities are partially or fully transferred as securities lent.

^{*} Investments which are less than \$500 are rounded to zero.

^{**} The counterparty for forward currency contracts is State Street Bank and Trust Company. All forward relate to the EUR hedged (Acc) Class.

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
47,778	Accenture Plc Com USD 0.0000225	5,624	31,963	Aetna Inc Com USD 0.01	4,455
127,509	General Motors Co Com USD 0.01	4,450	32,587	Kimberly-Clark Corp Com USD 1.25	4,264
23,747	Anthem Inc Com USD 0.01	3,938	17,069	Adidas AG Com NPV	3,257
32,587	Kimberly-Clark Corp Com USD 1.25	3,823	39,727	Gilead Sciences Inc Com USD 0.001	2,931
49,724	NVIDIA Corp Com USD 0.001	3,696	30,235	Phillips 66 Com USD 0.01	2,298
26,903	Aetna Inc Com USD 0.01	3,368	19,139	Accenture Plc Com USD 0.0000225	2,227
98,855	Applied Materials Inc Com USD 0.01	3,332	19,343	Edwards Lifesciences Corp Com USD 1.00	2,095
15,454	General Dynamics Corp Com USD 1.00	3,141	55,924	Subaru Corp Com NPV	1,933
12,984	Northrop Grumman Corp Com USD 1.00	2,984	92,432	Relx Plc Com GBP 0.144397	1,922
40,453	Phillips 66 Com USD 0.01	2,952	42,285	Imperial Brands Plc Com GBP 0.10	1,814
155,882	Hewlett Packard Enterprise Co Com USD 0.01	2,791	86,793	Experian Plc Com USD 0.10	1,796
19,780	Cigna Corp Com USD 0.25	2,734	17,301	NVIDIA Corp Com USD 0.001	1,702
17,069	Adidas AG Com NPV	2,656	11,653	Anthem Inc Com USD 0.01	1,661
12,292	Public Storage Reits USD 0.10	2,635	44,832	General Motors Co Com USD 0.01	1,517
126,400	NTT DoCoMo Inc Com NPV	2,582	14,806	Capgemini SE Com EUR 8.00	1,483
71,325	Exelon Corp Com NPV	2,524	10,844	Equifax Inc Com USD 1.25	1,480
52,200	Nippon Telegraph & Telephone Corp Com NPV	2,279	18,043	DXC Technology Co Com USD 0.01	1,387
27,347	LyondellBasell Industries NV Com EUR 0.04	2,275	12,081	Travelers Cos Inc Com NPV	1,385
24,712	Swiss Re AG Com CHF 0.10	2,271	80,574	Smith & Nephew Plc Com USD 0.20	1,358
31,810	Aflac Inc Com USD 0.10	2,263	14,909	Renault SA Com EUR 3.81	1,338

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

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INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	6,363	3,418
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	28,280	(361)
Total gains		34,643	3,057
Operating expenses	4	(754)	(347)
Net operating profit		33,889	2,710
Finance costs:			
Interest expense	6	(4)	(2)
Total finance costs		(4)	(2)
Net profit for the financial year before tax		33,885	2,708
Taxation		(769)	(376)
Net profit for the financial year after tax		33,116	2,332
Adjustment to align to the valuation methodology as set out in the prospectus	1	(73)	69
Increase in net assets attributable to redeemable participating shareholders from operations		33,043	2,401

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	232,345	21,712
Increase in net assets attributable to redeemable participating shareholders from operations	33,043	2,401
Share transactions:		
Proceeds from issue of redeemable participating shares	102,497	218,003
Payments on redemption of redeemable participating shares	(66,282)	(9,771)
Increase in net assets resulting from share transactions	36,215	208,232
Net assets attributable to redeemable participating shareholders at the end of the financial year	301,603	232,345

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Quality Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		1,991	6,268
Margin cash account		109	59
Receivables	10	59,332	17,266
Financial assets at fair value through profit or loss	11	300,603	254,913
Total current assets		362,035	278,506
CURRENT LIABILITIES			
Payables	12	(60,427)	(46,234)
Financial liabilities at fair value through profit or loss	11	(5)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(60,432)	(46,234)
Net assets attributable to redeemable participating shareholders		301,603	232,272
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	73
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	301,603	232,345

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Quality Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income*	-	-
Dividend income	6,344	3,411
Securities lending income	19	7
	6,363	3,418

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	28,098	(407)
Net gains on futures contracts	204	60
Net losses on foreign currency transactions	(22)	(14)
	28,280	(361)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(754)	(347)
	(754)	(347)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.30	0.30

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(4)	(2)
	(4)	(2)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Transaction costs	(102)	(179)

iShares Edge MSCI World Quality Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	8,600,000	800,000
Issued during the financial year	3,600,000	8,200,000
Redeemed during the financial year	(2,400,000)	(400,000)
Balance at the end of financial year	9,800,000	8,600,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	301,603
As at 31 May 2016	232,345
As at 31 May 2015	21,712

	No. of Shares
Shares in issue	
As at 31 May 2017	9,800,000
As at 31 May 2016	8,600,000
As at 31 May 2015	800,000

	\$
Net asset value per share	
As at 31 May 2017	30.78
As at 31 May 2016	27.02
As at 31 May 2015	27.14

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	58,623	16,589
Dividend income receivable	651	648
Securities lending income receivable	1	1
Tax reclaim receivable	57	28
	59,332	17,266

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	300,588	254,844
Unrealised gains on futures contracts	15	69
	300,603	254,913

Financial liabilities:		
Unrealised losses on futures contracts	(5)	-
	(5)	-

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(60,355)	(46,171)
Management fees payable	(72)	(59)
Other payables	-	(4)
	(60,427)	(46,234)

iShares Edge MSCI World Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 109.68%)			
Equities (31 May 2016: 109.68%)			
Australia (31 May 2016: 2.74%)			
Biotechnology			
17,579	CSL Ltd Com NPV	1,692	0.56
Diversified financial services			
11,948	ASX Ltd Com NPV^	455	0.15
Engineering & construction			
21,686	LendLease Group Misc NPV	263	0.09
Healthcare products			
2,499	Cochlear Ltd Com NPV	273	0.09
Insurance			
205,067	Medibank Pvt Ltd Com NPV	420	0.14
Oil & gas			
21,256	Woodside Petroleum Ltd Com NPV	509	0.17
Real estate investment & services			
2,065	REA Group Ltd Com NPV	98	0.03
Real estate investment trusts			
60,089	Goodman Group Reits NPV	380	0.13
135,918	Vicinity Centres Reits NPV	279	0.09
68,315	Westfield Corp Reits NPV	432	0.14
41,769	Dexus Reits NPV	323	0.11
78,566	GPT Group Reits NPV	306	0.10
195,445	Scentre Group Reits NPV	620	0.21
Telecommunications			
248,589	Telstra Corp Ltd Com NPV	814	0.27
15,452	TPG Telecom Ltd Com NPV	68	0.02
Total Australia			
		6,932	2.30
Belgium (31 May 2016: 0.17%)			
Food			
1,858	Colruyt SA Com NPV	103	0.03
Telecommunications			
6,635	Proximus SADP Com NPV^	239	0.08
Total Belgium			
		342	0.11
Bermuda (31 May 2016: 0.44%)			
Insurance			
7,011	Arch Capital Group Ltd Com USD 0.01	682	0.23
Real estate investment & services			
44,000	Hongkong Land Holdings Ltd Com USD 0.10	332	0.11
Total Bermuda			
		1,014	0.34
British Virgin Islands (31 May 2016: 0.16%)			
Apparel retailers			
8,547	Michael Kors Holdings Ltd Com NPV	284	0.09
Total British Virgin Islands			
		284	0.09

Holding	Investment	Fair value \$'000	% of net asset value
Canada (31 May 2016: 2.68%)			
Banks			
25,042	Canadian Imperial Bank of Commerce Com NPV	1,958	0.65
Chemicals			
Diversified financial services			
21,074	CI Financial Corp Com NPV	419	0.14
Food			
6,473	Metro Inc Com NPV	217	0.07
Insurance			
17,879	Great-West Lifeco Inc Com NPV	444	0.15
6,229	Industrial Alliance Insurance & Financial Services Inc Com NPV	231	0.07
Mining			
13,070	Cameco Corp Com NPV^	120	0.04
Pipelines			
9,629	Inter Pipeline Ltd Com NPV	191	0.06
6,072	Keyera Corp Com NPV	181	0.06
11,310	Pembina Pipeline Corp Com NPV	361	0.12
Retail			
11,504	Alimentation Couche-Tard Inc Com NPV	532	0.18
Software			
610	Constellation Software Inc Com NPV	316	0.11
Transportation			
21,106	Canadian National Railway Co Com NPV	1,637	0.54
Total Canada			
		6,607	2.19
Cayman Islands (31 May 2016: 0.03%)			
Hotels			
38,025	MGM China Holdings Ltd Com HKD 1.00	84	0.03
Total Cayman Islands			
		84	0.03
Curacao (31 May 2016: 0.83%)			
Denmark (31 May 2016: 2.78%)			
Chemicals			
9,242	Novozymes A/S Com DKK 2.00	419	0.14
Food			
3,390	Chr Hansen Holding A/S Com DKK 10.00	238	0.08
Healthcare products			
6,253	Coloplast A/S Com DKK 1.00	536	0.18
Insurance			
9,477	Tryg A/S Com DKK 5.00	195	0.06
Pharmaceuticals			
91,420	Novo Nordisk A/S Com DKK 0.20^	3,888	1.29
Retail			
6,119	Pandora A/S Com DKK 0.01	580	0.19
Total Denmark			
		5,856	1.94

iShares Edge MSCI World Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.68%) (cont)			
Finland (31 May 2016: 0.88%)			
Insurance			
27,065	Sampo Oyj Com NPV	1,377	0.46
Machinery - diversified			
14,878	Kone Oyj Com NPV^	738	0.24
Miscellaneous manufacturers			
4,067	Wartsila OYJ Abp Com NPV	242	0.08
Pharmaceuticals			
4,948	Orion Oyj Com EUR 0.65	320	0.11
Telecommunications			
7,775	Elisa Oyj Com NPV	303	0.10
Total Finland		2,980	0.99
France (31 May 2016: 1.03%)			
Aerospace & defence			
2,960	Thales SA Com EUR 3.00	327	0.11
Apparel retailers			
956	Hermes International Com NPV	473	0.16
Household products			
735	Societe BIC SA Com EUR 3.82	90	0.03
Insurance			
105,810	AXA SA Com EUR 2.29	2,827	0.94
Oil & gas			
63,520	Total SA Com EUR 2.50	3,387	1.12
Real estate investment trusts			
3,431	Unibail-Rodamco SE Reits EUR 5.00	886	0.29
Total France		7,990	2.65
Germany (31 May 2016: 0.50%)			
Chemicals			
3,007	Fuchs Petrolub SE Pref NPV	168	0.05
Cosmetics & personal care			
2,755	Beiersdorf AG Com NPV	296	0.10
Diversified financial services			
Insurance			
3,700	Hannover Rueck SE Com NPV	441	0.14
Retail			
2,287	Hugo Boss AG Com NPV	172	0.06
Transportation			
27,015	Deutsche Post AG Com NPV	988	0.33
Total Germany		2,065	0.68
Hong Kong (31 May 2016: 3.28%)			
Banks			
42,500	Hang Seng Bank Ltd Com NPV	897	0.30
Diversified financial services			
80,300	Hong Kong Exchanges & Clearing Ltd Com HKD 1.00	2,027	0.67
Electricity			
157,500	CLP Holdings Ltd Com NPV	1,724	0.57

Holding	Investment	Fair value \$'000	% of net asset value
Hong Kong (31 May 2016: 3.28%) (cont)			
Electricity (cont)			
127,531	Power Assets Holdings Ltd Com NPV	1,143	0.38
Gas			
847,926	Hong Kong & China Gas Co Ltd Com NPV	1,813	0.60
Insurance			
722,259	AIA Group Ltd Com NPV	5,123	1.70
Real estate investment & services			
41,640	Henderson Land Development Co Ltd Com NPV	269	0.09
125,136	Sino Land Co Ltd Com NPV	218	0.07
52,000	Sun Hung Kai Properties Ltd Com NPV	770	0.26
Real estate investment trusts			
82,000	Link REIT NPV	648	0.21
Total Hong Kong		14,632	4.85
Ireland (31 May 2016: 1.00%)			
Computers			
22,490	Accenture Plc Com USD 0.0000225	2,799	0.93
Total Ireland		2,799	0.93
Israel (31 May 2016: 0.11%)			
Computers			
3,220	Check Point Software Technologies Ltd Com USD 0.01	361	0.12
Pharmaceuticals			
590	Taro Pharmaceutical Industries Ltd Com ILS 0.0001	63	0.02
Total Israel		424	0.14
Italy (31 May 2016: 0.03%)			
Pharmaceuticals			
3,446	Recordati SpA Com EUR 0.125	139	0.05
Total Italy		139	0.05
Japan (31 May 2016: 5.01%)			
Airlines			
3,000	Japan Airlines Co Ltd Com NPV	88	0.03
Banks			
32,900	Seven Bank Ltd Com NPV^	120	0.04
11,000	Suruga Bank Ltd Com NPV	239	0.08
Chemicals			
5,800	Kansai Paint Co Ltd Com NPV	126	0.04
3,600	Nissan Chemical Industries Ltd Com NPV	126	0.04
4,300	Nitto Denko Corp Com NPV	346	0.12
Diversified financial services			
34,500	Japan Exchange Group Inc Com NPV	558	0.18
Gas			
161,000	Osaka Gas Co Ltd Com NPV	637	0.21
32,000	Toho Gas Co Ltd Com NPV	247	0.08
Healthcare products			
4,600	Sysmex Corp Com NPV	274	0.09

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.68%) (cont)			
Japan (31 May 2016: 5.01%) (cont)			
Home builders			
22,400	Daiwa House Industry Co Ltd Com NPV	733	0.24
Internet			
6,700	Kakaku.com Inc Com NPV	96	0.03
7,300	M3 Inc Com NPV	210	0.07
11,900	Start Today Co Ltd Com NPV	297	0.10
Oil & gas			
24,800	Inpex Corp Com NPV	228	0.08
Real estate investment & services			
4,500	Daito Trust Construction Co Ltd Com NPV	711	0.24
Retail			
2,100	Sundrug Co Ltd Com NPV	82	0.03
Software			
1,300	Oracle Corp Japan Com NPV	77	0.03
Telecommunications			
83,476	KDDI Corp Com NPV	2,314	0.77
60,755	NTT DoCoMo Inc Com NPV	1,493	0.49
Tobacco			
29,200	Japan Tobacco Inc Com NPV	1,099	0.36
Total Japan		10,101	3.35
Jersey (31 May 2016: 0.60%)			
Advertising			
6,969	Wolseley Plc Com GBP 0.1080303Com GBP 0.1080303	460	0.15
Auto parts & equipment			
11,672	Delphi Automotive Plc Com USD 0.01	1,027	0.34
Total Jersey		1,487	0.49
Luxembourg (31 May 2016: 0.05%)			
Media			
1,625	RTL Group SA Com NPV	127	0.04
Total Luxembourg		127	0.04
Netherlands (31 May 2016: 2.41%)			
Chemicals			
14,272	LyondellBasell Industries NV Com EUR 0.04	1,149	0.38
Commercial services			
30,256	Relx NV Com EUR 0.07	628	0.21
Cosmetics & personal care			
55,751	Unilever NV Com EUR 0.16	3,179	1.05
Oil & gas services			
2,219	Core Laboratories NV Com EUR 0.02	227	0.08
Pipelines			
2,973	Koninklijke Vopak NV Com EUR 0.50	135	0.04
Total Netherlands		5,318	1.76
New Zealand (31 May 2016: 0.03%)			
Healthcare services			
14,402	Ryman Healthcare Ltd Com NPV	85	0.03

Holding	Investment	Fair value \$'000	% of net asset value
New Zealand (31 May 2016: 0.03%) (cont)			
Telecommunications			
92,622	Spark New Zealand Ltd Com NPV	247	0.08
Total New Zealand		332	0.11
Norway (31 May 2016: 0.19%)			
Insurance			
12,113	Gjensidige Forsikring ASA Com NOK 2.00	196	0.07
Total Norway		196	0.07
Portugal (31 May 2016: 0.09%)			
Food			
10,406	Jeronimo Martins SGPS SA Com EUR 1.00	207	0.07
Oil & gas			
12,041	Galp Energia SGPS SA Com EUR 1.00	186	0.06
Total Portugal		393	0.13
Singapore (31 May 2016: 0.73%)			
Diversified financial services			
79,000	Singapore Exchange Ltd Com NPV	415	0.14
Engineering & construction			
17,800	SATS Ltd Com NPV	66	0.02
49,000	Singapore Technologies Engineering Ltd Com NPV	132	0.04
Telecommunications			
356,358	Singapore Telecommunications Ltd Com NPV	969	0.32
Total Singapore		1,582	0.52
Spain (31 May 2016: 1.14%)			
Electricity			
32,666	Endesa SA Com EUR 1.20	816	0.27
13,054	Red Electrica Corp SA Com EUR 0.50	293	0.10
Retail			
46,594	Industria de Diseno Textil SA Com EUR 0.03	1,907	0.63
Software			
10,610	Amadeus IT Group SA Com EUR 0.01	619	0.21
Total Spain		3,635	1.21
Sweden (31 May 2016: 0.89%)			
Engineering & construction			
9,468	Skanska AB Com NPV	226	0.07
Machinery, construction & mining			
19,397	Atlas Copco AB Com SEK 0.64	719	0.24
11,271	Atlas Copco AB Class 'B' Com SEK 0.64	373	0.12
Real estate investment & services			
2,243	L E Lundbergforetagen AB Com NPV	176	0.06
Retail			
45,580	Hennes & Mauritz AB Com NPV^	1,138	0.38
Total Sweden		2,632	0.87

iShares Edge MSCI World Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.68%) (cont)			
Switzerland (31 May 2016: 5.79%)			
Building materials and fixtures			
1,352	Geberit AG Com CHF 0.10	634	0.21
72	Sika AG Com CHF 0.60	464	0.15
Chemicals			
412	EMS-Chemie Holding AG Com CHF 0.01	290	0.10
301	Givaudan SA Com CHF 10.00	618	0.20
Commercial services			
3,991	Adecco Group AG Com CHF 1.00	298	0.10
178	SGS SA Com CHF 1.00	424	0.14
Diversified financial services			
1,679	Partners Group Holding AG Com CHF 0.01	1,030	0.34
Electronics			
7,720	TE Connectivity Ltd Com CHF 0.57	609	0.20
Hand & machine tools			
1,182	Schindler Holding AG (non-voting) Com CHF 0.10	254	0.08
704	Schindler Holding AG (voting) Com CHF 0.10	146	0.05
Healthcare products			
312	Straumann Holding AG Com CHF 0.10	173	0.06
Insurance			
17,107	Swiss Re AG Com CHF 0.10	1,561	0.52
Pharmaceuticals			
4,945	Actelion Ltd Com CHF 0.50	1,421	0.47
27,920	Roche Holding AG Com NPV^	7,670	2.55
Telecommunications			
1,084	Swisscom AG Com CHF 1.00^	520	0.17
Transportation			
2,274	Kuehne & Nagel International AG Com CHF 1.00	368	0.12
Total Switzerland			
		16,480	5.46
United Kingdom (31 May 2016: 9.79%)			
Aerospace & defence			
109,645	BAE Systems Plc Com GBP 0.025	942	0.31
2,674,570	Rolls-Royce Holdings Plc Class 'C' Com GBP 0.001	4	0.00
Agriculture			
56,837	British American Tobacco Plc Com GBP 0.25	4,078	1.35
Apparel retailers			
15,845	Burberry Group Plc Com GBP 0.0005	371	0.12
Auto parts & equipment			
66,418	GKN Plc Com GBP 0.10	302	0.10
Chemicals			
5,635	Croda International Plc Com GBP 0.1035714	288	0.10
6,067	Johnson Matthey Plc Com GBP 1.109245	244	0.08
Commercial services			
13,052	Ashtead Group Plc Com GBP 0.10	264	0.09
5,765	Intertek Group Plc Com GBP 0.01	321	0.10

Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (31 May 2016: 9.79%) (cont)			
Commercial services (cont)			
33,869	Relx Plc Com GBP 0.144397	727	0.24
Cosmetics & personal care			
44,627	Unilever Plc Com GBP 0.0311	2,496	0.83
Distribution & wholesale			
9,724	Bunzl Plc Com GBP 0.32142857	305	0.10
Diversified financial services			
75,399	3i Group Plc Com GBP 0.738636	873	0.29
58,210	Aberdeen Asset Management Plc Com GBP 0.10	217	0.07
Diversified financial services (0.75%)			
27,418	Hargreaves Lansdown Plc Com GBP 0.004^	496	0.16
18,824	London Stock Exchange Group Plc Com GBP 0.06918604	833	0.28
8,736	Provident Financial Plc Com GBP 0.2072727	345	0.11
8,464	Schroders Plc Com GBP 1.00	345	0.12
Food Service			
75,186	Compass Group Plc Com GBP 0.10625	1,622	0.54
Forest products & paper			
11,278	Mondi Plc Com EUR 0.20	295	0.10
Home builders			
5,798	Berkeley Group Holdings Plc Com NPV	244	0.08
12,568	Persimmon Plc Com GBP 0.10	398	0.13
120,614	Taylor Wimpey Plc Com GBP 0.01	318	0.11
Household products			
23,000	Reckitt Benckiser Group Plc Com GBP 0.10	2,357	0.78
Insurance			
18,970	Admiral Group Plc Com GBP 0.001	499	0.17
16,877	Aon Plc Com USD 0.01	2,210	0.73
74,555	Direct Line Insurance Group Plc Com GBP 0.1090909	336	0.11
395,138	Legal & General Group Plc Com GBP 0.025	1,286	0.43
Media			
159,326	ITV Plc Com GBP 0.10	403	0.13
Miscellaneous manufacturers			
9,679	IMI Plc Com GBP 0.2857	156	0.05
9,547	Smiths Group Plc Com GBP 0.375	198	0.07
Oil & gas			
651,197	Centrica Plc Com GBP 0.061728	1,718	0.57
Oil & gas services			
11,864	TechnipFMC Plc Com USD 1.00	343	0.11
Pharmaceuticals			
42,552	AstraZeneca Plc Com USD 0.25	2,875	0.95
Retail			
6,137	Next Plc Com GBP 0.10	347	0.12
Software			
28,502	Sage Group Plc Com GBP 0.01051948	265	0.09
Telecommunications			
524,801	BT Group Plc Com GBP 0.05	2,099	0.70

iShares Edge MSCI World Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.68%) (cont)			
United Kingdom (31 May 2016: 9.79%) (cont)			
Tobacco			
27,116	Imperial Brands Plc Com GBP 0.10	1,270	0.42
Total United Kingdom		32,690	10.84
United States (31 May 2016: 66.30%)			
Advertising			
5,043	Celanese Corp	436	0.14
4,518	Cummins Inc	713	0.24
1,613	Huntington Ingalls Industries Inc	316	0.10
10,182	Illinois Tool Works Inc	1,438	0.48
14,591	Interpublic Group of Cos Inc Com USD 0.10	364	0.12
8,793	Omnicom Group Inc Com USD 0.15	736	0.24
5,882	Oneok Inc	292	0.10
4,355	AO Smith Corp	239	0.08
1,639	Snap-on Inc	265	0.09
Aerospace & defence			
8,590	General Dynamics Corp Com USD 1.00	1,746	0.58
6,208	Northrop Grumman Corp Com USD 1.00	1,609	0.53
8,068	Raytheon Co Com USD 0.01	1,323	0.44
5,498	Rockwell Collins Inc Com USD 0.01	600	0.20
Agriculture			
83,568	Altria Group Inc Com USD 0.333	6,305	2.09
Airlines			
4,604	Southwest Airlines Co Com USD 1.00	277	0.09
Apparel retailers			
65,587	Nike Inc Com USD 1.00	3,476	1.15
13,371	VF Corp Com NPV	719	0.24
Auto parts & equipment			
2,646	Lear Corp Com USD 0.01	395	0.13
1,225	Wabco Holdings Inc Com USD 0.01	149	0.05
Banks			
8,707	East West Bancorp Inc Com USD 0.001	477	0.16
Beverages			
9,166	Brown-Forman Corp Com USD 0.15	476	0.16
5,898	Dr Pepper Snapple Group Inc Com USD 0.01	547	0.18
12,216	Monster Beverage Corp Com NPV	618	0.21
Biotechnology			
7,845	Biogen Inc Com USD 0.0005	1,944	0.64
35,772	Gilead Sciences Inc Com USD 0.001	2,321	0.77
1,860	United Therapeutics Corp Com USD 0.01	225	0.08
Chemicals			
6,404	Air Products & Chemicals Inc Com USD 1.00	923	0.31
26,911	El du Pont de Nemours & Co Com USD 0.30	2,124	0.70
2,578	International Flavors & Fragrances Inc Com USD 0.125	355	0.12
13,357	Monsanto Co Com USD 0.01	1,568	0.52

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 66.30%) (cont)			
Chemicals (cont)			
7,104	PPG Industries Inc Com USD 1.67	756	0.25
8,229	Praxair Inc Com USD 0.01	1,089	0.36
Chemicals			
3,870	Sherwin-Williams Co Com USD 1.00	1,284	0.42
2,576	Valspar Corp Com USD 0.50	291	0.10
Commercial services			
15,223	Automatic Data Processing Inc Com USD 0.1	1,558	0.52
2,397	Cintas Corp Com NPV	302	0.10
5,180	Robert Half International Inc Com USD 0.001	241	0.08
3,835	Rollins Inc Com NPV	165	0.05
4,117	Verisk Analytics Inc Com USD 0.001	333	0.11
Computers			
68,091	Apple Inc Com USD 0.00001	10,401	3.45
20,787	International Business Machines Corp Com USD 0.20	3,173	1.05
Cosmetics & personal care			
8,194	Estee Lauder Cos Inc Com USD 0.01^	771	0.26
Distribution & wholesale			
9,818	Fastenal Co Com USD 0.01	424	0.14
1,733	WW Grainger Inc Com USD 0.50	298	0.10
Diversified financial services			
2,978	Affiliated Managers Group Inc Com USD 0.01	458	0.15
9,156	Ameriprise Financial Inc Com USD 0.01	1,106	0.37
7,072	BlackRock Inc Com USD 0.01	2,894	0.96
5,978	CBOE Holdings Inc Com USD 0.01	516	0.17
73,432	Charles Schwab Corp Com USD 0.01	2,846	0.94
9,456	Eaton Vance Corp Com USD 0.00390625	440	0.15
21,225	Franklin Resources Inc Com USD 0.10	887	0.29
29,850	Mastercard Inc Com USD 0.0001	3,668	1.22
7,079	Raymond James Financial Inc Com USD 0.01	512	0.17
10,915	SEI Investments Co Com USD 0.01	547	0.18
19,366	T Rowe Price Group Inc Com USD 0.20	1,364	0.45
16,986	TD Ameritrade Holding Corp Com USD 0.01	635	0.21
38,910	Visa Inc Com USD 0.0001	3,705	1.23
Electrical components & equipment			
1,141	Acuity Brands Inc Com USD 0.01	186	0.06
Electronics			
10,056	Fortive Corp Com USD 0.01	628	0.21
19,774	Honeywell International Inc Com USD 1.00	2,630	0.87
841	Mettler-Toledo International Inc Com USD 0.01	490	0.16
Food			
5,817	Campbell Soup Co Com USD 0.0375	335	0.11
21,742	General Mills Inc Com USD 0.10	1,234	0.41
9,045	Hormel Foods Corp Com USD 0.01465	304	0.10

iShares Edge MSCI World Quality Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.68%) (cont)			
United States (31 May 2016: 66.30%) (cont)			
Food (cont)			
3,432	McCormick & Co Inc Com NPV	358	0.12
15,237	Sysco Corp Com USD 1.00	831	0.28
Healthcare products			
6,275	Edwards Lifesciences Corp Com USD 1.00	722	0.24
2,497	Varian Medical Systems Inc Com USD 1.00	247	0.08
Home builders			
157	NVR Inc Com USD 0.01	358	0.12
Home furnishings			
5,440	Leggett & Platt Inc Com USD 0.01	283	0.09
Household products			
3,198	Avery Dennison Corp Com USD 1.00	269	0.09
7,445	Church & Dwight Co Inc Com USD 1.00	385	0.13
Insurance			
23,641	Aflac Inc Com USD 0.10	1,782	0.59
38,951	Marsh & McLennan Cos Inc Com USD 1.00	3,021	1.00
17,221	Principal Financial Group Inc Com USD 0.01	1,084	0.36
31,975	Progressive Corp Com USD 1.00	1,357	0.45
6,530	Torchmark Corp Com USD 1.00	493	0.16
15,894	Travelers Cos Inc Com NPV	1,984	0.66
5,122	WR Berkley Corp Com USD 0.20	353	0.12
Internet			
1,795	F5 Networks Inc Com NPV	230	0.08
1,134	MercadoLibre Inc Com USD 0.001	312	0.10
2,074	Priceline Group Inc Com USD 0.008	3,893	1.29
Machinery - diversified			
1,617	Middleby Corp Com USD 0.01	208	0.07
4,682	Rockwell Automation Inc Com USD 1.00	743	0.25
Miscellaneous manufacturers			
24,054	3M Co Com USD 0.01	4,918	1.63
Oil & gas			
122,242	Exxon Mobil Corp Com NPV	9,840	3.26
14,233	Marathon Petroleum Corp Com USD 0.01	741	0.24
12,627	Phillips 66 Com USD 0.01	961	0.32
16,817	UGI Corp Com NPV	861	0.29
15,002	Valero Energy Corp Com USD 0.01	922	0.31
Pharmaceuticals			
82,536	Johnson & Johnson Com USD 1.00	10,585	3.51
6,550	McKesson Corp Com USD 0.01	1,068	0.35
Real estate investment & services			
10,732	CBRE Group Inc Com USD 0.01	374	0.12
1,729	Jones Lang LaSalle Inc Com USD 0.01	200	0.07
Real estate investment trusts			
9,134	Public Storage Reits USD 0.10	1,967	0.65
Retail			
5,808	Bed Bath & Beyond Inc Com USD 0.01	200	0.06

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 66.30%) (cont)			
Retail (cont)			
10,763	Best Buy Co Inc Com USD 0.10	639	0.21
12,177	Costco Wholesale Corp Com USD 0.005	2,197	0.73
4,402	Darden Restaurants Inc Com NPV	391	0.13
5,527	Foot Locker Inc Com USD 0.01	328	0.11
9,046	Gap Inc Com USD 0.05	204	0.07
5,587	Genuine Parts Co Com USD 1.00	517	0.17
30,509	Lowe's Cos Inc Com USD 0.50	2,403	0.80
3,662	Lululemon Athletica Inc Com USD 0.005	177	0.06
4,575	O'Reilly Automotive Inc Com USD 0.01	1,108	0.37
23,445	Ross Stores Inc Com USD 0.01	1,499	0.50
80,260	Starbucks Corp Com USD 0.001	5,105	1.69
37,136	TJX Cos Inc Com USD 1.00	2,793	0.92
6,092	Tractor Supply Co Com USD 0.008	336	0.11
2,656	Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	810	0.27
Semiconductors			
25,639	Applied Materials Inc Com USD 0.01	1,176	0.39
6,857	Maxim Integrated Products Inc Com USD 0.001	328	0.11
12,969	NVIDIA Corp Com USD 0.001	1,872	0.62
4,681	Skyworks Solutions Inc Com USD 0.25	498	0.17
29,320	Texas Instruments Inc Com USD 1.00	2,419	0.80
5,512	Xilinx Inc Com USD 0.01	368	0.12
Software			
2,601	Broadridge Financial Solutions Inc Com USD 0.01	197	0.07
6,118	Cadence Design Systems Inc Com USD 0.01	215	0.07
4,832	Fiserv Inc Com USD 0.01	605	0.20
7,324	Intuit Inc Com USD 0.01	1,030	0.34
2,136	Jack Henry & Associates Inc Com USD 0.01	227	0.08
154,159	Microsoft Corp Com USD 0.00000625	10,767	3.57
11,778	Paychex Inc Com USD 0.01	698	0.23
Toys			
4,074	Hasbro Inc Com USD 0.50	429	0.14
Transportation			
5,423	CH Robinson Worldwide Inc Com USD 0.10	363	0.12
5,967	Expeditors International of Washington Inc Com USD 0.01	318	0.11
3,009	JB Hunt Transport Services Inc Com USD 0.01	257	0.08
19,905	Union Pacific Corp Com USD 2.50	2,196	0.73
Total United States		173,467	57.52
Total equities		300,588	99.66

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial derivative instruments (31 May 2016: 0.03%)			
Futures contracts (31 May 2016: 0.03%)			
5 Ibex 35 Index Futures June 2017	615	(4)	0.00
4 Mini MSCI EAFE Index Futures June 2017	378	(1)	0.00
8 S&P 500 E Mini Index Futures June 2017	950	15	0.00
Total unrealised gains on futures contracts		15	0.00
Total unrealised losses on futures contracts		(5)	0.00
Net unrealised gains on futures contracts		10	0.00
Total financial derivative instruments		10	0.00

	Fair value \$'000	% of net asset value
Total value of investments	300,598	99.66
Cash[†]	2,100	0.70
Other net liabilities	(1,095)	(0.36)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	301,603	100.00

[†] Cash holdings of \$1,991,242 are held with State Street Bank and Trust Company. \$109,248 is held as security for futures contracts with Barclays Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

^{*} Investments in related party.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	300,297	82.95
Transferable securities dealt in an another regulated market	291	0.08
Exchange traded financial derivative instruments	15	0.00
Other assets	61,432	16.97
Total current assets	362,035	100.00

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
63,964	Berkshire Hathaway Inc Com USD 0.0033	10,548	75,005	Exxon Mobil Corp Com NPV	6,413
66,131	PepsiCo Inc Com USD 0.017	7,417	83,568	Altria Group Inc Com USD 0.333	6,305
53,159	Apple Inc Com USD 0.00001	6,965	75,879	Microsoft Corp Com USD 0.00000625	4,693
25,950	Boeing Co Com USD 5.00	4,584	35,048	Apple Inc Com USD 0.00001	4,419
34,545	Home Depot Inc Com USD 0.05	4,564	56,837	British American Tobacco Plc Com GBP 0.25	4,078
44,074	Exxon Mobil Corp Com NPV	3,892	33,072	Johnson & Johnson Com USD 1.00	3,917
30,229	Kimberly-Clark Corp Com USD 1.25	3,840	22,572	Berkshire Hathaway Inc Com USD 0.0033	3,602
33,007	Chevron Corp Com USD 0.75	3,682	30,229	Kimberly-Clark Corp Com USD 1.25	3,543
57,636	Microsoft Corp Com USD 0.00000625	3,629	14,372	Roche Holding AG Com NPV	3,476
95,159	Intel Corp Com USD 0.001	3,292	63,520	Total SA Com EUR 2.50	3,387
25,757	McDonald's Corp Com USD 0.01	3,144	20,787	International Business Machines Corp Com USD 0.20	3,173
43,017	Schlumberger Ltd Com USD 0.01	3,119	40,529	Lowe's Cos Inc Com USD 0.50	2,926
139,878	Prudential Plc Com GBP 0.05	3,035	426,000	AIA Group Ltd Com NPV	2,886
66,857	Public Service Enterprise Group Inc Com NPV	2,967	626,634	BT Group Plc Com GBP 0.05	2,715
18,752	Chubb Ltd Com CHF 24.15	2,399	11,773	3M Co Com USD 0.01	2,216
9,845	Roche Holding AG Com NPV	2,348	26,911	El du Pont de Nemours & Co Com USD 0.30	2,124
20,043	Johnson & Johnson Com USD 1.00	2,281	18,928	PepsiCo Inc Com USD 0.017	2,026
19,289	Celgene Corp Com USD 0.01	2,035	33,259	Starbucks Corp Com USD 0.001	1,939
39,255	Unilever NV CVS EUR 0.16	1,791	726,622	Centrica Plc Com GBP 0.061728	1,930
3,801	Syngenta AG Com CHF 0.10	1,688	12,969	NVIDIA Corp Com USD 0.001	1,872

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI World Size Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	3,115	877
Net (gains)/losses on financial assets/liabilities at fair value through profit or loss	3	19,537	(1,532)
Total gains/(losses)		22,652	(655)
Operating expenses	4	(361)	(108)
Net operating profit/(loss)		22,291	(763)
Finance costs:			
Interest expense	6	(2)	-
Total finance costs		(2)	-
Net profit/(loss) for the financial year before tax		22,289	(763)
Taxation		(324)	(94)
Net profit/(loss) for the financial year after tax		21,965	(857)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(46)	28
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		21,919	(829)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	47,457	24,629
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	21,919	(829)
Share transactions:		
Proceeds from issue of redeemable participating shares	159,868	38,919
Payments on redemption of redeemable participating shares	-	(15,262)
Increase in net assets resulting from share transactions	159,868	23,657
Net assets attributable to redeemable participating shareholders at the end of the financial year	229,244	47,457

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Size Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		3,000	775
Margin cash account		146	28
Receivables	10	550	208
Financial assets at fair value through profit or loss	11	225,626	46,464
Total current assets		229,322	47,475
CURRENT LIABILITIES			
Margin cash account		(24)	-
Payables	12	(53)	(64)
Financial liabilities at fair value through profit or loss	11	(1)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(78)	(64)
Net assets attributable to redeemable participating shareholders		229,244	47,411
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	46
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	229,244	47,457

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Size Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income*	-	-
Dividend income	3,099	874
Securities lending income	16	3
	3,115	877

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	19,293	(1,478)
Net gains/(losses) on futures contracts	229	(48)
Net gains/(losses) on foreign currency transactions	15	(6)
	19,537	(1,532)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(361)	(108)
	(361)	(108)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.30	0.30

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(2)	-
	(2)	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Transaction costs	(121)	(29)

iShares Edge MSCI World Size Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	1,800,000	900,000
Issued during the financial year	5,700,000	1,500,000
Redeemed during the financial year	-	(600,000)
Balance at the end of financial year	7,500,000	1,800,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	229,244
As at 31 May 2016	47,457
As at 31 May 2015	24,629

	No. of Shares
Shares in issue	
As at 31 May 2017	7,500,000
As at 31 May 2016	1,800,000
As at 31 May 2015	900,000

	\$
Net asset value per share	
As at 31 May 2017	30.57
As at 31 May 2016	26.37
As at 31 May 2015	27.37

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	-	70
Interest receivable	3	-
Dividend income receivable	510	132
Securities lending income receivable	5	-
Tax reclaim receivable	32	6
	550	208

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	225,601	46,444
Investment in rights	-	4
Unrealised gains on futures contracts	25	16
	225,626	46,464

Financial liabilities:		
Unrealised losses on futures contracts	(1)	-
	(1)	-

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	-	(52)
Management fees payable	(53)	(12)
	(53)	(64)

iShares Edge MSCI World Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 97.88%)			
Equities (31 May 2016: 97.87%)			
Australia (31 May 2016: 5.02%)			
Airlines			
94,711	Qantas Airways Ltd Com NPV	353	0.15
Banks			
27,211	Bank of Queensland Ltd Com NPV	226	0.10
24,955	Bendigo & Adelaide Bank Ltd Com NPV	209	0.09
Beverages			
32,095	Coca-Cola Amatil Ltd Com NPV	223	0.10
28,968	Treasury Wine Estates Ltd Com NPV	281	0.12
Building materials and fixtures			
76,547	Boral Ltd Com NPV	390	0.17
Chemicals			
91,797	Incitec Pivot Ltd Com NPV	234	0.10
Computers			
26,070	Computershare Ltd Com NPV	280	0.12
Diversified financial services			
6,346	ASX Ltd Com NPV	241	0.10
Electricity			
15,394	AGL Energy Ltd Com NPV	302	0.13
213,568	AusNet Services Com NPV	269	0.12
Engineering & construction			
9,473	Cimic Group Ltd Com NPV	286	0.12
21,922	Lend Lease Group Misc NPV	266	0.12
Entertainment			
20,508	Aristocrat Leisure Ltd Com NPV	333	0.15
66,582	Tabcorp Holdings Ltd Com NPV	227	0.10
76,103	Tatts Group Ltd Com NPV	238	0.10
Healthcare products			
2,481	Cochlear Ltd Com NPV	271	0.12
Healthcare services			
132,669	Healthscope Ltd Com NPV	200	0.09
13,765	Sonic Healthcare Ltd Com NPV	237	0.10
Insurance			
27,993	Challenger Ltd Com NPV	266	0.12
116,176	Medibank Pvt Ltd Com NPV	238	0.10
Internet			
19,851	Seek Ltd Com NPV	250	0.11
Iron & steel			
49,363	Fortescue Metals Group Ltd Com NPV	178	0.08
Leisure time			
9,795	Flight Centre Travel Group Ltd Com NPV^	261	0.11
Mining			
176,396	Alumina Ltd Com NPV^	252	0.11
Miscellaneous manufacturers			
17,592	Orica Ltd Com NPV	258	0.11
Oil & gas			
10,237	Caltex Australia Ltd Com NPV	252	0.11
88,210	Santos Ltd Com NPV	221	0.10

Holding	Investment	Fair value \$'000	% of net asset value
Australia (31 May 2016: 5.02%) (cont)			
Pipelines			
40,402	APA Group Misc NPV	288	0.13
Real estate investment & services			
5,747	REA Group Ltd Com NPV^	275	0.12
Real estate investment trusts			
45,267	Goodman Group Reits NPV	286	0.12
155,530	Mirvac Group Reits NPV	264	0.12
35,906	Dexus Reits NPV	278	0.12
64,836	GPT Group Reits NPV	253	0.11
Retail			
4,434	Domino's Pizza Enterprises Ltd Com NPV	190	0.08
63,571	Harvey Norman Holdings Ltd Com NPV	178	0.08
Telecommunications			
45,645	TPG Telecom Ltd Com NPV	200	0.09
55,005	Vocus Group Ltd Com NPV	116	0.05
Transportation			
61,116	Aurizon Holdings Ltd Com NPV	250	0.11
Total Australia		9,820	4.28
Austria (31 May 2016: 0.40%)			
Banks			
13,283	Raiffeisen Bank International AG Com NPV	350	0.15
Iron & steel			
6,329	Voestalpine AG Com NPV	287	0.12
Machinery - diversified			
4,451	Andritz AG Com NPV	267	0.12
Oil & gas			
7,008	OMV AG Com NPV^	366	0.16
Total Austria		1,270	0.55
Belgium (31 May 2016: 0.68%)			
Chemicals			
2,332	Solvay SA Com EUR 15.00	305	0.13
3,998	Umicore SA Com NPV	265	0.12
Food			
4,678	Colruyt SA Com NPV	259	0.11
Insurance			
5,929	Ageas Com NPV^	240	0.11
Media			
4,501	Telenet Group Holding NV Com NPV	299	0.13
Total Belgium		1,368	0.60
Bermuda (31 May 2016: 1.67%)			
Agriculture			
3,569	Bunge Ltd Com USD 0.01	285	0.12
Apparel retailers			
62,500	Yue Yuen Industrial Holdings Ltd Com HKD 0.25	249	0.11
Chemicals			
8,999	Axalta Coating Systems Ltd Com USD 1.00	282	0.12

iShares Edge MSCI World Size Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Bermuda (31 May 2016: 1.67%) (cont)			
Commercial services			
6,400	IHS Markit Ltd Com USD 0.01	294	0.13
Distribution & wholesale			
453,355	Li & Fung Ltd Com HKD 0.0125	187	0.08
Diversified financial services			
6,809	Invesco Ltd Com USD 0.20	216	0.09
Food			
346,000	First Pacific Co Ltd Com USD 0.01	271	0.12
Holding companies - diversified operations			
133,929	NWS Holdings Ltd Com HKD 1.00	259	0.11
Hotels			
202,000	Shangri-La Asia Ltd Com HKD 1.00	309	0.14
Insurance			
2,845	Arch Capital Group Ltd Com USD 0.01	276	0.12
3,507	Axis Capital Holdings Ltd Com USD 0.0125	230	0.10
313	Everest Re Group Ltd Com USD 0.01	80	0.04
432	RenaissanceRe Holdings Ltd Com USD 1.00	62	0.03
5,899	XL Group Ltd Com USD 0.01	258	0.11
Leisure time			
5,469	Norwegian Cruise Line Holdings Ltd Com USD 0.001	273	0.12
Real estate investment & services			
87,500	Kerry Properties Ltd Com HKD 1.00	309	0.14
Retail			
2,042	Signet Jewelers Ltd Com USD 0.18	98	0.04
Semiconductors			
14,796	Marvell Technology Group Ltd Com USD 0.002	255	0.11
Total Bermuda		4,193	1.83
British Virgin Islands (31 May 2016: 0.10%)			
Apparel retailers			
4,462	Michael Kors Holdings Ltd Com NPV	148	0.06
Total British Virgin Islands		148	0.06
Canada (31 May 2016: 6.69%)			
Aerospace & defence			
16,971	CAE Inc Com NPV	274	0.12
Apparel retailers			
7,992	Gildan Activewear Inc Com NPV	231	0.10
Auto parts & equipment			
5,972	Linamar Corp Com NPV	271	0.12
Chemicals			
5,870	Methanex Corp Com NPV	242	0.10
Commercial services			
24,741	Element Fleet Management Corp Com NPV	157	0.07
Computers			
29,266	BlackBerry Ltd Com NPV	309	0.13

Holding	Investment	Fair value \$'000	% of net asset value
Canada (31 May 2016: 6.69%) (cont)			
Containers & packaging			
1,278	CCL Industries Inc Com NPV	302	0.13
Diversified financial services			
11,097	CI Financial Corp Com NPV	221	0.10
8,014	IGM Financial Inc Com NPV	234	0.10
3,295	Onex Corp Com NPV	239	0.10
Electricity			
7,188	Atco Ltd Com NPV	271	0.12
6,783	Emera Inc Com NPV	242	0.10
Engineering & construction			
5,345	SNC-Lavalin Group Inc Com NPV	205	0.09
Environmental control			
2,921	Waste Connections Inc Com NPV	278	0.12
Food			
16,072	Empire Co Ltd Com NPV	244	0.11
7,126	Metro Inc Com NPV	239	0.10
Forest products & paper			
6,203	West Fraser Timber Co Ltd Com NPV	270	0.12
Gas			
8,948	Canadian Utilities Ltd Com NPV	271	0.12
Hand & machine tools			
11,892	Finning International Inc Com NPV	226	0.10
Insurance			
5,631	Industrial Alliance Insurance & Financial Services Inc Com NPV	209	0.09
Mining			
6,024	Agnico Eagle Mines Ltd Com NPV	291	0.13
23,318	Cameco Corp Com NPV^	215	0.09
67,124	Eldorado Gold Corp Com NPV	203	0.09
21,509	First Quantum Minerals Ltd Com NPV	181	0.08
3,824	Franco-Nevada Corp Com NPV	286	0.13
64,912	Kinross Gold Corp Com NPV	281	0.12
9,464	Teck Resources Ltd Com NPV	168	0.07
68,975	Turquoise Hill Resources Ltd Com NPV	180	0.08
9,677	Wheaton Precious Metals Corp Com NPV	198	0.09
73,010	Yamana Gold Inc Com NPV	189	0.08
Miscellaneous manufacturers			
151,299	Bombardier Inc Com NPV	273	0.12
Oil & gas			
13,238	ARC Resources Ltd Com NPV	165	0.07
18,846	Encana Corp Com NPV	183	0.08
8,560	Peyto Exploration & Development Corp Com NPV	155	0.07
10,650	PrairieSky Royalty Ltd Com NPV	230	0.10
9,910	Seven Generations Energy Ltd Com NPV	178	0.08
8,761	Tourmaline Oil Corp Com NPV	175	0.07
5,746	Vermilion Energy Inc Com NPV	180	0.08
Pipelines			
10,452	AltaGas Ltd Com NPV	233	0.10
11,522	Inter Pipeline Ltd Com NPV	228	0.10
8,142	Keyera Corp Com NPV	242	0.11
25,644	Veresen Inc Com NPV	349	0.15

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Canada (31 May 2016: 6.69%) (cont)			
Real estate investment & services			
14,724	First Capital Realty Inc Com NPV	220	0.10
Real estate investment trusts			
13,578	H&R Real Estate Investment Trust Reits NPV	230	0.10
11,447	RioCan Real Estate Investment Trust Reits NPV	215	0.09
9,826	Smart Real Estate Investment Trust Reits NPV^	224	0.10
Retail			
2,182	Canadian Tire Corp Ltd Com NPV	249	0.11
3,159	Dollarama Inc Com NPV	293	0.13
14,443	Jean Coutu Group PJC Inc Com NPV	237	0.10
4,810	Restaurant Brands International Inc Com NPV	294	0.13
Software			
482	Constellation Software Inc Com NPV	249	0.11
7,690	Open Text Corp Com NPV	251	0.11
Total Canada		12,180	5.31
Cayman Islands (31 May 2016: 0.44%)			
Hotels			
15,317	Melco Resorts & Entertainment Ltd ADR NPV	346	0.15
111,073	MGM China Holdings Ltd Com HKD 1.00^	247	0.11
132,456	Wynn Macau Ltd Com HKD 0.001	294	0.13
Semiconductors			
22,939	ASM Pacific Technology Ltd Com HKD 0.10^	329	0.14
Total Cayman Islands		1,216	0.53
Denmark (31 May 2016: 1.24%)			
Biotechnology			
1,063	Genmab A/S Com DKK 1.00	227	0.10
Chemicals			
6,447	Novozymes A/S Com DKK 2.00	292	0.13
Commercial services			
5,477	ISS A/S Com DKK 1.00	227	0.10
Energy - alternate sources			
3,473	Vestas Wind Systems A/S Com DKK 1.00	309	0.13
Food			
3,374	Chr Hansen Holding A/S Com DKK 10.00	236	0.10
Healthcare products			
13,983	William Demant Holding A/S Com DKK 0.20	367	0.16
Insurance			
13,155	Tryg A/S Com DKK 5.00	271	0.12
Retail			
1,874	Pandora A/S Com DKK 0.01	178	0.08
Telecommunications			
38,606	TDC A/S Com DKK 1.00	231	0.10

Holding	Investment	Fair value \$'000	% of net asset value
Denmark (31 May 2016: 1.24%) (cont)			
Transportation			
4,700	DSV A/S Com DKK 1.00	286	0.12
Total Denmark		2,624	1.14
Finland (31 May 2016: 0.87%)			
Auto parts & equipment			
6,223	Nokian Renkaat Oyj Com NPV	254	0.11
Forest products & paper			
24,025	Stora Enso Oyj Com NPV	304	0.13
9,556	UPM-Kymmene Oyj Com NPV	270	0.12
Machinery - diversified			
8,217	Metso Oyj Com NPV	280	0.12
Miscellaneous manufacturers			
5,025	Wartsila Oyj Abp Com NPV	299	0.13
Oil & gas			
5,597	Neste Oyj Com NPV	223	0.10
Pharmaceuticals			
5,444	Orion Oyj Com EUR 0.65	352	0.15
Telecommunications			
7,442	Elisa Oyj Com NPV	290	0.13
Total Finland		2,272	0.99
France (31 May 2016: 3.59%)			
Advertising			
8,077	JCDecaux SA Com NPV	268	0.12
Aerospace & defence			
202	Dassault Aviation SA Com EUR 8.00	302	0.13
9,174	Zodiac Aerospace Com NPV	243	0.11
Auto manufacturers			
14,895	Peugeot SA Com EUR 1.00	294	0.13
Auto parts & equipment			
3,959	Valeo SA Com EUR 1.00	276	0.12
Beverages			
2,618	Remy Cointreau SA Com EUR 1.60	287	0.12
Building materials and fixtures			
3,134	Imerys SA Com EUR 2.00	272	0.12
Chemicals			
2,746	Arkema SA Com EUR 10.00	287	0.13
Commercial services			
11,792	Bureau Veritas SA Com EUR 0.12	271	0.12
12,151	Edenred Com EUR 2.00	321	0.14
25,130	Groupe Eurotunnel SE Com EUR 0.40	296	0.13
Computers			
2,440	Atos SE Com EUR 1.00	350	0.15
2,720	Capgemini SE Com EUR 8.00	282	0.12
2,756	Ingenico Group SA Com EUR 1.00	268	0.12
Distribution & wholesale			
14,659	Rexel SA Com EUR 5.00	258	0.11
Diversified financial services			
4,049	Eurazeo SE Com NPV	290	0.13

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
France (31 May 2016: 3.59%) (cont)			
Electrical components & equipment			
4,030	Legrand SA Com EUR 4.00	277	0.12
Engineering & construction			
2,156	Aéroports de Paris Com EUR 3.00	330	0.14
3,170	Eiffage SA Com EUR 4.00	288	0.13
Food			
4,619	Casino Guichard Perrachon SA Com EUR 1.53	285	0.12
Food Service			
2,076	Sodexo SA Com EUR 4.00	284	0.12
Holding companies - diversified operations			
2,007	Wendel SA Com EUR 4.00	307	0.13
Home furnishings			
1,532	SEB SA Com EUR 1.00	269	0.12
Hotels			
6,050	Accor SA Com EUR 3.00	288	0.13
Household products			
1,633	Societe BIC SA Com EUR 3.82	200	0.09
Insurance			
6,707	SCOR SE Com EUR 7.876972	264	0.12
Internet			
1,160	Iliad SA Com NPV	301	0.13
Machinery - diversified			
8,614	Alstom SA Com EUR 7.00	302	0.13
Media			
9,033	Lagardere SCA Com EUR 6.10	284	0.12
Real estate investment trusts			
2,616	Fonciere Des Regions Reits EUR 3.00	244	0.11
3,259	ICADE Reits NPV	263	0.11
1,607	Gecina SA Reits EUR 7.50	247	0.11
Telecommunications			
12,706	Eutelsat Communications SA Com EUR 1.00^	327	0.14
Water			
16,095	Suez Com EUR 4.00	294	0.13
12,771	Veolia Environnement SA Com EUR 5.00	281	0.12
Total France		9,900	4.32
Germany (31 May 2016: 2.23%)			
Airlines			
16,423	Deutsche Lufthansa AG Com NPV	319	0.14
Auto parts & equipment			
16,474	Schaeffler AG Pref NPV	273	0.12
Banks			
28,153	Commerzbank AG Com NPV	297	0.13
Chemicals			
4,125	Brenntag AG Com NPV	239	0.10
4,495	Covestro AG Com NPV	337	0.15
5,899	Fuchs Petrolub SE Pref NPV	329	0.14
10,947	K&S AG Com NPV^	280	0.12

Holding	Investment	Fair value \$'000	% of net asset value
Germany (31 May 2016: 2.23%) (cont)			
Chemicals (cont)			
3,658	Lanxess AG Com NPV	273	0.12
3,750	Symrise AG Com NPV	270	0.12
Electrical components & equipment			
4,087	OSRAM Licht AG Com NPV	313	0.14
Electricity			
17,348	RWE AG Com NPV	353	0.15
Engineering & construction			
4,050	Fraport AG Frankfurt Airport Services Worldwide Com NPV	329	0.14
1,608	Hochtief AG Com NPV	296	0.13
Insurance			
2,232	Hannover Rueck SE Com NPV	266	0.12
Internet			
5,867	United Internet AG Com NPV	323	0.14
Leisure time			
17,403	TUI AG Com NPV	269	0.12
Machinery - diversified			
6,129	GEA Group AG Com NPV	252	0.11
Media			
5,301	Axel Springer SE Com EUR 1.00^	334	0.15
6,524	ProSiebenSat.1 Media SE Com NPV	277	0.12
Real estate investment & services			
7,679	Deutsche Wohnen AG Com NPV	302	0.13
6,825	Vonovia SE Com NPV	268	0.12
Retail			
3,884	Hugo Boss AG Com NPV^	293	0.13
5,924	Zalando SE Com NPV^	283	0.12
Telecommunications			
60,076	Telefonica Deutschland Holding AG Com NPV	299	0.13
Total Germany		7,074	3.09
Hong Kong (31 May 2016: 1.15%)			
Airlines			
157,704	Cathay Pacific Airways Ltd Com NPV	231	0.10
Banks			
55,818	Bank of East Asia Ltd Com NPV	236	0.10
Electricity			
238,000	HK Electric Investments & HK Electric Investments Ltd Misc HKD 0.0005	218	0.09
Hand & machine tools			
60,592	Techtronic Industries Co Ltd Com NPV	286	0.12
Hotels			
298,972	SJM Holdings Ltd Com NPV^	290	0.13
Real estate investment & services			
54,685	Hang Lung Group Ltd Com NPV	227	0.10
50,000	Hysan Development Co Ltd Com NPV	236	0.10
198,588	New World Development Co Ltd Com NPV	247	0.11
41,560	Wheelock & Co Ltd Com NPV	311	0.14

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Hong Kong (31 May 2016: 1.15%) (cont)			
Real estate investment trusts			
37,000	Link REIT NPV	292	0.13
Telecommunications			
245,000	HKT Trust & HKT Ltd Misc HKD 0.0005	321	0.14
375,000	PCCW Ltd Com NPV	218	0.10
	Total Hong Kong	3,113	1.36
Ireland (31 May 2016: 1.09%)			
Banks			
951,180	Bank of Ireland Com EUR 0.05	258	0.11
Building materials and fixtures			
14,464	James Hardie Industries Plc Receipt EUR 0.59	211	0.09
Computers			
5,552	Seagate Technology Plc Com USD 0.00001	242	0.11
Entertainment			
2,045	Paddy Power Betfair Plc Com EUR 0.09	214	0.09
Food			
3,185	Kerry Group Plc Com EUR 0.125	282	0.12
Miscellaneous manufacturers			
3,796	Pentair Plc Com USD 0.01	251	0.11
Oil & gas			
2,947	DCC Plc Com EUR 0.25	281	0.12
Oil & gas services			
45,902	Weatherford International Plc Com USD 0.001	220	0.10
Pharmaceuticals			
3,733	Alkermes Plc Com USD 0.01	215	0.09
1,977	Jazz Pharmaceuticals Plc Com USD 0.0001	288	0.13
3,960	Mallinckrodt Plc Com USD 0.20	171	0.08
	Total Ireland	2,633	1.15
Isle of Man (31 May 2016: 0.13%)			
Entertainment			
348,264	Genting Singapore Plc Com USD 0.10	297	0.13
	Total Isle of Man	297	0.13
Israel (31 May 2016: 0.93%)			
Aerospace & defence			
2,168	Elbit Systems Ltd Com ILS 1.00	264	0.11
Banks			
39,568	Bank Hapoalim BM Com ILS 1.00	264	0.12
57,774	Bank Leumi Le-Israel BM Com ILS 0.10	283	0.12
17,700	Mizrahi Tefahot Bank Ltd Com ILS 0.10	315	0.14
Chemicals			
57,591	Israel Chemicals Ltd Com ILS 1.00	244	0.11
Food			
3,619	Frutarom Industries Ltd Com ILS 1.00^	235	0.10

Holding	Investment	Fair value \$'000	% of net asset value
Israel (31 May 2016: 0.93%) (cont)			
Pharmaceuticals			
2,132	Taro Pharmaceutical Industries Ltd Com ILS 0.0001	227	0.10
Real estate investment & services			
5,395	Azrieli Group Ltd Com ILS 0.10	290	0.13
Telecommunications			
125,652	Bezeq The Israeli Telecommunication Corp Ltd Com ILS 1.00	218	0.09
3,400	Nice Ltd Com ILS 1.00	265	0.12
	Total Israel	2,605	1.14
Italy (31 May 2016: 0.79%)			
Aerospace & defence			
14,826	Leonardo SpA Com EUR 4.40	261	0.11
Banks			
30,713	Mediobanca SpA Com EUR 0.50	292	0.13
Electrical components & equipment			
8,739	Prysmian SpA Com EUR 0.10	243	0.11
Electricity			
59,831	Terna Rete Elettrica Nazionale SpA Com EUR 0.22	339	0.15
Insurance			
36,192	Poste Italiane SpA Com NPV	255	0.11
115,692	UnipolSai Assicurazioni SpA Com NPV	262	0.11
Oil & gas services			
51,682	Saipem SpA Com NPV	210	0.09
	Total Italy	1,862	0.81
Japan (31 May 2016: 20.33%)			
Advertising			
18,300	Hakuhodo DY Holdings Inc Com NPV	243	0.11
Aerospace & defence			
78,000	IHI Corp Com NPV	293	0.13
72,298	Kawasaki Heavy Industries Ltd Com NPV	208	0.09
Apparel retailers			
9,900	Asics Corp Com NPV	166	0.07
Auto manufacturers			
20,154	Hino Motors Ltd Com NPV	245	0.11
45,480	Mitsubishi Motors Corp Com NPV	295	0.13
Auto parts & equipment			
13,075	JTEKT Corp Com NPV	197	0.09
4,571	Koito Manufacturing Co Ltd Com NPV	241	0.10
10,502	NGK Insulators Ltd Com NPV	211	0.09
10,282	NGK Spark Plug Co Ltd Com NPV	209	0.09
10,607	NOK Corp Com NPV	232	0.10
7,782	Stanley Electric Co Ltd Com NPV	235	0.10
12,890	Sumitomo Rubber Industries Ltd Com NPV	220	0.10
10,100	Toyoda Gosei Co Ltd Com NPV	243	0.11
12,436	Yokohama Rubber Co Ltd Com NPV	243	0.11
Banks			
69,200	Aozora Bank Ltd Com NPV^	255	0.11

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Japan (31 May 2016: 20.33%) (cont)			
Banks (cont)			
28,000	Bank of Kyoto Ltd Com NPV	237	0.10
37,353	Chiba Bank Ltd Com NPV	246	0.11
17,072	Chugoku Bank Ltd Com NPV	240	0.10
53,300	Concordia Financial Group Ltd Com NPV	246	0.11
50,487	Fukuoka Financial Group Inc Com NPV^	227	0.10
42,800	Hachijuni Bank Ltd Com NPV	247	0.11
51,379	Hiroshima Bank Ltd Com NPV^	210	0.09
34,598	Kyushu Financial Group Inc Com NPV^	213	0.09
74,544	Seven Bank Ltd Com NPV^	273	0.12
125,000	Shinsei Bank Ltd Com NPV^	202	0.09
26,000	Shizuoka Bank Ltd Com NPV	216	0.09
10,100	Suruga Bank Ltd Com NPV	219	0.10
23,127	Yamaguchi Financial Group Inc Com NPV^	265	0.12
Beverages			
7,300	Coca-Cola Bottlers Japan Inc Com NPV	236	0.10
Building materials and fixtures			
10,100	LIXIL Group Corp Com NPV	246	0.11
2,500	Rinnai Corp Com NPV	225	0.10
72,334	Taiheiyō Cement Corp Com NPV^	233	0.10
5,100	TOTO Ltd Com NPV	195	0.08
Chemicals			
14,578	Air Water Inc Com NPV	263	0.11
17,300	Daicel Corp Com NPV	205	0.09
9,918	Hitachi Chemical Co Ltd Com NPV	274	0.12
15,100	JSR Corp Com NPV	254	0.11
25,934	Kaneka Corp Com NPV	197	0.09
12,484	Kansai Paint Co Ltd Com NPV^	270	0.12
15,434	Kuraray Co Ltd Com NPV	278	0.12
33,098	Mitsubishi Chemical Holdings Corp Com NPV	251	0.11
14,832	Mitsubishi Gas Chemical Co Inc Com NPV	306	0.13
49,696	Mitsui Chemicals Inc Com NPV	247	0.11
7,157	Nippon Paint Holdings Co Ltd Com NPV^	285	0.12
5,783	Nissan Chemical Industries Ltd Com NPV^	203	0.09
48,650	Sumitomo Chemical Co Ltd Com NPV	254	0.11
20,361	Taiyo Nippon Sanso Corp Com NPV	207	0.09
12,000	Teijin Ltd Com NPV	225	0.10
Commercial services			
9,389	Benesse Holdings Inc Com NPV	345	0.15
24,000	Dai Nippon Printing Co Ltd Com NPV	267	0.12
7,500	Park24 Co Ltd Com NPV	210	0.09
5,185	Sohgo Security Services Co Ltd Com NPV	243	0.10
25,000	Toppan Printing Co Ltd Com NPV	276	0.12
Computers			
6,967	Nomura Research Institute Ltd Com NPV	265	0.12
4,800	Obic Co Ltd Com NPV	279	0.12
4,900	Otsuka Corp Com NPV	302	0.13
2,859	TDK Corp Com NPV	173	0.07

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 20.33%) (cont)			
Containers & packaging			
10,200	Toyo Seikan Group Holdings Ltd Com NPV	163	0.07
Cosmetics & personal care			
2,620	Kose Corp Com NPV	283	0.12
15,558	Lion Corp Com NPV	330	0.15
10,912	Pola Orbis Holdings Inc Com NPV^	306	0.13
Diversified financial services			
44,632	Acom Co Ltd Com NPV	189	0.08
12,823	AEON Financial Service Co Ltd Com NPV	264	0.11
12,494	Credit Saison Co Ltd Com NPV	232	0.10
15,000	Japan Exchange Group Inc Com NPV	243	0.11
62,168	Mebuki Financial Group Inc Com NPV	243	0.11
47,980	Mitsubishi UFJ Lease & Finance Co Ltd Com NPV	245	0.11
Electrical components & equipment			
12,487	Brother Industries Ltd Com NPV	278	0.12
17,668	Casio Computer Co Ltd Com NPV^	275	0.12
4,416	Mabuchi Motor Co Ltd Com NPV	249	0.11
Electricity			
22,502	Chugoku Electric Power Co Inc Com NPV^	256	0.11
10,288	Electric Power Development Co Ltd Com NPV	274	0.12
20,383	Hokuriku Electric Power Co Com NPV^	199	0.09
22,400	Kyushu Electric Power Co Inc Com NPV^	278	0.12
18,112	Tohoku Electric Power Co Inc Com NPV	269	0.12
57,192	Tokyo Electric Power Co Holdings Inc Com NPV	235	0.10
Electronics			
8,163	Alps Electric Co Ltd Com NPV	229	0.10
7,863	Hamamatsu Photonics KK Com NPV	251	0.11
2,230	Hirose Electric Co Ltd Com NPV^	298	0.13
5,306	Hitachi High-Technologies Corp Com NPV	211	0.09
24,694	Minebea Mitsumi Inc Com NPV	403	0.18
46,110	Nippon Electric Glass Co Ltd Com NPV	322	0.14
14,427	Yaskawa Electric Corp Com NPV^	288	0.13
15,191	Yokogawa Electric Corp Com NPV	264	0.11
Engineering & construction			
5,183	Japan Airport Terminal Co Ltd Com NPV^	203	0.09
13,007	JGC Corp Com NPV	197	0.09
30,000	Kajima Corp Com NPV	231	0.10
22,460	Obayashi Corp Com NPV	249	0.11
25,000	Shimizu Corp Com NPV	252	0.11
27,418	Taisei Corp Com NPV	235	0.10
Entertainment			
7,066	Sankyo Co Ltd Com NPV	237	0.10
15,248	Sega Sammy Holdings Inc Com NPV	194	0.09
7,600	Toho Co Ltd Com NPV	225	0.10
Environmental control			
10,000	Kurita Water Industries Ltd Com NPV	265	0.12
Food			
7,154	Calbee Inc Com NPV	278	0.12

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Japan (31 May 2016: 20.33%) (cont)			
Food (cont)			
7,729	Kikkoman Corp Com NPV	242	0.11
7,395	NH Foods Ltd Com NPV	232	0.10
14,849	Nissin Seifun Group Inc Com NPV	246	0.11
4,800	Nissin Foods Holdings Co Ltd Com NPV^	303	0.13
5,739	Toyo Suisan Kaisha Ltd Com NPV^	224	0.10
10,401	Yamazaki Baking Co Ltd Com NPV	216	0.09
Forest products & paper			
51,000	Oji Holdings Corp Com NPV	250	0.11
Gas			
27,000	Toho Gas Co Ltd Com NPV	209	0.09
Hand & machine tools			
46,482	Fuji Electric Co Ltd Com NPV	249	0.11
6,600	Makita Corp Com NPV	249	0.11
10,000	THK Co Ltd Com NPV	280	0.12
Healthcare products			
15,440	Cyberdyne Inc Com NPV^	213	0.09
15,584	Shimadzu Corp Com NPV	302	0.13
Healthcare services			
5,000	Miraca Holdings Inc Com NPV^	211	0.09
Home builders			
11,906	Iida Group Holdings Co Ltd Com NPV	197	0.08
15,468	Sekisui Chemical Co Ltd Com NPV	272	0.12
Home furnishings			
2,500	Hoshizaki Corp Com NPV	220	0.09
130,713	Sharp Corp Com NPV	479	0.21
Internet			
12,600	Kakaku.com Inc Com NPV	180	0.08
7,780	M3 Inc Com NPV	224	0.10
5,594	Mixi Inc Com NPV	352	0.15
17,600	SBI Holdings Inc Com NPV	228	0.10
12,859	Start Today Co Ltd Com NPV	321	0.14
5,924	Trend Micro Inc Com NPV	298	0.13
Iron & steel			
17,035	Hitachi Metals Ltd Com NPV^	227	0.10
22,600	Kobe Steel Ltd Com NPV^	207	0.09
Leisure time			
7,230	Yamaha Corp Com NPV	234	0.10
9,601	Yamaha Motor Co Ltd Com NPV	242	0.11
Machinery - diversified			
20,214	Amada Holdings Co Ltd Com NPV	236	0.10
7,920	Nabtesco Corp Com NPV	233	0.10
35,258	Sumitomo Heavy Industries Ltd Com NPV^	230	0.10
Machinery, construction & mining			
10,259	Hitachi Construction Machinery Co Ltd Com NPV	238	0.10
Metal fabricate/ hardware			
7,300	Maruichi Steel Tube Ltd Com NPV	214	0.09
12,112	Misumi Group Inc Com NPV	274	0.12
20,100	NSK Ltd Com NPV	240	0.11

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 20.33%) (cont)			
Mining			
7,400	Mitsubishi Materials Corp Com NPV	209	0.09
Miscellaneous manufacturers			
22,600	Konica Minolta Inc Com NPV	178	0.08
16,881	Nikon Corp Com NPV	261	0.11
Office & business equipment			
10,582	Seiko Epson Corp Com NPV	222	0.10
Oil & gas			
9,660	Idemitsu Kosan Co Ltd Com NPV	271	0.12
24,522	Showa Shell Sekiyu KK Com NPV	225	0.10
Pharmaceuticals			
12,640	Alfresa Holdings Corp Com NPV	244	0.11
4,607	Hisamitsu Pharmaceutical Co Inc Com NPV^	232	0.10
14,573	Medipal Holdings Corp Com NPV	269	0.12
15,100	Santen Pharmaceutical Co Ltd Com NPV	208	0.09
12,786	Sumitomo Dainippon Pharma Co Ltd Com NPV	195	0.08
7,054	Suzuken Co Ltd Com NPV	232	0.10
2,500	Taisho Pharmaceutical Holdings Co Ltd Com NPV^	196	0.09
Real estate investment & services			
15,100	Aeon Mall Co Ltd Com NPV	283	0.12
22,500	Hulic Co Ltd Com NPV	213	0.09
12,600	Nomura Real Estate Holdings Inc Com NPV^	272	0.12
17,800	Tokyo Tatemono Co Ltd Com NPV	245	0.11
35,200	Tokyu Fudosan Holdings Corp Com NPV	211	0.09
Real estate investment trusts			
93	Daiwa House REIT Investment Corp NPV	240	0.10
53	Japan Prime Realty Investment Corp Reits NPV	203	0.09
45	Japan Real Estate Investment Corp Reits NPV	237	0.10
106	Japan Retail Fund Investment Corp Reits NPV	206	0.09
103	Nippon Prologis REIT Inc NPV	224	0.10
150	Nomura Real Estate Master Fund Inc Reits NPV	226	0.10
150	United Urban Investment Corp Reits NPV	221	0.10
Retail			
4,292	ABC-Mart Inc Com NPV	251	0.11
5,637	Don Quijote Holdings Co Ltd Com NPV	221	0.10
3,111	FamilyMart UNY Holdings Co Ltd Com NPV	175	0.08
20,162	Isetan Mitsukoshi Holdings Ltd Com NPV	204	0.09
15,402	J Front Retailing Co Ltd Com NPV	218	0.09
2,469	Lawson Inc Com NPV	169	0.07
17,031	Marui Group Co Ltd Com NPV	248	0.11
7,600	McDonald's Holdings Co Japan Ltd Com NPV	272	0.12
959	Ryohin Keikaku Co Ltd Com NPV	250	0.11
2,206	Shimamura Co Ltd Com NPV	284	0.12
6,768	Sundrug Co Ltd Com NPV	264	0.11

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Japan (31 May 2016: 20.33%) (cont)			
Retail (cont)			
26,000	Takashimaya Co Ltd Com NPV	242	0.11
2,400	Tsuruha Holdings Inc Com NPV	266	0.12
14,000	USS Co Ltd Com NPV	282	0.12
42,500	Yamada Denki Co Ltd Com NPV^	223	0.10
Semiconductors			
4,411	Rohm Co Ltd Com NPV	355	0.15
Software			
6,922	DeNA Co Ltd Com NPV	153	0.06
5,595	Konami Holdings Corp Com NPV	275	0.12
14,466	Nexon Co Ltd Com NPV	274	0.12
4,600	Oracle Corp Japan Com NPV	271	0.12
Storage & warehousing			
21,049	Mitsubishi Logistics Corp Com NPV	268	0.12
Telecommunications			
2,600	Hikari Tsushin Inc Com NPV	264	0.12
Toys			
7,791	Bandai Namco Holdings Inc Com NPV	279	0.12
Transportation			
6,909	Hankyu Hanshin Holdings Inc Com NPV	249	0.11
25,000	Kamigumi Co Ltd Com NPV	256	0.11
30,404	Keihan Holdings Co Ltd Com NPV	201	0.09
23,454	Keikyu Corp Com NPV	280	0.12
25,000	Keio Corp Com NPV	208	0.09
10,100	Keisei Electric Railway Co Ltd Com NPV	258	0.11
81,411	Mitsui OSK Lines Ltd Com NPV	234	0.10
48,000	Nagoya Railroad Co Ltd Com NPV	224	0.10
45,879	Nippon Express Co Ltd Com NPV	283	0.12
118,000	Nippon Yusen KK Com NPV	215	0.09
12,000	Odakyu Electric Railway Co Ltd Com NPV	241	0.11
11,899	Seibu Holdings Inc Com NPV	221	0.10
49,000	Tobu Railway Co Ltd Com NPV	262	0.12
	Total Japan	46,969	20.49
Jersey (31 May 2016: 0.36%)			
Distribution & wholesale			
3,775	Wolseley Plc Com GBP 0.108030303	249	0.11
Mining			
2,955	Randgold Resources Ltd Com USD 0.05	281	0.12
Oil & gas services			
22,014	Petrofac Ltd Com USD 0.02	108	0.05
	Total Jersey	638	0.28
Liberia (31 May 2016: 0.09%)			
Leisure time			
2,556	Royal Caribbean Cruises Ltd Com USD 0.01	282	0.12
	Total Liberia	282	0.12

Holding	Investment	Fair value \$'000	% of net asset value
Luxembourg (31 May 2016: 0.44%)			
Healthcare services			
496	Eurofins Scientific SE Com EUR 0.10	263	0.12
Telecommunications			
5,428	Millicom International Cellular SA CVS USD 1.50	319	0.14
10,510	SES SA Receipt NPV	260	0.11
	Total Luxembourg	842	0.37
Mauritius (31 May 2016: 0.12%)			
Agriculture			
817,868	Golden Agri-Resources Ltd Com USD 0.025	216	0.09
	Total Mauritius	216	0.09
Netherlands (31 May 2016: 1.83%)			
Auto manufacturers			
4,402	Ferrari NV Com EUR 0.01	381	0.17
30,250	Fiat Chrysler Automobiles NV Com EUR 0.01	318	0.14
Chemicals			
3,502	Koninklijke DSM NV Com EUR 1.50	261	0.11
Commercial services			
5,071	AerCap Holdings NV Com EUR 0.01	223	0.10
4,252	Randstad Holding NV Com EUR 0.10	246	0.11
Computers			
4,296	Gemalto NV Com EUR 1.00^	255	0.11
Electronics			
6,082	Sensata Technologies Holding NV Com EUR 0.01	246	0.11
Engineering & construction			
7,503	Boskalis Westminster Com EUR 0.01^	259	0.11
Healthcare products			
7,790	Qiagen NV Com EUR 0.01	263	0.12
Insurance			
6,684	NN Group NV Com EUR 0.12	241	0.11
Investment services			
6,079	Exor NV Com EUR 0.01	339	0.15
Machinery - diversified			
29,129	CNH Industrial NV Com EUR 0.01	323	0.14
Media			
6,356	Wolters Kluwer NV Com EUR 0.12	279	0.12
Oil & gas services			
2,101	Core Laboratories NV Com EUR 0.02	215	0.09
Pipelines			
4,742	Koninklijke Vopak NV Com EUR 0.50	215	0.09
Semiconductors			
23,684	STMicroelectronics NV Com EUR 1.04	391	0.17
Telecommunications			
82,590	Koninklijke KPN NV Com EUR 0.04	282	0.12
	Total Netherlands	4,737	2.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
New Zealand (31 May 2016: 0.90%)			
Building materials and fixtures			
33,654	Fletcher Building Ltd Com NPV	181	0.08
Electricity			
65,263	Contact Energy Ltd Com NPV	239	0.10
97,148	Mercury NZ Ltd Com NPV	224	0.10
115,867	Meridian Energy Ltd Com NPV	234	0.10
Engineering & construction			
48,841	Auckland International Airport Ltd Com NPV	242	0.10
Healthcare services			
34,503	Ryman Healthcare Ltd Com NPV	204	0.09
Telecommunications			
92,014	Spark New Zealand Ltd Com NPV	246	0.11
Total New Zealand		1,570	0.68
Norway (31 May 2016: 0.43%)			
Chemicals			
5,548	Yara International ASA Com NOK 1.70	207	0.09
Food			
11,172	Marine Harvest ASA Com NOK 7.50	196	0.09
26,291	Orkla ASA Com NOK 1.25	264	0.11
Insurance			
13,023	Gjensidige Forsikring ASA Com NOK 2.00	211	0.09
Media			
5,972	Schibsted ASA Class 'B' Com NOK 0.50	130	0.06
4,622	Schibsted ASA Com NOK 0.50	110	0.05
Mining			
47,598	Norsk Hydro ASA Com NOK 1.098	257	0.11
Total Norway		1,375	0.60
Portugal (31 May 2016: 0.33%)			
Food			
14,355	Jeronimo Martins SGPS SA Com EUR 1.00	286	0.13
Oil & gas			
13,625	Galp Energia SGPS SA Com EUR 1.00	210	0.09
Total Portugal		496	0.22
Singapore (31 May 2016: 1.57%)			
Commercial services			
555,500	Hutchison Port Holdings Trust Unit NPV	225	0.10
Diversified financial services			
44,100	Singapore Exchange Ltd Com NPV	232	0.10
Electronics			
15,825	Flex Ltd Com NPV	273	0.12
Engineering & construction			
60,667	SATS Ltd Com NPV	225	0.10
96,527	Singapore Technologies Engineering Ltd Com NPV	260	0.11
Holding companies - diversified operations			
55,700	Keppel Corp Ltd Com NPV	259	0.11

Holding	Investment	Fair value \$'000	% of net asset value
Singapore (31 May 2016: 1.57%) (cont)			
Hotels			
42,326	City Developments Ltd Com NPV	326	0.14
Marine transportation			
119,725	Sembcorp Industries Ltd Com NPV	274	0.12
388,145	Yangzijiang Shipbuilding Holdings Ltd Com NPV	356	0.16
Media			
7,200	Singapore Press Holdings Ltd Com NPV	16	0.01
Real estate investment & services			
155,758	Global Logistic Properties Ltd Com NPV	326	0.14
52,400	UOL Group Ltd Com NPV	265	0.12
Real estate investment trusts			
145,796	Ascendas Real Estate Investment Trust NPV	276	0.12
228,153	CapitaLand Commercial Trust Reits NPV	274	0.12
179,139	CapitaLand Mall Trust Reits NPV	258	0.11
200,894	Suntec Real Estate Investment Trust NPV	266	0.12
Telecommunications			
94,800	StarHub Ltd Com NPV	185	0.08
Transportation			
134,690	ComfortDelGro Corp Ltd Com NPV	234	0.10
Total Singapore		4,530	1.98
Spain (31 May 2016: 0.94%)			
Banks			
165,381	Banco de Sabadell SA Com EUR 0.125	341	0.15
244,486	Banco Popular Espanol SA Com EUR 0.50	167	0.07
30,681	Bankinter SA Com EUR 0.30	283	0.13
Electricity			
1,202	Red Electrica Corp SA Com EUR 0.50	27	0.01
Engineering & construction			
8,285	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	331	0.14
Food			
48,363	Distribuidora Internacional de Alimentación SA Com EUR 0.10^	298	0.13
Gas			
435	Enagas SA Com EUR 1.50	13	0.01
Insurance			
79,845	Mapfre SA Com EUR 0.10	284	0.12
Machinery - diversified			
30,224	Zardoya Otis SA Com EUR 0.10	297	0.13
Pharmaceuticals			
11,899	Grifols SA Com EUR 0.25^	337	0.15
Total Spain		2,378	1.04
Sweden (31 May 2016: 1.62%)			
Agriculture			
7,214	Swedish Match AB Com SEK 1.9823	244	0.11
Commercial services			
14,207	Securitas AB Com SEK 1.00	227	0.10

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
Sweden (31 May 2016: 1.62%) (cont)			
Engineering & construction			
9,852	Skanska AB Com NPV	235	0.10
Food			
7,483	ICA Gruppen AB Com SEK 2.50^	270	0.12
Healthcare products			
14,428	Getinge AB Com SEK 0.50	301	0.13
Holding companies - diversified operations			
12,313	Industrivarden AB Com SEK 2.50	291	0.13
Home furnishings			
9,519	Electrolux AB Com SEK 5.00	306	0.13
Investment services			
9,123	Kinnevik AB Com SEK 0.10	262	0.11
Machinery - diversified			
6,330	Hexagon AB Com EUR 0.22	278	0.12
30,583	Husqvarna AB Com SEK 2.00	318	0.14
Metal fabricate/ hardware			
12,626	SKF AB Com SEK 2.50	259	0.11
Mining			
8,791	Boliden AB Com SEK 2.11	241	0.11
Miscellaneous manufacturers			
14,799	Alfa Laval AB Com SEK 2.84	299	0.13
Oil & gas			
12,223	Lundin Petroleum AB Com SEK 0.01	238	0.10
Real estate investment & services			
3,485	L E Lundbergforetagen AB Com NPV	274	0.12
Telecommunications			
27,896	Tele2 AB Com SEK 1.25	288	0.13
Total Sweden			
		4,331	1.89
Switzerland (31 May 2016: 2.40%)			
Beverages			
11,281	Coca-Cola HBC AG Com CHF 6.70	328	0.14
Building materials and fixtures			
572	Geberit AG Com CHF 0.10	268	0.12
48	Sika AG Com CHF 0.60	310	0.13
Chemicals			
471	EMS-Chemie Holding AG Com CHF 0.01	331	0.14
123	Givaudan SA Com CHF 10.00	253	0.11
1,401	Lonza Group AG Com CHF 1.00	290	0.13
Commercial services			
3,667	Adecco Group AG Com CHF 1.00	274	0.12
Diversified financial services			
5,156	Julius Baer Group Ltd Com CHF 0.02	267	0.12
496	Partners Group Holding AG Com CHF 0.01	304	0.13
Electronics			
4,315	Garmin Ltd Com CHF 10.00	225	0.10
Food			
5,456	Aryzta AG Com CHF 0.02	172	0.08
196	Barry Callebaut AG Com CHF 7.29	282	0.12

Holding	Investment	Fair value \$'000	% of net asset value
Switzerland (31 May 2016: 2.40%) (cont)			
Food (cont)			
22	Chocoladefabriken Lindt & Spruengli AG Com CHF 10.00	134	0.06
Healthcare products			
1,807	Sonova Holding AG Com CHF 0.05^	300	0.13
Insurance			
1,824	Baloise Holding AG Com CHF 0.10	279	0.12
924	Swiss Life Holding AG Com CHF 5.10	309	0.14
Pharmaceuticals			
1,325	Actelion Ltd Com CHF 0.50	381	0.16
2,110	Vifor Pharma AG Com CHF 0.01^	248	0.11
Real estate investment & services			
2,380	Swiss Prime Site AG Com CHF 15.30	219	0.10
Retail			
1,802	Dufry AG Com CHF 5.00^	297	0.13
Specialty finance			
3,256	Pargesa Holding SA Com CHF 20.00	253	0.11
Total Switzerland			
		5,724	2.50
United Kingdom (31 May 2016: 6.96%)			
Aerospace & defence			
164,391	Cobham Plc Com GBP 0.025^	284	0.12
37,959	Meggitt Plc Com GBP 0.05	246	0.11
Airlines			
16,377	easyJet Plc Com GBP 0.27285714	299	0.13
Apparel retailers			
12,738	Burberry Group Plc Com GBP 0.0005	298	0.13
Auto parts & equipment			
55,732	GKN Plc Com GBP 0.10	252	0.11
Banks			
33,822	Investec Plc Com GBP 0.0002	265	0.12
Chemicals			
5,449	Croda International Plc Com GBP 0.1035714	279	0.12
5,540	Johnson Matthey Plc Com GBP 1.109245	222	0.10
Commercial services			
12,631	Ashtead Group Plc Com GBP 0.10	255	0.11
17,700	Babcock International Group Plc Com GBP 0.60	213	0.09
30,827	Capita Plc Com GBP 0.020667	232	0.10
68,142	G4S Plc Com GBP 0.25	286	0.12
5,305	Intertek Group Plc Com GBP 0.01	295	0.13
5,050	Nielsen Holdings Plc Com EUR 0.07	194	0.09
Distribution & wholesale			
9,041	Bunzl Plc Com GBP 0.32142857	284	0.13
12,176	Travis Perkins Plc Com GBP 0.10	257	0.11
Diversified financial services			
29,329	3i Group Plc Com GBP 0.738636	339	0.15
60,981	Aberdeen Asset Management Plc Com GBP 0.10	228	0.10
14,241	Hargreaves Lansdown Plc Com GBP 0.004	257	0.11

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
United Kingdom (31 May 2016: 6.96%) (cont)			
Diversified financial services (cont)			
6,205	London Stock Exchange Group Plc Com GBP 0.06918604	274	0.12
5,995	Provident Financial Plc Com GBP 0.2072727	236	0.10
6,048	Schroders Plc Com GBP 1.00	246	0.11
72,103	Worldpay Group Plc Com GBP 0.03	289	0.13
Entertainment			
41,299	Merlin Entertainments Plc Com GBP 0.01	282	0.12
60,182	William Hill Plc Com GBP 0.10	223	0.10
Food			
70,887	J Sainsbury Plc Com GBP 0.285714^	257	0.11
25,284	Tate & Lyle Plc Com GBP 0.25	241	0.11
81,697	Wm Morrison Supermarkets Plc Com GBP 0.10	260	0.11
Forest products & paper			
11,401	Mondi Plc Com EUR 0.20	298	0.13
Healthcare products			
15,841	Smith & Nephew Plc Com USD 0.20	277	0.12
Healthcare services			
22,631	Mediclinic International Plc Com GBP 0.10	236	0.10
Home builders			
36,031	Barratt Developments Plc Com GBP 0.10	285	0.12
7,056	Berkeley Group Holdings Plc Com NPV	297	0.13
9,907	Persimmon Plc Com GBP 0.10	314	0.14
115,659	Taylor Wimpey Plc Com GBP 0.01	303	0.13
Hotels			
5,236	InterContinental Hotels Group Plc Com GBP 0.1980952	295	0.13
4,942	Whitbread Plc Com GBP 0.767974	274	0.12
Insurance			
9,223	Admiral Group Plc Com GBP 0.001	243	0.11
50,202	Direct Line Insurance Group Plc Com GBP 0.1090909	226	0.10
92,241	Old Mutual Plc Com GBP 0.1142857	224	0.10
34,522	RSA Insurance Group Plc Com GBP 0.01	279	0.12
18,707	St James's Place Plc Com GBP 0.15	283	0.12
52,460	Standard Life Plc Com GBP 0.122222	259	0.11
Internet			
44,842	Auto Trader Group Plc Com GBP 0.01	241	0.11
Leisure time			
4,375	Carnival Plc Com USD 1.66	281	0.12
Machinery - diversified			
10,222	Weir Group Plc Com GBP 0.125	240	0.10
Media			
104,421	ITV Plc Com GBP 0.10	264	0.11
10,629	Liberty Global Plc LiLAC Com USD 0.01	223	0.10
22,947	Pearson Plc Com GBP 0.25	209	0.09
Mining			
16,828	Anglo American Plc Com USD 0.54945	224	0.10
29,595	Antofagasta Plc Com GBP 0.05	306	0.13

Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (31 May 2016: 6.96%) (cont)			
Mining (cont)			
13,506	Fresnillo Plc Com USD 0.50	275	0.12
Miscellaneous manufacturers			
18,279	IMI Plc Com GBP 0.2857	296	0.13
12,713	Smiths Group Plc Com GBP 0.375	263	0.11
Pharmaceuticals			
10,591	Hikma Pharmaceuticals Plc Com GBP 0.10	231	0.10
Real estate investment trusts			
27,820	British Land Co Plc Reits GBP 0.25	228	0.10
32,469	Hammerson Plc Reits GBP 0.25	246	0.11
65,266	Intu Properties Plc Reits GBP 0.50^	229	0.10
16,891	Land Securities Group Plc Reits GBP 0.10	233	0.10
48,362	Segro Plc Reits GBP 0.10	314	0.14
Retail			
51,729	Dixons Carphone Plc Com GBP 0.001	219	0.10
48,591	Kingfisher Plc Com GBP 0.157143	204	0.09
50,893	Marks & Spencer Group Plc Com GBP 0.25	251	0.11
3,457	Next Plc Com GBP 0.10	195	0.08
Software			
25,078	Sage Group Plc Com GBP 0.01051948	233	0.10
Telecommunications			
24,703	Inmarsat Plc Com EUR 0.0005^	255	0.11
Transportation			
36,456	Royal Mail Plc Com GBP 0.01	208	0.09
Water			
8,744	Severn Trent Plc Com GBP 0.9789	282	0.12
21,573	United Utilities Group Plc Com GBP 0.05	287	0.13
Total United Kingdom		17,823	7.77
United States (31 May 2016: 32.53%)			
Advertising			
9,108	Interpublic Group of Cos Inc Com USD 0.10	227	0.10
Aerospace & defence			
10,649	Arconic Inc Com USD 1.00	292	0.13
2,164	Harris Corp Com USD 1.00	243	0.11
1,397	L3 Technologies Inc Com USD 0.01	235	0.10
3,692	Rockwell Collins Inc Com USD 0.01	403	0.18
901	TransDigm Group Inc Com USD 0.01	242	0.10
Apparel retailers			
8,615	Hanesbrands Inc Com USD 0.01	178	0.08
2,002	Ralph Lauren Corp Com USD 0.01	136	0.06
3,741	Under Armour Inc Class 'C' Com USD 0.0003333	66	0.03
4,112	Under Armour Inc Com USD 0.000333^	79	0.03
Auto parts & equipment			
2,155	Autoliv Inc Com USD 1.00	239	0.10
6,029	BorgWarner Inc Com USD 0.01	256	0.11
7,263	Goodyear Tire & Rubber Co Com NPV	234	0.10
1,649	Lear Corp Com USD 0.01	246	0.11
2,157	Wabco Holdings Inc Com USD 0.01	263	0.12

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)				United States (31 May 2016: 32.53%) (cont)			
United States (31 May 2016: 32.53%) (cont)				Commercial services (cont)			
Banks				4,749	Robert Half International Inc Com USD 0.001	221	0.10
6,852	Citizens Financial Group Inc Com USD 0.01	234	0.10	8,530	Sabre Corp Com USD 0.01^	191	0.08
3,608	Comerica Inc Com USD 5.00	247	0.11	4,249	Total System Services Inc Com USD 0.10	253	0.11
8,530	Fifth Third Bancorp Com NPV	202	0.09	2,385	United Rentals Inc Com USD 0.01	259	0.11
2,644	First Republic Bank Com USD 0.01	243	0.11	4,040	Vantiv Inc Com USD 0.00001	253	0.11
16,993	Huntington Bancshares Inc Com USD 0.01	213	0.09	2,731	Verisk Analytics Inc Com USD 0.001	221	0.10
12,934	KeyCorp Com USD 1.00	226	0.10	10,108	Western Union Co Com USD 0.01	192	0.08
16,596	Regions Financial Corp Com USD 0.01	230	0.10	Computers			
1,430	Signature Bank Com USD 0.01	205	0.09	4,115	Dell Technologies Inc Class V Com USD 0.01	285	0.13
Beverages				6,957	Fortinet Inc Com USD 0.001	274	0.12
2,630	Dr Pepper Snapple Group Inc Com USD 0.01	244	0.11	5,902	NetApp Inc Com USD 0.001	239	0.10
2,151	Molson Coors Brewing Co Com USD 0.01	204	0.09	3,583	Western Digital Corp Com USD 0.01	323	0.14
Biotechnology				Containers & packaging			
2,404	BioMarin Pharmaceutical Inc Com USD 0.001	211	0.09	4,376	Crown Holdings Inc Com USD 5.00	253	0.11
2,082	Incyte Corp Com USD 0.001	269	0.12	2,508	Packaging Corp of America Com USD 0.01	256	0.11
2,934	Seattle Genetics Inc Com USD 0.001	188	0.08	Cosmetics & personal care			
1,733	United Therapeutics Corp Com USD 0.01	209	0.09	2,895	Edgewell Personal Care Co Com USD 0.01	212	0.09
Building materials and fixtures				Distribution & wholesale			
3,877	Fortune Brands Home & Security Inc Com USD 0.01	244	0.11	4,881	Fastenal Co Com USD 0.01	211	0.09
977	Martin Marietta Materials Inc Com USD 0.01	219	0.10	6,958	LKQ Corp Com USD 0.01	219	0.09
6,473	Masco Corp Com USD 1.00	241	0.10	1,024	WW Grainger Inc Com USD 0.50	176	0.08
1,674	Vulcan Materials Co Com USD 1.00	209	0.09	Diversified financial services			
Chemicals				1,601	Affiliated Managers Group Inc Com USD 0.01	246	0.11
2,540	Albemarle Corp Com USD 0.01	289	0.13	989	Alliance Data Systems Corp Com USD 0.01	238	0.10
2,669	Celanese Corp Com USD 0.0001	231	0.10	11,752	Ally Financial Inc Com USD 0.10	218	0.10
7,408	CF Industries Holdings Inc Com USD 0.01	199	0.09	5,252	CIT Group Inc Com USD 0.01	237	0.10
2,966	Eastman Chemical Co Com USD 0.01	238	0.10	6,393	E*Trade Financial Corp Com USD 0.01	221	0.10
4,025	FMC Corp Com USD 0.10	303	0.13	5,902	Eaton Vance Corp Com USD 0.00390625	275	0.12
1,832	International Flavors & Fragrances Inc Com USD 0.125	253	0.11	6,446	FNF Group Com USD 0.0001	275	0.12
7,434	Mosaic Co Com USD 0.01	168	0.07	3,399	Nasdaq Inc Com USD 0.01	230	0.10
2,176	Valspar Corp Com USD 0.50	246	0.11	13,791	Navient Corp Com USD 0.01	199	0.09
3,185	WR Grace & Co Com USD 0.01	228	0.10	2,916	Raymond James Financial Inc Com USD 0.01	211	0.09
Commercial services				4,674	SEI Investments Co Com USD 0.01	234	0.10
653	Amerco Com USD 0.25	241	0.11	Electrical components & equipment			
3,874	CDK Global Inc Com USD 0.01	238	0.10	851	Acuity Brands Inc Com USD 0.01	139	0.06
1,940	Cintas Corp Com NPV	244	0.11	4,528	AMETEK Inc Com USD 0.01	276	0.12
1,100	CoStar Group Inc Com USD 0.01	288	0.13	Electricity			
1,838	Equifax Inc Com USD 1.25	252	0.11	21,750	AES Corp Com USD 0.01	254	0.11
1,452	FleetCor Technologies Inc Com USD 0.001	210	0.09	6,393	Alliant Energy Corp Com USD 0.01	265	0.12
2,133	Gartner Inc Com USD 0.0005	255	0.11	4,810	Ameren Corp Com USD 0.01	273	0.12
2,989	Global Payments Inc Com NPV	274	0.12	18,971	Calpine Corp Com USD 0.001	244	0.11
9,995	H&R Block Inc Com NPV	265	0.12	9,573	CenterPoint Energy Inc Com USD 0.01	274	0.12
2,629	Macquarie Infrastructure Corp Com USD 0.001	205	0.09	6,020	CMS Energy Corp Com USD 0.01	285	0.12
2,559	ManpowerGroup Inc Com USD 0.01	261	0.11	2,564	DTE Energy Co Com NPV	281	0.12
				4,390	Eversource Energy Com USD 5.00	272	0.12
				6,908	OGE Energy Corp Com USD 0.01	246	0.11

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
United States (31 May 2016: 32.53%) (cont)			
Electricity (cont)			
2,932	Pinnacle West Capital Corp Com NPV	259	0.11
3,167	Scana Corp Com NPV	216	0.09
4,201	WEC Energy Group Inc Com USD 0.01	264	0.12
4,098	Westar Energy Inc Com USD 5.00	217	0.09
Electronics			
3,267	Amphenol Corp Com USD 0.001	244	0.11
3,250	Arrow Electronics Inc Com USD 1.00	246	0.11
5,026	Avnet Inc Com USD 1.00	184	0.08
6,384	FLIR Systems Inc Com USD 0.01	242	0.11
529	Mettler-Toledo International Inc Com USD 0.01	308	0.13
8,043	Trimble Inc Com NPV	290	0.13
1,599	Waters Corp Com USD 0.01	287	0.12
Engineering & construction			
4,202	Fluor Corp Com USD 0.01	189	0.08
3,798	Jacobs Engineering Group Inc Com USD 1.00	199	0.09
Environmental control			
2,908	Stericycle Inc Com USD 0.01	238	0.10
Food			
6,447	Aramark Com USD 0.01	240	0.10
1,807	Ingredion Inc Com USD 0.01	206	0.09
1,802	JM Smucker Co Com NPV	230	0.10
2,556	McCormick & Co Inc Com NPV	266	0.11
6,957	Whole Foods Market Inc Com NPV	244	0.11
Gas			
3,281	Atmos Energy Corp Com NPV	273	0.12
9,777	NiSource Inc Com USD 0.01	255	0.11
4,829	UGI Corp Com NPV	247	0.11
Hand & machine tools			
1,300	Snap-on Inc Com USD 1.00	210	0.09
Healthcare products			
2,319	Align Technology Inc Com USD 0.0001	337	0.15
1,324	Cooper Cos Inc Com USD 0.10	290	0.12
1,051	CR Bard Inc Com USD 0.25	323	0.14
3,475	Dentsply Sirona Inc Com USD 0.01	221	0.10
1,349	Henry Schein Inc Com USD 0.01	248	0.11
5,902	Hologic Inc Com USD 0.01	255	0.11
1,857	IDEXX Laboratories Inc Com USD 0.10	313	0.14
5,103	Patterson Cos Inc Com USD 0.01^	225	0.10
3,873	ResMed Inc Com USD 0.004	275	0.12
1,383	Teleflex Inc Com USD 1.00	277	0.12
2,619	Varian Medical Systems Inc Com USD 1.00	259	0.11
Healthcare services			
3,700	Centene Corp Com USD 0.001	269	0.12
3,582	DaVita Inc Com USD 0.001	237	0.10
6,150	Envision Healthcare Corp Com USD 0.01	336	0.15
1,725	Laboratory Corp of America Holdings Com USD 0.10	240	0.10

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 32.53%) (cont)			
Healthcare services (cont)			
3,473	Mednax Inc Com USD 0.01^	188	0.08
2,535	Quest Diagnostics Inc Com USD 0.01	276	0.12
1,775	Universal Health Services Inc Com USD 0.01	202	0.09
Holding companies - diversified operations			
10,447	Leucadia National Corp Com USD 1.00	255	0.11
Home builders			
7,806	DR Horton Inc Com USD 0.01	255	0.11
5,432	Lennar Corp Com USD 0.10	279	0.12
11,348	PulteGroup Inc Com USD 0.01	257	0.11
7,664	Toll Brothers Inc Com USD 0.01	283	0.13
Home furnishings			
4,801	Leggett & Platt Inc Com USD 0.01	250	0.11
1,333	Whirlpool Corp Com USD 1.00	247	0.11
Hotels			
7,768	MGM Resorts International Com USD 0.01	246	0.11
2,995	Wyndham Worldwide Corp Com USD 0.01	303	0.13
2,369	Wynn Resorts Ltd Com USD 0.01	305	0.13
Household products			
3,225	Avery Dennison Corp Com USD 1.00	272	0.12
5,374	Church & Dwight Co Inc Com USD 1.00	278	0.12
1,749	Spectrum Brands Holdings Inc Com USD 0.01	235	0.10
Insurance			
97	Alleghany Corp Com USD 1.00	57	0.02
4,651	Arthur J Gallagher & Co Com USD 1.00	264	0.11
2,457	Assurant Inc Com USD 0.01	241	0.10
3,185	Cincinnati Financial Corp Com USD 2.00	223	0.10
4,524	Hartford Financial Services Group Inc Com USD 0.01	224	0.10
3,433	Lincoln National Corp Com NPV	223	0.10
276	Markel Corp Com NPV	270	0.12
3,624	Principal Financial Group Inc Com USD 0.01	228	0.10
1,833	Reinsurance Group of America Inc Com USD 0.01	228	0.10
3,407	Torchmark Corp Com USD 1.00	257	0.11
5,075	Unum Group Com USD 0.10	228	0.10
5,827	Voya Financial Inc Com USD 0.01	199	0.09
3,735	WR Berkley Corp Com USD 0.20	258	0.11
Internet			
4,166	CDW Corp Com USD 0.01	251	0.11
1,710	Expedia Inc Com USD 0.001	246	0.11
1,541	F5 Networks Inc Com NPV	198	0.09
1,330	MercadoLibre Inc Com USD 0.001	366	0.16
1,504	Palo Alto Networks Inc Com USD 0.0001	178	0.08
4,322	TripAdvisor Inc Com USD 0.001	166	0.07
2,754	VeriSign Inc Com USD 0.001	248	0.11
6,630	Zillow Group Inc Com USD 0.0001	289	0.12
Leisure time			
3,718	Harley-Davidson Inc Com USD 0.01	197	0.09

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
United States (31 May 2016: 32.53%) (cont)			
Leisure time (cont)			
2,593	Polaris Industries Inc Com USD 0.01	217	0.09
Machinery - diversified			
4,151	AGCO Corp Com USD 0.01	266	0.12
4,925	Flowserve Corp Com USD 1.25	239	0.10
1,603	Middleby Corp Com USD 0.01	206	0.09
1,678	Rockwell Automation Inc Com USD 1.00	266	0.12
1,203	Roper Technologies Inc Com USD 0.01	273	0.12
2,590	Wabtec Corp Com USD 0.01	212	0.09
3,959	Xylem Inc Com USD 0.01	206	0.09
Marine transportation			
1,251	Huntington Ingalls Industries Inc Com USD 0.01	245	0.11
Media			
5,429	Discovery Communications Inc Class 'C' Com USD 0.01	140	0.06
4,009	Discovery Communications Inc Com USD 0.01	106	0.05
3,374	Liberty Broadband Corp Com USD 0.01	301	0.13
4,521	Liberty Media Corp-Liberty SiriusXM Class 'C' Com USD 0.01	188	0.08
1,699	Liberty Media Corp-Liberty SiriusXM Com USD 0.01	71	0.03
18,194	News Corp Com USD 0.01	243	0.11
3,240	Scripps Networks Interactive Inc Com USD 0.01	215	0.09
9,558	Tegna Inc Com USD 1.00	227	0.10
Mining			
15,844	Freeport-McMoRan Inc Com USD 0.10	182	0.08
7,629	Newmont Mining Corp Com USD 1.60	261	0.11
Miscellaneous manufacturers			
4,671	AO Smith Corp Com USD 1.00	256	0.11
2,964	Dover Corp Com USD 1.00	245	0.11
1,615	Parker-Hannifin Corp Com USD 0.50	254	0.11
4,918	Textron Inc Com USD 0.125	235	0.10
Office & business equipment			
23,325	Xerox Corp Com USD 1.00	165	0.07
Oil & gas			
9,081	Antero Resources Corp Com USD 0.01	187	0.08
9,874	Cabot Oil & Gas Corp Com USD 0.10	219	0.10
1,707	Cimarex Energy Co Com USD 0.01	184	0.08
1,716	Concho Resources Inc Com USD 0.001	218	0.09
4,235	Continental Resources Inc Com USD 0.01	159	0.07
2,560	Diamondback Energy Inc Com USD 0.01	237	0.10
3,300	EQT Corp Com NPV	182	0.08
3,134	Helmerich & Payne Inc Com USD 0.10	165	0.07
7,867	HollyFrontier Corp Com USD 0.01	188	0.08
14,058	Marathon Oil Corp Com USD 1.00	183	0.08
7,000	Murphy Oil Corp Com USD 1.00	171	0.07
5,348	Newfield Exploration Co Com USD 0.01	174	0.08
8,966	Parsley Energy Inc Com USD 0.01	266	0.12

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 32.53%) (cont)			
Oil & gas (cont)			
6,309	Range Resources Corp Com USD 0.01	145	0.06
21,400	Southwestern Energy Co Com USD 0.01	130	0.06
2,730	Tesoro Corp Com USD 0.167	227	0.10
Packaging & containers			
5,933	Ball Corp Com NPV	242	0.11
4,677	Sealed Air Corp Com USD 0.10	208	0.09
4,300	WestRock Co Com USD 0.01	234	0.10
Pharmaceuticals			
2,996	DexCom Inc Com USD 0.001	200	0.09
Pipelines			
5,896	Cheniere Energy Inc Com USD 0.003	287	0.13
4,240	Oneok Inc Com USD 0.01	211	0.09
9,472	Plains GP Holdings LP Com NPV	253	0.11
4,733	Targa Resources Corp Com USD 0.001	217	0.09
Real estate investment & services			
7,691	CBRE Group Inc Com USD 0.01	268	0.12
2,209	Jones Lang LaSalle Inc Com USD 0.01	255	0.11
Real estate investment trusts			
2,385	SBA Communications Corp Reits USD 0.01	330	0.14
11,509	AGNC Investment Corp Reits USD 0.01	239	0.10
2,033	Alexandria Real Estate Equities Inc Reits USD 0.01	237	0.10
22,690	Annaly Capital Management Inc Reits USD 0.01	272	0.12
10,350	Brixmor Property Group Inc Reits USD 0.01	187	0.08
2,891	Camden Property Trust Reits USD 0.01	241	0.11
15,545	Colony NorthStar Inc Reits USD 0.01	220	0.10
2,457	Digital Realty Trust Inc Reits USD 0.01	290	0.13
9,156	Duke Realty Corp Reits USD 0.01	262	0.11
1,026	Essex Property Trust Inc Reits USD 0.0001	264	0.11
3,132	Extra Space Storage Inc Reits USD 0.01	243	0.11
1,675	Federal Realty Investment Trust Reits USD 0.01	206	0.09
14,013	Host Hotels & Resorts Inc Reits USD 0.01	252	0.11
6,589	Iron Mountain Inc Reits USD 0.01	230	0.10
8,441	Kimco Realty Corp Reits USD 0.01	148	0.06
5,627	Liberty Property Trust Reits USD 0.001	231	0.10
3,259	Macerich Co Reits USD 0.01	187	0.08
3,692	Mid-America Apartment Communities Inc Reits USD 0.01	376	0.16
5,168	National Retail Properties Inc Reits USD 0.01	198	0.09
3,892	Realty Income Corp Reits USD 1.00	214	0.09
4,870	Regency Centers Corp Reits USD 0.01	296	0.13
2,165	SL Green Realty Corp Reits USD 0.01	219	0.10
6,501	UDR Inc Reits USD 0.01	251	0.11
27,091	VEREIT Inc Reits USD 0.01	224	0.10
Retail			
1,348	Advance Auto Parts Inc Com USD 0.0001	180	0.08
5,126	AutoNation Inc Com USD 0.01	203	0.09
4,760	Bed Bath & Beyond Inc Com USD 0.01	164	0.07

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.87%) (cont)			
United States (31 May 2016: 32.53%) (cont)			
Retail (cont)			
4,746	Best Buy Co Inc Com USD 0.10	282	0.12
3,950	CarMax Inc Com USD 0.50	248	0.11
5,924	Coach Inc Com USD 0.01	274	0.12
2,953	Darden Restaurants Inc Com NPV	263	0.11
3,760	Dick's Sporting Goods Inc Com USD 0.01	155	0.07
2,643	Dollar Tree Inc Com USD 0.01	205	0.09
1,327	Domino's Pizza Inc Com USD 0.01	281	0.12
3,068	Foot Locker Inc Com USD 0.01	182	0.08
8,582	Gap Inc Com USD 0.05	193	0.08
2,369	Genuine Parts Co Com USD 1.00	220	0.10
3,985	Kohl's Corp Com USD 0.01	153	0.07
10,243	Liberty Interactive Corp QVC Group Com USD 0.01	240	0.11
3,946	Lululemon Athletica Inc Com USD 0.005	191	0.08
3,715	Nordstrom Inc Com NPV	155	0.07
2,060	PVH Corp Com USD 1.00	218	0.10
28,992	Rite Aid Corp Com USD 1.00	99	0.04
23,392	Staples Inc Com USD 0.0006	212	0.09
2,839	Tiffany & Co Com USD 0.01	247	0.11
3,306	Tractor Supply Co Com USD 0.008	182	0.08
854	Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	260	0.11
Savings & loans			
14,255	New York Community Bancorp Inc Com USD 0.01	184	0.08
12,258	People's United Financial Inc Com USD 0.01^	203	0.09
Semiconductors			
18,340	Advanced Micro Devices Inc Com USD 0.01	205	0.09
4,053	Analog Devices Inc Com USD 0.167	348	0.15
2,706	KLA-Tencor Corp Com USD 0.001	281	0.13
2,104	Lam Research Corp Com USD 0.001	326	0.14
5,325	Maxim Integrated Products Inc Com USD 0.001	255	0.11
3,249	Microchip Technology Inc Com USD 0.001	271	0.12
4,075	Qorvo Inc Com USD 0.0001^	318	0.14
3,043	Skyworks Solutions Inc Com USD 0.25	324	0.14
4,514	Xilinx Inc Com USD 0.01	301	0.13
Software			
3,307	Akamai Technologies Inc Com USD 0.01	156	0.07
2,346	Ansys Inc Com USD 0.01	296	0.13
2,805	Autodesk Inc Com USD 0.01	313	0.14
3,383	Broadridge Financial Solutions Inc Com USD 0.01	257	0.11
8,891	Cadence Design Systems Inc Com USD 0.01	312	0.14
2,545	Citrix Systems Inc Com USD 0.001	210	0.09
1,957	Dun & Bradstreet Corp Com USD 0.01	205	0.09

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 32.53%) (cont)			
Software (cont)			
13,641	First Data Corp Com USD 0.01	234	0.10
2,693	MSCI Inc Com USD 0.01	274	0.12
12,905	Nuance Communications Inc Com USD 0.001	239	0.10
2,691	Red Hat Inc Com USD 0.0001	241	0.10
2,519	ServiceNow Inc Com USD 0.001	264	0.11
3,669	Splunk Inc Com USD 0.001	225	0.10
3,723	Synopsys Inc Com USD 0.01	279	0.12
2,646	Workday Inc Com USD 0.001	264	0.12
Telecommunications			
56,074	Frontier Communications Corp Com USD 0.25	73	0.03
8,108	Juniper Networks Inc Com USD 0.00001	238	0.10
4,025	Level 3 Communications Inc Com USD 0.01	240	0.11
5,920	Zayo Group Holdings Inc Com USD 0.001	190	0.08
Textile			
1,123	Mohawk Industries Inc Com USD 0.01	269	0.12
Toys			
2,560	Hasbro Inc Com USD 0.50	270	0.12
6,913	Mattel Inc Com USD 1.00	158	0.07
Transportation			
2,860	CH Robinson Worldwide Inc Com USD 0.10	192	0.08
4,550	Expeditors International of Washington Inc Com USD 0.01	243	0.11
2,359	JB Hunt Transport Services Inc Com USD 0.01	201	0.09
2,469	Kansas City Southern Com USD 0.01	235	0.10
Water			
3,110	American Water Works Co Inc Com USD 0.01	243	0.11
Total United States		71,115	31.02
Total equities		225,601	98.41

Rights (31 May 2016: 0.01%)**Spain (31 May 2016: 0.01%)**

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net asset value	
Financial derivative instruments (31 May 2016: 0.03%)				
Futures contracts (31 May 2016: 0.03%)				
13	IBEX Mini Index Futures June 2017	160	(1)	0.00
5	Mini MSCI EAFE Index Futures June 2017	470	1	0.00
12	S&P 500 E Mini Index Futures June 2017	1,424	23	0.01
1	FTSE 100 Index Futures June 2017	96	1	0.00
Total unrealised gains on futures contracts			25	0.01
Total unrealised losses on futures contracts			(1)	0.00
Net unrealised gains on futures contracts			24	0.01
Total financial derivative instruments			24	0.01

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

	Fair value \$'000	% of net asset value
Total value of investments	225,625	98.42
Cash[†]	3,122	1.36
Other net assets	497	0.22
Net asset value attributable to redeemable participating shareholders at the end of the financial year	229,244	100.00

[†] Cash holdings of \$2,999,905 are held with State Street Bank and Trust Company. \$121,906 is held as security for futures contracts with Barclays Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	225,355	98.27
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	246	0.11
Exchange traded financial derivative instruments	25	0.01
Other assets	3,696	1.61
Total current assets	229,322	100.00

iShares Edge MSCI World Size Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
2,976	NVIDIA Corp Com USD 0.001	253	5,540	Covestro AG Com NPV	333
36,675	ArcelorMittal Com NPV	246	159,000	Sharp Corp Com NPV	321
21,000	TonenGeneral Sekiyu KK Com NPV	245	8,966	Parsley Energy Inc Com USD 0.01	311
3,608	Linear Technology Corp Com USD 0.001	234	3,181	Mid-America Apartment Communities Inc Reits USD 0.01	308
12,439	Teck Resources Ltd Com NPV	219	66,258	Boral Ltd Com NPV	287
2,879	DXC Technology Co Com USD 0.01	196	4,195	Regency Centers Corp Reits USD 0.01	284
11,673	Endo International Plc Com USD 0.0001	161	3,646	Waste Connections Inc Com NPV	283
5,382	Fortis Inc Com NPV	161	11,075	Hikma Pharmaceuticals Plc Com GBP 0.10	282
2,223	Technip SA Com EUR 0.7625	158	4,613	Western Digital Corp Com USD 0.01	281
4,297	FMC Technologies Inc Com USD 0.01	153	204,000	HKT Trust & HKT Ltd Misc HKD 0.0005	276
9,019	Infineon Technologies AG Com NPV	151	15,558	Lion Corp Com NPV	270
1,507	Thales SA Com EUR 3.00	147	2,560	Diamondback Energy Inc Com USD 0.01	270
1,300	Nitori Holdings Co Ltd Com NPV	136	155,758	Global Logistic Properties Ltd Com NPV	263
1,709	Waste Connections Inc Com NPV	131	19,000	Mitsubishi Logistics Corp Com NPV	262
33,055	Fortescue Metals Group Ltd Com NPV	128	10,629	Liberty Global Plc LiLAC Com USD 0.01	262
5,548	Valvoline Inc Com USD 0.01	125	45,480	Mitsubishi Motors Corp Com NPV	260
11,752	Encana Corp Com NPV	124	4,733	Targa Resources Corp Com USD 0.001	260
1,531	Quintiles IMS Holdings Inc Com USD 0.01	124	3,374	Liberty Broadband Corp Com USD 0.01	257
12,900	NHK Spring Co Ltd Com NPV	121	18,340	Advanced Micro Devices Inc Com USD 0.01	257
890	Aena SA Com EUR 10.00	118	3,425	Analog Devices Inc Com USD 0.167	256

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Edge MSCI World Value Factor UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	21,811	2,611
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	87,178	(3,773)
Total gains/(losses)		108,989	(1,162)
Operating expenses	4	(1,984)	(209)
Net operating profit/(loss)		107,005	(1,371)
Finance costs:			
Interest expense	6	(12)	(1)
Total finance costs		(12)	(1)
Net profit/(loss) for the financial year before tax		106,993	(1,372)
Taxation		(2,230)	(282)
Net profit/(loss) for the financial year after tax		104,763	(1,654)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(121)	110
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		104,642	(1,544)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	151,277	24,256
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	104,642	(1,544)
Share transactions:		
Proceeds from issue of redeemable participating shares	1,059,145	128,565
Payments on redemption of redeemable participating shares	(276,540)	-
Increase in net assets resulting from share transactions	782,605	128,565
Net assets attributable to redeemable participating shareholders at the end of the financial year	1,038,524	151,277

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Value Factor UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		5,034	941
Margin cash account		203	19
Receivables	10	47,605	762
Financial assets at fair value through profit or loss	11	1,022,486	165,105
Total current assets		1,075,328	166,827
CURRENT LIABILITIES			
Payables	12	(36,804)	(15,671)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(36,804)	(15,671)
Net assets attributable to redeemable participating shareholders		1,038,524	151,156
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	121
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	1,038,524	151,277

The accompanying notes form an integral part of these financial statements.

iShares Edge MSCI World Value Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	1	-
Dividend income	21,736	2,604
Securities lending income	74	7
	21,811	2,611

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	86,556	(3,773)
Net gains on futures contracts	546	20
Net gains/(losses) on foreign currency transactions	76	(20)
	87,178	(3,773)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(1,984)	(209)
	(1,984)	(209)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year/period were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.30	0.30

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(12)	(1)
	(12)	(1)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Transaction costs	(866)	(86)

iShares Edge MSCI World Value Factor UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	6,300,000	900,000
Issued during the financial year	41,100,000	5,400,000
Redeemed during the financial year	(10,200,000)	-
Balance at the end of financial year	37,200,000	6,300,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	1,038,524
As at 31 May 2016	151,277
As at 31 May 2015	24,256

	No. of Shares
Shares in issue	
As at 31 May 2017	37,200,000
As at 31 May 2016	6,300,000
As at 31 May 2015	900,000

	\$
Net asset value per share	
As at 31 May 2017	27.92
As at 31 May 2016	24.01
As at 31 May 2015	26.95

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Sale of securities awaiting settlement	41,648	16
Dividend income receivable	5,709	715
Securities lending income receivable	13	1
Tax reclaim receivable	235	30
	47,605	762

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	1,022,281	165,061
Investment in rights	59	3
Unrealised gains on futures contracts	146	41
	1,022,486	165,105

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	(36,539)	(15,633)
Interest payable	(1)	-
Management fees payable	(263)	(38)
Other payables	(1)	-
	(36,804)	(15,671)

iShares Edge MSCI World Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 109.11%)			
Equities (31 May 2016: 109.11%)			
Australia (31 May 2016: 0.81%)			
Airlines			
166,774	Qantas Airways Ltd Com NPV	622	0.06
Electricity			
189,556	Origin Energy Ltd Com NPV	1,087	0.11
Engineering & construction			
148,132	LendLease Group Misc NPV	1,801	0.17
Iron & steel			
47,740	BlueScope Steel Ltd Com NPV	409	0.04
229,122	Fortescue Metals Group Ltd Com NPV	827	0.08
Mining			
855,904	South32 Ltd Com NPV	1,682	0.16
Oil & gas			
208,353	Santos Ltd Com NPV^	521	0.05
Total Australia			
		6,949	0.67
Austria (31 May 2016: 0.22%)			
Banks			
14,992	Raiffeisen Bank International AG Com NPV	395	0.04
Iron & steel			
19,898	Voestalpine AG Com NPV^	902	0.09
Oil & gas			
14,903	OMV AG Com NPV^	778	0.07
Total Austria			
		2,075	0.20
Belgium (31 May 2016: 1.03%)			
Chemicals			
6,580	Solvay SA Com EUR 15.00	862	0.08
Insurance			
15,964	Ageas Com NPV^	645	0.06
Total Belgium			
		1,507	0.14
Bermuda (31 May 2016: 1.17%)			
Agriculture			
86,840	Bunge Ltd Com USD 0.01	6,944	0.67
Apparel retailers			
67,000	Yue Yuen Industrial Holdings Ltd Com HKD 0.25	267	0.03
Food			
158,000	First Pacific Co Ltd Com USD 0.01	124	0.01
Holding companies - diversified operations			
389,014	NWS Holdings Ltd Com HKD 1.00^	753	0.07
Hotels			
90,000	Shangri-La Asia Ltd Com HKD 1.00	138	0.01
Insurance			
18,504	XL Group Ltd Com USD 0.01	808	0.08

Holding	Investment	Fair value \$'000	% of net asset value
Bermuda (31 May 2016: 1.17%) (cont)			
Semiconductors			
67,030	Marvell Technology Group Ltd Com USD 0.002	1,156	0.11
Total Bermuda			
		10,190	0.98
Canada (31 May 2016: 1.28%)			
Auto parts & equipment			
6,835	Linamar Corp Com NPV	310	0.03
54,530	Magna International Inc Com NPV	2,441	0.23
Food			
90,960	Empire Co Ltd Com NPV^	1,380	0.13
Insurance			
23,222	Power Corp of Canada Com NPV	496	0.05
Mining			
42,382	Cameco Corp Com NPV^	391	0.04
58,332	Eldorado Gold Corp Com NPV	176	0.02
122,377	First Quantum Minerals Ltd Com NPV	1,032	0.10
81,371	Kinross Gold Corp Com NPV	352	0.03
116,258	Teck Resources Ltd Com NPV	2,070	0.20
75,723	Yamana Gold Inc Com NPV	196	0.02
Pharmaceuticals			
87,825	Valeant Pharmaceuticals International Inc Com NPV	1,066	0.10
Total Canada			
		9,910	0.95
Cayman Islands (31 May 2016: 1.19%)			
Food			
3,520,000	WH Group Ltd Com USD 0.0001	3,297	0.32
Holding companies - diversified operations			
691,740	CK Hutchison Holdings Ltd Com HKD 1.00	9,019	0.87
Real estate investment & services			
844,340	Cheung Kong Property Holdings Ltd Com HKD 1.00	6,339	0.61
Total Cayman Islands			
		18,655	1.80
Denmark (31 May 2016: 1.16%)			
Beverages			
34,452	Carlsberg A/S Com DKK 20.00^	3,754	0.36
Telecommunications			
47,016	TDC A/S Com DKK 1.00	281	0.03
Transportation			
998	AP Moller - Maersk A/S Com DKK 1000.00	1,813	0.18
1,654	AP Moller - Maersk A/S Com DKK 1000.00^	3,153	0.30
Total Denmark			
		9,001	0.87
Finland (31 May 2016: 0.67%)			
Electricity			
40,890	Fortum Oyj Com EUR 3.40	652	0.06

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)			
Finland (31 May 2016: 0.67%) (cont)			
Forest products & paper			
79,004	Stora Enso Oyj Com NPV	1,000	0.10
66,320	UPM-Kymmene Oyj Com NPV	1,872	0.18
	Total Finland	3,524	0.34
France (31 May 2016: 6.83%)			
Auto manufacturers			
105,740	Peugeot SA Com EUR 1.00	2,087	0.20
40,137	Renault SA Com EUR 3.81	3,750	0.36
Auto parts & equipment			
18,262	Cie Generale des Etablissements Michelin Com EUR 2.00	2,300	0.22
Banks			
98,653	BNP Paribas SA Com EUR 2.00	6,969	0.67
113,662	Credit Agricole SA Com EUR 3.00	1,743	0.17
85,355	Societe Generale SA Com EUR 1.25	4,480	0.43
Building materials and fixtures			
76,479	Cie de Saint-Gobain Com EUR 4.00	4,281	0.41
Computers			
12,712	Atos SE Com EUR 1.00	1,825	0.18
Distribution & wholesale			
63,970	Rexel SA Com EUR 5.00^	1,128	0.11
Electricity			
114,900	Electricite de France SA Com EUR 0.50	1,239	0.12
293,781	Engie SA Com EUR 1.00	4,488	0.43
Food			
141,925	Carrefour SA Com EUR 2.50	3,710	0.36
32,909	Casino Guichard Perrachon SA Com EUR 1.53^	2,031	0.19
Insurance			
169,114	AXA SA Com EUR 2.29	4,515	0.43
11,898	CNP Assurances Com EUR 1.00	262	0.03
9,394	SCOR SE Com EUR 7.876972	370	0.04
Media			
10,073	Lagardere SCA Com EUR 6.10^	317	0.03
Oil & gas			
234,821	Total SA Com EUR 2.50	12,482	1.20
Pharmaceuticals			
163,363	Sanofi Com EUR 2.00	16,197	1.56
Telecommunications			
132,434	Orange SA Com EUR 4.00	2,329	0.23
	Total France	76,503	7.37
Germany (31 May 2016: 4.95%)			
Airlines			
96,699	Deutsche Lufthansa AG Com NPV^	1,881	0.18
Auto manufacturers			
8,779	Bayerische Motoren Werke AG Pref EUR 1.00	722	0.07
43,590	Bayerische Motoren Werke AG Com EUR 1.00	4,083	0.39

Holding	Investment	Fair value \$'000	% of net asset value
Germany (31 May 2016: 4.95%) (cont)			
Auto manufacturers (cont)			
132,223	Daimler AG Com NPV^	9,606	0.93
35,205	Porsche Automobil Holding SE Pref NPV	2,017	0.19
40,121	Volkswagen AG Pref NPV	6,034	0.58
5,834	Volkswagen AG Com NPV^	915	0.09
Banks			
146,883	Commerzbank AG Com NPV^	1,551	0.15
273,917	Deutsche Bank AG Com NPV^	4,797	0.46
Building materials and fixtures			
20,462	HeidelbergCement AG Com NPV	1,907	0.18
Chemicals			
27,895	K&S AG Com NPV^	714	0.07
Electricity			
249,200	E.ON SE Com NPV	2,182	0.21
62,882	RWE AG Com NPV	1,279	0.12
Food			
61,966	Metro AG Com NPV	2,076	0.20
Insurance			
26,709	Allianz SE Com NPV	5,133	0.50
10,999	Muenchener Rueckversicherungs-Gesellschaft AG Com NPV	2,174	0.21
	Total Germany	47,071	4.53
Hong Kong (31 May 2016: 0.71%)			
Holding companies - diversified operations			
88,500	Swire Pacific Ltd Com HKD 0.60^	871	0.09
540,000	Wharf Holdings Ltd Com NPV	4,594	0.44
Real estate investment & services			
413,000	Hang Lung Properties Ltd Com NPV	1,068	0.10
149,000	Hysan Development Co Ltd Com NPV	704	0.07
1,183,133	Sino Land Co Ltd Com NPV	2,059	0.20
323,000	Wheelock & Co Ltd Com NPV^	2,416	0.23
	Total Hong Kong	11,712	1.13
Ireland (31 May 2016: 2.39%)			
Banks			
1,941,198	Bank of Ireland Com EUR 0.05	526	0.05
Computers			
57,732	Seagate Technology Plc Com USD 0.00001	2,515	0.24
Pharmaceuticals			
43,000	Allergan Plc Com USD 0.0033	9,621	0.93
25,342	Mallinckrodt Plc Com USD 0.20	1,093	0.11
18,755	Perrigo Co Plc Com EUR 0.001	1,367	0.13
	Total Ireland	15,122	1.46
Israel (31 May 2016: 1.05%)			
Banks			
91,830	Bank Hapoalim BM Com ILS 1.00	612	0.06
152,849	Bank Leumi Le-Israel BM Com ILS 0.10	748	0.07
10,702	Mizrahi Tefahot Bank Ltd Com ILS 0.10	191	0.02

iShares Edge MSCI World Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)				Japan (31 May 2016: 27.89%) (cont)			
Israel (31 May 2016: 1.05%) (cont)				Auto parts & equipment (cont)			
Pharmaceuticals				12,400	NOK Corp Com NPV	272	0.03
2,203	Taro Pharmaceutical Industries Ltd Com ILS 0.0001	235	0.02	12,400	Stanley Electric Co Ltd Com NPV	374	0.04
155,122	Teva Pharmaceutical Industries Ltd Com ILS 0.10	4,448	0.43	98,677	Sumitomo Electric Industries Ltd Com NPV	1,566	0.15
38,038	Teva Pharmaceutical Industries Ltd ADR NPV	1,060	0.10	24,900	Sumitomo Rubber Industries Ltd Com NPV	425	0.04
Total Israel		7,294	0.70	8,800	Toyoda Gosei Co Ltd Com NPV	212	0.02
Italy (31 May 2016: 1.30%)				23,100	Toyota Industries Corp Com NPV^	1,163	0.11
Banks				17,500	Yokohama Rubber Co Ltd Com NPV	342	0.03
58,980	Intesa Sanpaolo SpA Misc EUR 0.52^	160	0.02	Banks			
48,469	Mediobanca SpA Com EUR 0.50	460	0.04	24,000	Bank of Kyoto Ltd Com NPV	203	0.02
220,841	UniCredit SpA Com NPV	3,867	0.37	69,000	Chiba Bank Ltd Com NPV	454	0.04
Electricity				12,400	Chugoku Bank Ltd Com NPV	174	0.02
939,853	Enel SpA Com EUR 1.00	5,028	0.48	128,300	Concordia Financial Group Ltd Com NPV	592	0.06
Insurance				97,000	Fukuoka Financial Group Inc Com NPV^	437	0.04
89,775	Assicurazioni Generali SpA Com EUR 1.00	1,418	0.14	49,200	Hachijuni Bank Ltd Com NPV	283	0.03
74,467	UnipolSai Assicurazioni SpA Com NPV^	169	0.01	42,000	Hiroshima Bank Ltd Com NPV^	172	0.02
Oil & gas				43,800	Japan Post Bank Co Ltd Com NPV	544	0.05
221,211	Eni SpA Com NPV	3,505	0.34	22,900	Kyushu Financial Group Inc Com NPV^	141	0.01
Oil & gas services				1,462,420	Mitsubishi UFJ Financial Group Inc Com NPV	9,137	0.88
67,657	Saipem SpA Com NPV^	275	0.03	2,941,700	Mizuho Financial Group Inc Com NPV	5,129	0.49
Telecommunications				244,900	Resona Holdings Inc Com NPV	1,255	0.12
1,184,788	Telecom Italia SpA Com NPV	1,110	0.11	191,000	Shinsei Bank Ltd Com NPV^	309	0.03
832,953	Telecom Italia SpA (non-voting) Misc NPV	643	0.06	43,000	Shizuoka Bank Ltd Com NPV	358	0.04
Total Italy		16,635	1.60	177,181	Sumitomo Mitsui Financial Group Inc Com NPV	6,367	0.61
Japan (31 May 2016: 27.89%)				40,000	Sumitomo Mitsui Trust Holdings Inc Com NPV	1,356	0.13
Aerospace & defence				25,000	Yamaguchi Financial Group Inc Com NPV^	287	0.03
223,000	Kawasaki Heavy Industries Ltd Com NPV	641	0.06	Building materials and fixtures			
Airlines				225,000	Asahi Glass Co Ltd Com NPV^	1,840	0.18
177,000	ANA Holdings Inc Com NPV^	581	0.06	156,000	Taiheiyo Cement Corp Com NPV^	502	0.05
43,700	Japan Airlines Co Ltd Com NPV	1,282	0.12	Chemicals			
Auto manufacturers				202,000	Asahi Kasei Corp Com NPV	1,944	0.19
54,200	Hino Motors Ltd Com NPV	659	0.06	37,300	Daicel Corp Com NPV	442	0.04
277,700	Honda Motor Co Ltd Com NPV	7,827	0.76	16,900	Hitachi Chemical Co Ltd Com NPV	467	0.04
73,300	Isuzu Motors Ltd Com NPV	897	0.09	22,500	JSR Corp Com NPV	378	0.04
108,800	Mazda Motor Corp Com NPV	1,486	0.14	35,000	Kaneka Corp Com NPV^	266	0.03
51,100	Mitsubishi Motors Corp Com NPV	332	0.03	54,900	Kuraray Co Ltd Com NPV	988	0.09
435,300	Nissan Motor Co Ltd Com NPV	4,178	0.40	275,116	Mitsubishi Chemical Holdings Corp Com NPV	2,086	0.20
86,100	Subaru Corp Com NPV	2,916	0.28	38,200	Mitsubishi Gas Chemical Co Inc Com NPV	789	0.08
33,300	Suzuki Motor Corp Com NPV	1,570	0.15	143,000	Mitsui Chemicals Inc Com NPV	711	0.07
390,400	Toyota Motor Corp Com NPV	20,942	2.02	280,625	Sumitomo Chemical Co Ltd Com NPV	1,467	0.14
Auto parts & equipment				27,500	Teijin Ltd Com NPV^	515	0.05
22,900	Aisin Seiki Co Ltd Com NPV	1,131	0.11	48,000	Tosoh Corp Com NPV	408	0.04
73,900	Bridgestone Corp Com NPV	3,109	0.30	Commercial services			
52,400	Denso Corp Com NPV	2,237	0.21	126,000	Dai Nippon Printing Co Ltd Com NPV	1,403	0.13
55,200	JTEKT Corp Com NPV	830	0.08	139,000	Toppan Printing Co Ltd Com NPV	1,533	0.15

iShares Edge MSCI World Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)			
Japan (31 May 2016: 27.89%) (cont)			
Computers			
457,000	Fujitsu Ltd Com NPV	3,338	0.32
31,200	TDK Corp Com NPV	1,888	0.18
Containers & packaging			
21,100	Toyo Seikan Group Holdings Ltd Com NPV	338	0.03
Distribution & wholesale			
630,700	ITOCHU Corp Com NPV^	8,972	0.86
711,700	Marubeni Corp Com NPV	4,402	0.42
525,807	Mitsubishi Corp Com NPV	10,546	1.02
594,200	Mitsui & Co Ltd Com NPV	8,036	0.77
467,882	Sumitomo Corp Com NPV^	5,976	0.58
53,100	Toyota Tsusho Corp Com NPV	1,630	0.16
Diversified financial services			
13,800	Credit Saison Co Ltd Com NPV	256	0.03
87,400	Mebuki Financial Group Inc Com NPV	342	0.03
38,500	Mitsubishi UFJ Lease & Finance Co Ltd Com NPV	197	0.02
282,200	Nomura Holdings Inc Com NPV	1,693	0.16
131,200	ORIX Corp Com NPV	2,074	0.20
Electrical components & equipment			
46,070	Brother Industries Ltd Com NPV	1,024	0.10
Electricity			
114,800	Chubu Electric Power Co Inc Com NPV^	1,561	0.15
18,000	Chugoku Electric Power Co Inc Com NPV^	205	0.02
27,300	Electric Power Development Co Ltd Com NPV	726	0.07
131,500	Kansai Electric Power Co Inc Com NPV	1,844	0.18
65,900	Kyushu Electric Power Co Inc Com NPV^	817	0.08
69,600	Tohoku Electric Power Co Inc Com NPV^	1,035	0.10
387,500	Tokyo Electric Power Co Holdings Inc Com NPV	1,591	0.15
Electronics			
25,000	Alps Electric Co Ltd Com NPV^	703	0.07
11,000	Hitachi High-Technologies Corp Com NPV	438	0.04
62,400	Kyocera Corp Com NPV	3,601	0.35
51,600	Minebea Mitsumi Inc Com NPV	843	0.08
592,000	NEC Corp Com NPV	1,536	0.15
124,000	Nippon Electric Glass Co Ltd Com NPV	866	0.08
31,029	Yokogawa Electric Corp Com NPV	539	0.05
Engineering & construction			
84,000	Kajima Corp Com NPV	647	0.06
109,300	Obayashi Corp Com NPV	1,210	0.12
48,000	Shimizu Corp Com NPV	484	0.05
87,000	Taisei Corp Com NPV	744	0.07
Entertainment			
3,400	Sankyo Co Ltd Com NPV	114	0.01

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 27.89%) (cont)			
Food			
64,000	NH Foods Ltd Com NPV^	2,011	0.19
28,600	Toyo Suisan Kaisha Ltd Com NPV^	1,116	0.11
Forest products & paper			
160,000	Oji Holdings Corp Com NPV^	786	0.08
Gas			
250,000	Osaka Gas Co Ltd Com NPV	989	0.09
Hand & machine tools			
79,000	Fuji Electric Co Ltd Com NPV	423	0.04
17,000	THK Co Ltd Com NPV	476	0.05
Healthcare services			
6,100	Miraca Holdings Inc Com NPV^	257	0.02
Home builders			
172,200	Daiwa House Industry Co Ltd Com NPV^	5,635	0.54
24,200	Iida Group Holdings Co Ltd Com NPV	400	0.04
38,800	Sekisui Chemical Co Ltd Com NPV	683	0.07
72,900	Sekisui House Ltd Com NPV	1,253	0.12
Home furnishings			
105,400	Sony Corp Com NPV	3,845	0.37
Insurance			
103,700	Dai-ichi Life Holdings Inc Com NPV	1,730	0.17
49,500	Japan Post Holdings Co Ltd Com NPV	605	0.06
42,400	MS&AD Insurance Group Holdings Inc Com NPV	1,490	0.14
28,500	Sompo Holdings Inc Com NPV	1,102	0.11
39,400	T&D Holdings Inc Com NPV	558	0.05
39,232	Tokio Marine Holdings Inc Com NPV	1,667	0.16
Internet			
11,700	Mixi Inc Com NPV^	735	0.07
16,200	SBI Holdings Inc Com NPV	210	0.02
Iron & steel			
37,000	Hitachi Metals Ltd Com NPV^	494	0.05
149,100	JFE Holdings Inc Com NPV	2,490	0.24
79,900	Kobe Steel Ltd Com NPV^	732	0.07
176,800	Nippon Steel & Sumitomo Metal Corp Com NPV	3,767	0.36
Leisure time			
27,200	Yamaha Motor Co Ltd Com NPV	684	0.07
Machinery - diversified			
67,300	Amada Holdings Co Ltd Com NPV	785	0.08
860,000	Mitsubishi Heavy Industries Ltd Com NPV	3,396	0.33
134,000	Sumitomo Heavy Industries Ltd Com NPV^	875	0.08
Machinery, construction & mining			
1,334,000	Hitachi Ltd Com NPV	8,067	0.78
121,100	Komatsu Ltd Com NPV	2,884	0.28
302,300	Mitsubishi Electric Corp Com NPV	4,174	0.40
Metal fabricate/ hardware			
86,400	NSK Ltd Com NPV	1,031	0.10

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)			
Japan (31 May 2016: 27.89%) (cont)			
Mining			
22,400	Mitsubishi Materials Corp Com NPV	633	0.06
98,000	Sumitomo Metal Mining Co Ltd Com NPV	1,193	0.12
Miscellaneous manufacturers			
107,100	FUJIFILM Holdings Corp Com NPV	3,911	0.38
121,600	Konica Minolta Inc Com NPV	958	0.09
Office & business equipment			
180,800	Canon Inc Com NPV	6,180	0.59
163,900	Ricoh Co Ltd Com NPV^	1,384	0.13
62,700	Seiko Epson Corp Com NPV	1,317	0.13
Oil & gas			
15,500	Idemitsu Kosan Co Ltd Com NPV	434	0.04
129,200	Inpex Corp Com NPV	1,190	0.11
522,500	JXTG Holdings Inc Com NPV	2,279	0.22
21,300	Showa Shell Sekiyu KK Com NPV	196	0.02
Pharmaceuticals			
30,200	Alfresa Holdings Corp Com NPV	583	0.06
69,200	Daiichi Sankyo Co Ltd Com NPV	1,519	0.15
32,600	Medipal Holdings Corp Com NPV	601	0.06
28,900	Mitsubishi Tanabe Pharma Corp Com NPV	644	0.06
18,800	Sumitomo Dainippon Pharma Co Ltd Com NPV	287	0.03
14,300	Suzuken Co Ltd Com NPV	471	0.04
Real estate investment & services			
29,200	Aeon Mall Co Ltd Com NPV	547	0.05
12,300	Daito Trust Construction Co Ltd Com NPV	1,943	0.19
24,500	Hulic Co Ltd Com NPV	232	0.02
Real estate investment trusts			
486	Nomura Real Estate Master Fund Inc Reits NPV	732	0.07
Retail			
27,422	FamilyMart UNY Holdings Co Ltd Com NPV^	1,542	0.15
27,300	Isetan Mitsukoshi Holdings Ltd Com NPV	276	0.03
24,800	J Front Retailing Co Ltd Com NPV	351	0.03
31,671	Takashimaya Co Ltd Com NPV	295	0.03
84,100	Yamada Denki Co Ltd Com NPV^	442	0.04
Semiconductors			
23,700	Rohm Co Ltd Com NPV	1,905	0.18
Software			
29,400	Nexon Co Ltd Com NPV	556	0.05
Telecommunications			
95,035	KDDI Corp Com NPV	2,635	0.26
67,300	Nippon Telegraph & Telephone Corp Com NPV	3,230	0.31
76,847	NTT DoCoMo Inc Com NPV	1,888	0.18
Transportation			
33,600	Central Japan Railway Co Com NPV	5,510	0.53
56,000	Kamigumi Co Ltd Com NPV	574	0.05

Holding	Investment	Fair value \$'000	% of net asset value
Japan (31 May 2016: 27.89%) (cont)			
Transportation (cont)			
383,000	Mitsui OSK Lines Ltd Com NPV	1,101	0.11
166,000	Nippon Express Co Ltd Com NPV	1,025	0.10
483,000	Nippon Yusen KK Com NPV^	878	0.08
20,700	West Japan Railway Co Com NPV	1,439	0.14
Total Japan		274,356	26.42
Jersey (31 May 2016: 0.33%)			
Mining			
1,445,834	Glencore Plc Com USD 0.01	5,322	0.51
Oil & gas services			
19,360	Petrofac Ltd Com USD 0.02	95	0.01
Pharmaceuticals			
66,285	Shire Plc Com GBP 0.05	3,826	0.37
Total Jersey		9,243	0.89
Luxembourg (31 May 2016: 0.36%)			
Iron & steel			
98,103	ArcelorMittal Com NPV	2,130	0.20
Total Luxembourg		2,130	0.20
Mauritius (31 May 2016: 0.19%)			
Agriculture			
4,677,600	Golden Agri-Resources Ltd Com USD 0.025	1,234	0.12
Total Mauritius		1,234	0.12
Netherlands (31 May 2016: 2.56%)			
Auto manufacturers			
226,888	Fiat Chrysler Automobiles NV Com EUR 0.01^	2,384	0.23
Banks			
207,854	ING Groep NV Com EUR 0.01	3,480	0.33
Commercial services			
42,564	AerCap Holdings NV Com EUR 0.01	1,874	0.18
Computers			
9,654	Gemalto NV Com EUR 1.00^	573	0.05
Engineering & construction			
7,600	Boskalis Westminster Com EUR 0.01^	262	0.03
Food			
542,950	Koninklijke Ahold Delhaize NV Com EUR 0.01^	11,985	1.15
Insurance			
272,937	Aegon NV Com EUR 0.12^	1,360	0.13
44,751	NN Group NV Com EUR 0.12	1,611	0.16
Pharmaceuticals			
88,032	Mylan NV Com EUR 0.01	3,432	0.33
Semiconductors			
87,342	STMicroelectronics NV Com EUR 1.04^	1,442	0.14
Total Netherlands		28,403	2.73

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)			
Norway (31 May 2016: 0.57%)			
Chemicals			
27,145	Yara International ASA Com NOK 1.70^	1,012	0.10
Food			
82,728	Marine Harvest ASA Com NOK 7.50	1,454	0.14
Mining			
179,022	Norsk Hydro ASA Com NOK 1.098	968	0.09
Oil & gas			
92,283	Statoil ASA Com NOK 2.50	1,609	0.16
Total Norway			
		5,043	0.49
Portugal (31 May 2016: 0.01%)			
Electricity			
153,928	EDP - Energias de Portugal SA Com EUR 1.00^	567	0.05
Total Portugal			
		567	0.05
Singapore (31 May 2016: 0.99%)			
Airlines			
148,300	Singapore Airlines Ltd Com NPV	1,073	0.10
Commercial services			
1,230,000	Hutchison Port Holdings Trust Unit NPV	498	0.05
Electronics			
96,485	Flex Ltd Com NPV	1,666	0.16
Food			
1,083,300	Wilmar International Ltd Com NPV	2,772	0.27
Holding companies - diversified operations			
327,484	Keppel Corp Ltd Com NPV^	1,522	0.15
Hotels			
39,400	City Developments Ltd Com NPV	303	0.03
Marine transportation			
236,900	Sembcorp Industries Ltd Com NPV^	541	0.05
822,930	Yangzijiang Shipbuilding Holdings Ltd Com NPV	756	0.07
Real estate investment & services			
547,200	CapitaLand Ltd Com NPV	1,408	0.14
104,100	UOL Group Ltd Com NPV	527	0.05
Total Singapore			
		11,066	1.07
Spain (31 May 2016: 1.47%)			
Airlines			
216,126	International Consolidated Airlines Group SA Com EUR 0.50	1,686	0.16
Banks			
434,334	Banco de Sabadell SA Com EUR 0.125	896	0.09
64,023	Banco Popular Espanol SA Com EUR 0.50	44	0.00
920,687	Banco Santander SA Com EUR 0.50	5,985	0.58
Electricity			
570,976	Iberdrola SA Com EUR 0.75^	4,557	0.44

Holding	Investment	Fair value \$'000	% of net asset value
Spain (31 May 2016: 1.47%) (cont)			
Food			
47,464	Distribuidora Internacional de Alimentacion SA Com EUR 0.10^	293	0.03
Insurance			
58,671	Mapfre SA Com EUR 0.10^	209	0.02
Oil & gas			
176,312	Repsol SA Com EUR 1.00	2,957	0.28
Total Spain			
		16,627	1.60
Sweden (31 May 2016: 0.41%)			
Mining			
33,802	Boliden AB Com SEK 2.11	927	0.09
Telecommunications			
433,807	Telefonaktiebolaget LM Ericsson Com SEK 5.00^	3,170	0.31
165,958	Telia Co AB Com SEK 3.20	761	0.07
Total Sweden			
		4,858	0.47
Switzerland (31 May 2016: 0.78%)			
Banks			
168,608	Credit Suisse Group AG Com CHF 0.04	2,318	0.22
Insurance			
3,004	Swiss Life Holding AG Com CHF 5.10	1,003	0.10
26,188	Swiss Re AG Com CHF 0.10	2,390	0.23
Total Switzerland			
		5,711	0.55
United Kingdom (31 May 2016: 7.76%)			
Aerospace & defence			
125,202	Meggitt Plc Com GBP 0.05^	811	0.08
Banks			
1,944,015	Barclays Plc Com GBP 0.25	5,270	0.51
1,172,454	HSBC Holdings Plc Com USD 0.50	10,226	0.98
341,576	Royal Bank of Scotland Group Plc Com GBP 1.00	1,146	0.11
238,006	Standard Chartered Plc Com USD 0.50	2,249	0.22
Food			
1,081,626	J Sainsbury Plc Com GBP 0.285714^	3,924	0.38
1,102,719	Wm Morrison Supermarkets Plc Com GBP 0.10^	3,505	0.34
Home builders			
134,945	Barratt Developments Plc Com GBP 0.10	1,067	0.10
14,213	Berkeley Group Holdings Plc Com NPV	597	0.06
29,943	Persimmon Plc Com GBP 0.10	949	0.09
269,812	Taylor Wimpey Plc Com GBP 0.01	708	0.07
Media			
80,130	Pearson Plc Com GBP 0.25	731	0.07
Mining			
298,252	Anglo American Plc Com USD 0.54945	3,972	0.38
Oil & gas			
1,652,313	BP Plc Com USD 0.25	9,955	0.96
332,451	Royal Dutch Shell Plc Class 'B' Com EUR 0.07	9,199	0.88
420,322	Royal Dutch Shell Plc Com EUR 0.07	11,395	1.10

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)			
United Kingdom (31 May 2016: 7.76%) (cont)			
Retail			
89,122	Dixons Carphone Plc Com GBP 0.001	378	0.04
211,454	Kingfisher Plc Com GBP 0.157143	888	0.08
30,385	Travis Perkins Plc Com GBP 0.10^	641	0.06
Specialty finance			
51,146	3i Group Plc Com GBP 0.738636	591	0.06
Telecommunications			
1,633,012	Vodafone Group Plc Com USD 0.2095	4,880	0.47
Transportation			
216,614	Royal Mail Plc Com GBP 0.01	1,234	0.12
Total United Kingdom		74,316	7.16
United States (31 May 2016: 41.03%)			
Agriculture			
327,208	Archer-Daniels-Midland Co Com NPV^	13,605	1.31
Airlines			
38,707	American Airlines Group Inc Com USD 0.01^	1,874	0.18
45,527	Delta Air Lines Inc Com USD 0.0001	2,237	0.22
25,451	United Continental Holdings Inc Com USD 0.01	2,027	0.19
Auto manufacturers			
560,049	Ford Motor Co Com USD 0.01	6,228	0.60
284,097	General Motors Co Com USD 0.01	9,639	0.93
Auto parts & equipment			
36,088	Goodyear Tire & Rubber Co Com NPV	1,163	0.11
6,988	Lear Corp Com USD 0.01	1,041	0.10
Banks			
793,636	Bank of America Corp Com USD 0.01	17,785	1.71
36,508	Capital One Financial Corp Com USD 0.01	2,808	0.27
247,884	Citigroup Inc Com USD 0.01	15,007	1.45
34,582	Citizens Financial Group Inc Com USD 0.01	1,179	0.11
21,606	Goldman Sachs Group Inc Com USD 0.01	4,565	0.44
81,508	Regions Financial Corp Com USD 0.01	1,128	0.11
Biotechnology			
262,888	Gilead Sciences Inc Com USD 0.001	17,059	1.64
5,609	United Therapeutics Corp Com USD 0.01	678	0.07
Chemicals			
42,382	Mosaic Co Com USD 0.01	959	0.09
Computers			
27,332	DXC Technology Co Com USD 0.01	2,119	0.20
281,250	Hewlett Packard Enterprise Co Com USD 0.01	5,290	0.51
325,476	HP Inc Com USD 0.01	6,106	0.59
97,313	International Business Machines Corp Com USD 0.20	14,853	1.43

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 41.03%) (cont)			
Computers (cont)			
50,165	NetApp Inc Com USD 0.001	2,031	0.20
54,495	Western Digital Corp Com USD 0.01	4,908	0.47
Diversified financial services			
46,777	Ally Financial Inc Com USD 0.10	867	0.08
14,931	CIT Group Inc Com USD 0.01	673	0.06
26,161	Navient Corp Com USD 0.01	377	0.04
Electricity			
19,416	Entergy Corp Com USD 0.01	1,535	0.15
122,875	Exelon Corp Com NPV	4,462	0.43
53,630	FirstEnergy Corp Com USD 0.10	1,568	0.15
Electronics			
22,240	Arrow Electronics Inc Com USD 1.00	1,681	0.16
32,167	Avnet Inc Com USD 1.00	1,180	0.12
189,397	Corning Inc Com USD 0.50^	5,511	0.53
Engineering & construction			
19,485	Jacobs Engineering Group Inc Com USD 1.00	1,021	0.10
Food			
122,574	Tyson Foods Inc Com USD 0.10^	7,028	0.68
Healthcare products			
20,682	Zimmer Biomet Holdings Inc Com USD 0.01	2,466	0.24
Healthcare services			
48,809	Aetna Inc Com USD 0.01	7,070	0.68
47,748	Anthem Inc Com USD 0.01	8,707	0.84
31,304	Cigna Corp Com USD 0.25	5,047	0.49
10,113	Laboratory Corp of America Holdings Com USD 0.10	1,406	0.13
16,629	Quest Diagnostics Inc Com USD 0.01	1,809	0.17
Home builders			
15,850	Toll Brothers Inc Com USD 0.01	585	0.06
Insurance			
72,623	American International Group Inc Com USD 2.50	4,621	0.44
21,831	Hartford Financial Services Group Inc Com USD 0.01	1,078	0.10
24,118	Lincoln National Corp Com NPV	1,567	0.15
90,103	MetLife Inc Com USD 0.01^	4,558	0.44
40,957	Prudential Financial Inc Com USD 0.01	4,294	0.41
17,311	Unum Group Com USD 0.10	779	0.08
26,409	Voya Financial Inc Com USD 0.01	903	0.09
Media			
46,931	News Corp Com USD 0.01	628	0.06
29,456	Viacom Inc Com USD 0.001	1,025	0.10
Office & business equipment			
234,603	Xerox Corp Com USD 1.00	1,659	0.16
Oil & gas			
16,624	HollyFrontier Corp Com USD 0.01	397	0.04
42,711	Marathon Petroleum Corp Com USD 0.01	2,223	0.21
9,190	Tesoro Corp Com USD 0.167	765	0.07
58,524	Valero Energy Corp Com USD 0.01	3,597	0.35

iShares Edge MSCI World Value Factor UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 109.11%) (cont)			
United States (31 May 2016: 41.03%) (cont)			
Pharmaceuticals			
88,127	Express Scripts Holding Co Com USD 0.01	5,266	0.51
17,450	McKesson Corp Com USD 0.01	2,846	0.27
730,573	Pfizer Inc Com USD 0.05	23,853	2.30
Pipelines			
7,343	Plains GP Holdings LP Com NPV	196	0.02
Real estate investment trusts			
23,742	AGNC Investment Corp Reits USD 0.01	494	0.05
74,082	Annaly Capital Management Inc Reits USD 0.01	887	0.08
120,550	Host Hotels & Resorts Inc Reits USD 0.01	2,169	0.21
Retail			
9,577	Bed Bath & Beyond Inc Com USD 0.01	330	0.03
25,905	Best Buy Co Inc Com USD 0.10	1,538	0.15
19,745	Kohl's Corp Com USD 0.01	759	0.07
88,071	Staples Inc Com USD 0.0006	800	0.08
290,477	Wal-Mart Stores Inc Com USD 0.10	22,831	2.20
Semiconductors			
673,358	Intel Corp Com USD 0.001	24,315	2.34
212,428	Micron Technology Inc Com USD 0.10	6,537	0.63
24,466	Qorvo Inc Com USD 0.0001^	1,907	0.18
Software			
46,775	CA Inc Com USD 0.10^	1,486	0.14
24,985	Nuance Communications Inc Com USD 0.001	463	0.05
Telecommunications			
338,315	AT&T Inc Com USD 1.00	13,035	1.26
49,785	CenturyLink Inc Com USD 1.00	1,242	0.12
787,989	Cisco Systems Inc Com USD 0.001	24,846	2.39
47,812	Juniper Networks Inc Com USD 0.00001	1,403	0.13
Total United States		352,579	33.95
Total equities		1,022,281	98.44
Rights (31 May 2016: 0.00%)			
Spain (31 May 2016: 0.00%)			
Swaziland (31 May 2016: Nil)			
127,621	Credit Suisse Group AG - Rights 7 June 2017	59	0.01
Total Swaziland		59	0.01
Total rights		59	0.01

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value	
Financial derivative instruments (31 May 2016: 0.03%)				
Futures contracts (31 May 2016: 0.03%)				
32	MSCI EAFE Mini Index Futures June 2017	2,949	69	0.00
37	S&P 500 Emini Futures June 2017	4,383	77	0.01
Total unrealised gains on futures contracts			146	0.01
Total financial derivative Instruments			146	0.01

	Fair value \$'000	% of net asset value
Total value of investments	1,022,486	98.46
Cash [†]	5,237	0.50
Other net assets	10,801	1.04
Net asset value attributable to redeemable participating shareholders at the end of the financial year	1,038,524	100.00

[†] Cash holdings of \$5,034,023 are held with State Street Bank and Trust Company. \$203,428 is held as security for futures contracts with Barclays Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	1,022,340	95.08
Exchange traded financial derivative instruments	146	0.01
Other assets	52,842	4.91
Total current assets	1,075,328	100.00

iShares Edge MSCI World Value Factor UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
162,896	JPMorgan Chase & Co Com USD 1.00	13,012	876,968	Cisco Systems Inc Com USD 0.001	26,785
142,800	Toyota Motor Corp Com NPV	7,981	756,833	Intel Corp Com USD 0.001	26,727
229,637	Cisco Systems Inc Com USD 0.001	7,503	820,781	Pfizer Inc Com USD 0.05	26,678
209,123	Pfizer Inc Com USD 0.05	7,076	462,600	Toyota Motor Corp Com NPV	26,602
192,271	Intel Corp Com USD 0.001	6,896	326,522	Wal-Mart Stores Inc Com USD 0.10	22,976
90,403	Medtronic Plc Com USD 0.10	6,600	299,581	Gilead Sciences Inc Com USD 0.001	22,223
265,105	Bank of America Corp Com USD 0.01	6,122	915,829	Bank of America Corp Com USD 0.01	18,790
219,397	Royal Dutch Shell Plc Com EUR 0.07	5,845	110,475	International Business Machines Corp Com USD 0.20	18,085
130,456	Archer-Daniels-Midland Co Com NPV	5,784	389,501	Archer-Daniels-Midland Co Com NPV	17,171
78,919	Wal-Mart Stores Inc Com USD 0.10	5,577	284,340	Citigroup Inc Com USD 0.01	15,795
259,460	Koninklijke Ahold Delhaize NV Com EUR 0.01	5,350	186,115	Sanofi Com EUR 2.00	15,181
652,371	HSBC Holdings Plc Com USD 0.50	5,323	375,891	AT&T Inc Com USD 1.00	14,957
100,110	TOTAL SA Com EUR 2.50	5,160	549,690	Royal Dutch Shell Plc Com EUR 0.07	14,262
62,200	SoftBank Group Corp Com NPV	4,914	289,625	TOTAL SA Com EUR 2.50	14,051
71,165	Gilead Sciences Inc Com USD 0.001	4,855	644,121	Koninklijke Ahold Delhaize NV Com EUR 0.01	13,558
81,801	Citigroup Inc Com USD 0.01	4,829	615,300	Mitsubishi Corp Com NPV	13,338
326,000	Sun Hung Kai Properties Ltd Com NPV	4,810	2,144,365	BP Plc Com USD 0.25	12,457
799,877	BP Plc Com USD 0.25	4,713	1,569,419	HSBC Holdings Plc Com USD 0.50	12,402
26,520	International Business Machines Corp Com USD 0.20	4,588	426,772	Royal Dutch Shell Plc Com EUR 0.07	11,557
48,270	Sanofi Com EUR 2.00	4,278	320,946	General Motors Co Com USD 0.01	11,055
146,694	Royal Dutch Shell Plc Com EUR 0.07	4,058			
183,600	Mitsubishi Corp Com NPV	4,028			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares Fallen Angels High Yield Corp Bond UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 22 June 2016 to 31 May 2017 \$'000
Operating income	2	9,421
Net gains on financial assets/liabilities at fair value through profit or loss	3	11,706
Total gains		21,127
Operating expenses	4	(905)
Net operating gains		20,222
Finance costs:		
Distributions to redeemable participating shareholders	6	(2,552)
Interest expense	7	(5)
Total finance costs		(2,557)
Net profit for the financial year before tax		17,665
Taxation		(12)
Net profit for the financial year after tax		17,653
Increase in net assets attributable to redeemable participating shareholders from operations		17,653

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 22 June 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	17,653
Share transactions:	
Proceeds from issue of redeemable participating shares	249,665
Payments on redemption of redeemable participating shares	(159)
Increase in net assets resulting from share transactions	249,506
Net assets attributable to redeemable participating shareholders at the end of the financial period	267,159

The accompanying notes form an integral part of these financial statements.

iShares Fallen Angels High Yield Corp Bond UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		1,669
Cash equivalents		7,971
Receivables	11	4,791
Financial assets at fair value through profit or loss	12	252,840
Total current assets		267,271
CURRENT LIABILITIES		
Payables	13	(112)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(112)
Net asset value attributable to redeemable participating shareholders at the end of the financial period		267,159

The accompanying notes form an integral part of these financial statements.

iShares Fallen Angels High Yield Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 22 June 2016 to 31 May 2017 \$'000
Interest income	51
Bond interest income	9,323
Securities lending income	47
	9,421

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 22 June 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	11,737
Net losses on foreign currency transactions	(31)
	11,706

4. OPERATING EXPENSES

	Financial period from 22 June 2016 to 31 May 2017 \$'000
Management fees	(905)
	(905)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.50

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial period.

Distributions declared during the financial period were as follows:

	Financial period from 22 June 2016 to 31 May 2017 \$'000
December	4,429
	4,429
Equalisation income	(1,880)
Equalisation expense	3
	2,552

iShares Fallen Angels High Yield Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

7. INTEREST EXPENSE

	Financial period from 22 June 2016 to 31 May 2017 \$'000
Bank interest	(5)
	(5)

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	49,556,094
Redeemed during the financial period	(32,000)
Balance at the end of financial period	49,524,094

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	267,159

	No. of Shares
Shares in issue	
As at 31 May 2017	49,524,094

	\$
Net asset value per share	
As at 31 May 2017	5.39

11. RECEIVABLES

	31 May 2017 \$'000
Interest receivable	7
Securities lending income receivable	6
Bond income receivable	4,705
Other receivables	73
	4,791

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in bonds	252,840
	252,840

13. PAYABLES

	31 May 2017 \$'000
Management fees payable	(112)
	(112)

iShares Fallen Angels High Yield Corp Bond UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Bonds			
Austria			
Corporate bonds: BBB- rating			
175,000	Raiffeisen Bank International AG 4% 24/05/2023	186	0.07
800,000	Raiffeisen Bank International AG 4.5% 21/02/2025	960	0.36
400,000	Raiffeisen Bank International AG 4.75% 24/10/2022	461	0.17
200,000	Raiffeisen Bank International AG 5.875% 27/04/2023	235	0.09
400,000	Raiffeisen Bank International AG 6% 16/10/2023	533	0.20
400,000	Raiffeisen Bank International AG 6.625% 18/05/2021	536	0.20
Corporate bonds: BB rating			
300,000	Raiffeisenlandesbank Niederoesterreich- Wien AG 5.875% 27/11/2023	377	0.14
Total Austria		3,288	1.23
Belgium			
Corporate bonds: BB+ rating			
300,000	Barry Callebaut Services NV 5.625% 15/06/2021	404	0.15
Total Belgium		404	0.15
Bermuda			
Corporate bonds: CCC rating			
1,050,000	Noble Group Ltd 6.75% 29/01/2020	420	0.16
Total Bermuda		420	0.16
Canada			
Corporate bonds: A- rating			
100,000	Canadian Oil Sands Ltd 6% 01/04/2042	103	0.04
500,000	Canadian Oil Sands Ltd 9.4% 01/09/2021	611	0.23
Corporate bonds: BB+ rating			
945,000	Kinross Gold Corp 5.95% 15/03/2024	1,031	0.38
300,000	Kinross Gold Corp 6.875% 01/09/2041	314	0.12
Corporate bonds: BB rating			
775,000	Teck Resources Ltd 3.75% 01/02/2023	764	0.29
500,000	Teck Resources Ltd 4.5% 15/01/2021	515	0.19
400,000	Teck Resources Ltd 4.75% 15/01/2022	418	0.16
550,000	Teck Resources Ltd 5.2% 01/03/2042	512	0.19
400,000	Teck Resources Ltd 5.4% 01/02/2043	375	0.14
300,000	Teck Resources Ltd 6% 15/08/2040	305	0.12
700,000	Teck Resources Ltd 6.125% 01/10/2035	728	0.27
1,075,000	Teck Resources Ltd 6.25% 15/07/2041	1,126	0.42

Holding	Investment	Fair value \$'000	% of net asset value
Canada (cont)			
Corporate bonds: B- rating			
250,000	Bombardier Inc 7.45% 01/05/2034	247	0.09
Total Canada		7,049	2.64
Cayman Islands			
Corporate bonds: BB- rating			
250,000	Noble Holding International Ltd 4.625% 01/03/2021	222	0.08
400,000	Noble Holding International Ltd 4.9% 01/08/2020^	383	0.14
200,000	Noble Holding International Ltd 5.25% 15/03/2042	130	0.05
850,000	Noble Holding International Ltd 6.05% 01/03/2041	597	0.23
1,000,000	Noble Holding International Ltd 7.7% 01/04/2025	869	0.33
550,000	Noble Holding International Ltd 8.7% 01/04/2045	462	0.17
Corporate bonds: B+ rating			
650,000	Transocean Inc 5.8% 15/10/2022	611	0.23
700,000	Transocean Inc 6.5% 15/11/2020	715	0.27
1,075,000	Transocean Inc 6.8% 15/03/2038^	835	0.31
850,000	Transocean Inc 7.5% 15/04/2031	722	0.27
1,050,000	Transocean Inc 8.125% 15/12/2021	1,093	0.41
450,000	Transocean Inc 9.1% 15/12/2041	414	0.15
Total Cayman Islands		7,053	2.64
Finland			
Corporate bonds: BBB- rating			
500,000	Teollisuuden Voima Oyj 4.625% 04/02/2019	603	0.23
Corporate bonds: BB+ rating			
975,000	Nokia Oyj 5.375% 15/05/2019	1,033	0.39
400,000	Nokia Oyj 6.625% 15/05/2039	451	0.17
550,000	Nokia Oyj 6.75% 04/02/2019	688	0.26
550,000	Teollisuuden Voima Oyj 2.125% 04/02/2025	615	0.23
550,000	Teollisuuden Voima Oyj 2.5% 17/03/2021	651	0.24
600,000	Teollisuuden Voima Oyj 2.625% 13/01/2023	705	0.26
Corporate bonds: BB rating			
225,000	Stora Enso Oyj 7.25% 15/04/2036	264	0.10
Total Finland		5,010	1.88
France			
Corporate bonds: BBB- rating			
650,000	Groupama SA 7.875% 27/10/2039	838	0.31

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

		Fair value \$'000	% of net asset value			Fair value \$'000	% of net asset value
Holding	Investment			Holding	Investment		
Bonds (cont)				Italy			
France (cont)				Corporate bonds: BB+ rating			
Corporate bonds: BB+ rating				400,000	Assicurazioni Generali SpA 6.269% *	552	0.21
550,000	BPCE SA 12.5% *	665	0.25	500,000	Assicurazioni Generali SpA 6.416% *	704	0.26
500,000	Casino Guichard Perrachon SA 3.58% 07/02/2025	584	0.22	200,000	Intesa Sanpaolo Vita SpA 4.75% *	230	0.09
500,000	Casino Guichard Perrachon SA 4.048% 05/08/2026	599	0.22	450,000	Leonardo SpA 4.875% 24/03/2025^	616	0.23
1,000,000	Casino Guichard Perrachon SA 4.407% 06/08/2019	1,223	0.46	800,000	Leonardo SpA 5.25% 21/01/2022	1,068	0.40
1,100,000	Casino Guichard Perrachon SA 4.498% 07/03/2024	1,368	0.51	500,000	Leonardo SpA 5.75% 12/12/2018	610	0.23
800,000	Casino Guichard Perrachon SA 4.561% 25/01/2023	1,009	0.38	400,000	Leonardo SpA 8% 16/12/2019	605	0.23
700,000	Casino Guichard Perrachon SA 5.244% 09/03/2020	890	0.33	350,000	Telecom Italia SpA 4% 21/01/2020	431	0.16
250,000	Casino Guichard Perrachon SA 5.731% 12/11/2018	304	0.11	300,000	Telecom Italia SpA 4.75% 25/05/2018	353	0.13
1,200,000	Casino Guichard Perrachon SA 5.976% 26/05/2021^	1,589	0.60	300,000	Telecom Italia SpA 4.875% 25/09/2020	386	0.14
150,000	Credit Agricole SA 7.589% *	217	0.08	400,000	Telecom Italia SpA 5.25% 10/02/2022^	538	0.20
750,000	Credit Agricole SA 7.875% *	982	0.37	400,000	Telecom Italia SpA 5.25% 17/03/2025^	472	0.18
300,000	Credit Agricole SA 8.125% *	438	0.17	400,000	Telecom Italia SpA 5.375% 29/01/2019	490	0.18
1,375,000	Credit Agricole SA 8.375% *	1,533	0.57	250,000	Telecom Italia SpA 5.875% 19/05/2023	374	0.14
400,000	Societe Generale SA 8.875% *	550	0.21	100,000	Telecom Italia SpA 6.125% 14/12/2018	123	0.05
1,050,000	Societe Generale SA 9.375% *	1,397	0.52	500,000	Telecom Italia SpA 6.375% 24/06/2019	708	0.26
850,000	Solvay Finance SA 4.199% *	1,008	0.38	Corporate bonds: BB rating			
550,000	Solvay Finance SA 5.425% *	702	0.26	900,000	Intesa Sanpaolo SpA 5% 23/09/2019	1,103	0.41
Corporate bonds: BB rating				1,825,000	Intesa Sanpaolo SpA 5.017% 26/06/2024	1,784	0.67
400,000	BPCE SA 12.5% **	571	0.21	900,000	Intesa Sanpaolo SpA 5.15% 16/07/2020	1,132	0.42
700,000	PSA Tresorerie GIE 6% 19/09/2033	962	0.36	1,350,000	Intesa Sanpaolo SpA 6.625% 13/09/2023	1,848	0.69
Corporate bonds: B rating				1,650,000	UniCredit SpA 5.75% 28/10/2025	2,041	0.77
600,000	Vallourec SA 2.25% 30/09/2024	547	0.20	1,950,000	UniCredit SpA 6.95% 31/10/2022	2,639	0.99
500,000	Vallourec SA 3.25% 02/08/2019	576	0.22	Corporate bonds: BB- rating			
Total France				500,000	Intesa Sanpaolo SpA 6.625% 08/05/2018	594	0.22
				500,000	UniCredit SpA 6.7% 05/06/2018	597	0.23
				Corporate bonds: B+ rating			
				350,000	Intesa Sanpaolo SpA 8.047% *	419	0.15
				500,000	Intesa Sanpaolo SpA 8.375% *	638	0.24
				Corporate bonds: B rating			
Germany				700,000	Banco BPM SpA 6% 05/11/2020	844	0.32
Corporate bonds: BB+ rating				300,000	Banco BPM SpA 6.375% 31/05/2021	364	0.14
500,000	Bilfinger SE 2.375% 07/12/2019	584	0.22	550,000	Banco BPM SpA 7.125% 01/03/2021	683	0.25
1,450,000	Deutsche Bank AG 2.75% 17/02/2025	1,634	0.61	Total Italy			
1,400,000	Deutsche Bank AG 4.296% 24/05/2028	1,379	0.51			22,946	8.59
1,900,000	Deutsche Bank AG 4.5% 01/04/2025	1,895	0.71	Japan			
1,200,000	Deutsche Bank AG 5% 24/06/2020^	1,488	0.56	Corporate bonds: BB+ rating			
600,000	K&S AG 3% 20/06/2022^	719	0.27	2,625,000	SoftBank Group Corp 4.5% 15/04/2020	2,734	1.02
Corporate bonds: BB rating				750,000	SoftBank Group Corp 4.625% 15/04/2020	930	0.35
850,000	RWE AG 2.75% 21/04/2075	960	0.36	Total Japan			
650,000	RWE AG 3.5% 21/04/2075	717	0.27			3,664	1.37
800,000	RWE AG 7% *	1,104	0.41	Jersey			
Total Germany				Corporate bonds: BB+ rating			
				400,000	Bank of Scotland Capital Funding LP 7.754% *	596	0.22
Ireland							
Corporate bonds: BB+ rating							
200,000	Bank of Ireland 10% 12/02/2020	282	0.11				
100,000	Smurfit Kappa Treasury Funding Ltd 7.5% 20/11/2025	118	0.04				
Total Ireland							

iShares Fallen Angels High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (cont)			
Jersey (cont)			
Corporate bonds: BB rating			
450,000	HBOS Capital Funding LP 6.461% *	617	0.23
400,000	HBOS Sterling Finance Jersey LP 7.881% *	713	0.27
Total Jersey		1,926	0.72
Liberia			
Corporate bonds: BBB- rating			
500,000	Royal Caribbean Cruises Ltd 7.5% 15/10/2027	648	0.24
Total Liberia		648	0.24
Luxembourg			
Corporate bonds: BB+ rating			
1,850,000	ArcelorMittal 6% 01/03/2021	2,003	0.75
1,300,000	ArcelorMittal 6.75% 25/02/2022	1,462	0.55
1,200,000	ArcelorMittal 7.25% 01/03/2041	1,328	0.50
1,600,000	ArcelorMittal 7.5% 15/10/2039	1,792	0.67
300,000	Telecom Italia Capital SA 6% 30/09/2034	318	0.12
675,000	Telecom Italia Capital SA 6.375% 15/11/2033	727	0.27
100,000	Telecom Italia Capital SA 6.999% 04/06/2018	105	0.04
650,000	Telecom Italia Capital SA 7.175% 18/06/2019	712	0.27
515,000	Telecom Italia Capital SA 7.2% 18/07/2036^	594	0.22
600,000	Telecom Italia Capital SA 7.721% 04/06/2038^	721	0.27
500,000	Telecom Italia Finance SA 7.75% 24/01/2033	765	0.28
Corporate bonds: B+ rating			
450,000	UniCredit International Bank Luxembourg SA 8.125% *	561	0.21
Total Luxembourg		11,088	4.15
Netherlands			
Corporate bonds: BB+ rating			
850,000	Delta Lloyd NV 4.375% *	988	0.37
1,750,000	Generali Finance BV 4.596% *	1,994	0.75
250,000	Royal Bank of Scotland NV 4.65% 04/06/2018	256	0.10
400,000	SRLEV NV 9% 15/04/2041	532	0.20
1,000,000	Telefonica Europe BV 4.2% *	1,189	0.44
Total Netherlands		4,959	1.86
Spain			
Corporate bonds: BB+ rating			
250,000	Bankinter SA 6.375% 11/09/2019	318	0.12
Corporate bonds: B+ rating			
350,000	Banco de Sabadell SA 6.25% 26/04/2020	449	0.17
Total Spain		767	0.29

Holding	Investment	Fair value \$'000	% of net asset value
Switzerland			
Corporate bonds: BBB- rating			
200,000	Clariant AG 2.125% 17/10/2024	221	0.08
350,000	Clariant AG 3.25% 24/04/2019	381	0.14
350,000	Clariant AG 3.5% 26/09/2022	417	0.16
Total Switzerland		1,019	0.38
United Kingdom			
Corporate bonds: BB+ rating			
500,000	Anglo American Capital Plc 1.5% 01/04/2020	572	0.21
600,000	Anglo American Capital Plc 2.5% 29/04/2021	707	0.26
500,000	Anglo American Capital Plc 2.75% 07/06/2019	589	0.22
700,000	Anglo American Capital Plc 2.875% 20/11/2020	836	0.31
600,000	Anglo American Capital Plc 3.25% 03/04/2023	728	0.27
700,000	Anglo American Capital Plc 3.5% 28/03/2022	857	0.32
250,000	Anglo American Capital Plc 3.625% 14/05/2020	253	0.09
1,100,000	Anglo American Capital Plc 4.125% 15/04/2021	1,131	0.42
900,000	Anglo American Capital Plc 4.875% 14/05/2025	933	0.35
500,000	Anglo American Capital Plc 9.375% 08/04/2019	562	0.21
400,000	International Game Technology Plc 4.75% 05/03/2020	494	0.19
400,000	International Game Technology Plc 6.625% 02/02/2018	468	0.18
400,000	Lloyds Bank Plc 13% *	965	0.36
400,000	National Westminster Bank Plc 6.5% 07/09/2021	607	0.23
950,000	Tesco Corporate Treasury Services Plc 1.375% 01/07/2019	1,088	0.41
400,000	Tesco Corporate Treasury Services Plc 2.125% 12/11/2020	469	0.18
750,000	Tesco Corporate Treasury Services Plc 2.5% 01/07/2024	868	0.33
600,000	Tesco Plc 3.375% 02/11/2018	705	0.26
150,000	Tesco Plc 4.875% 24/03/2042	188	0.07
400,000	Tesco Plc 5% 24/03/2023	575	0.22
500,000	Tesco Plc 5.125% 10/04/2047	577	0.22
250,000	Tesco Plc 5.2% 05/03/2057^	315	0.12
300,000	Tesco Plc 5.5% 13/12/2019	425	0.16
100,000	Tesco Plc 5.5% 13/01/2033	142	0.05
200,000	Tesco Plc 6% 14/12/2029	302	0.11
775,000	Tesco Plc 6.125% 24/02/2022^	1,156	0.43
1,125,000	Tesco Plc 6.15% 15/11/2037	1,162	0.44
Corporate bonds: BB+/- rating			
550,000	Old Mutual Plc 8% 03/06/2021	825	0.31
Corporate bonds: BB rating			
350,000	Barclays Bank Plc 4.75% *	383	0.14
600,000	Barclays Bank Plc 14% *	945	0.36

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (cont)				United States (cont)			
United Kingdom (cont)				Corporate bonds: BB+ rating (cont)			
Corporate bonds: BB rating (cont)				250,000	Brinker International Inc 2.6% 15/05/2018	251	0.09
450,000	Co-operative Group Holdings 2011 Ltd 6.875% 08/07/2020^	663	0.25	450,000	Brinker International Inc 3.875% 15/05/2023	428	0.16
400,000	Co-operative Group Holdings 2011 Ltd 7.5% 08/07/2026	623	0.23	250,000	CDK Global Inc 3.8% 15/10/2019	257	0.10
450,000	Royal Bank of Scotland Group Plc 4.7% 03/07/2018	460	0.17	350,000	CDK Global Inc 5% 15/10/2024	361	0.14
900,000	Standard Chartered Plc 7.014% *	1,018	0.38	1,500,000	CF Industries Inc 3.45% 01/06/2023	1,413	0.53
Corporate bonds: BB/- rating				500,000	CF Industries Inc 4.95% 01/06/2043	439	0.16
600,000	Ensco Plc 4.5% 01/10/2024	492	0.18	400,000	CF Industries Inc 5.15% 15/03/2034	372	0.14
600,000	Ensco Plc 4.7% 15/03/2021	606	0.23	1,350,000	CF Industries Inc 5.375% 15/03/2044	1,218	0.46
1,700,000	Ensco Plc 5.2% 15/03/2025	1,442	0.54	800,000	CF Industries Inc 7.125% 01/05/2020	884	0.33
1,100,000	Ensco Plc 5.75% 01/10/2044	783	0.29	175,000	Citigroup Capital III 7.625% 01/12/2036	218	0.08
Corporate bonds: BB- rating				1,850,000	Continental Resources Inc 3.8% 01/06/2024	1,734	0.65
600,000	Virgin Media Secured Finance Plc 5.25% 15/01/2021	639	0.24	1,100,000	Continental Resources Inc 4.5% 15/04/2023	1,081	0.41
Corporate bonds: B+ rating				825,000	Continental Resources Inc 4.9% 01/06/2044	711	0.27
675,000	Royal Bank of Scotland Group Plc 7.648% *	816	0.30	2,025,000	Continental Resources Inc 5% 15/09/2022	2,031	0.76
Total United Kingdom				700,000	Countrywide Capital III 8.05% 15/06/2027	889	0.33
		27,369	10.24	500,000	Dun & Bradstreet Corp 4.625% 01/12/2022	513	0.19
United States				575,000	Edgewell Personal Care Co 4.7% 19/05/2021	616	0.23
Corporate bonds: A-/- rating				650,000	Edgewell Personal Care Co 4.7% 24/05/2022	694	0.26
150,000	MBIA Inc 5.7% 01/12/2034	149	0.06	1,475,000	Gap Inc 5.95% 12/04/2021	1,600	0.60
250,000	MBIA Inc 6.4% 15/08/2022	250	0.09	450,000	Graham Holdings Co 7.25% 01/02/2019	484	0.18
Corporate bonds: BBB- rating				900,000	Ingram Micro Inc 5.45% 15/12/2024	911	0.34
1,450,000	Arconic Inc 5.4% 15/04/2021	1,562	0.59	375,000	International Game Technology 7.5% 15/06/2019	410	0.15
430,000	Arconic Inc 5.72% 23/02/2019	455	0.17	25,000	Leidos Inc 5.5% 01/07/2033	23	0.01
1,100,000	Arconic Inc 5.87% 23/02/2022	1,206	0.45	275,000	Leidos Inc 7.125% 01/07/2032	300	0.11
1,325,000	Arconic Inc 5.9% 01/02/2027	1,447	0.54	725,000	Liberty Mutual Group Inc 7.8% 15/03/2037	878	0.33
450,000	Arconic Inc 5.95% 01/02/2037	464	0.17	1,275,000	MDC Holdings Inc 5.5% 15/01/2024	1,355	0.51
800,000	Arconic Inc 6.15% 15/08/2020	880	0.33	125,000	MDC Holdings Inc 6% 15/01/2043	115	0.04
250,000	Arconic Inc 6.75% 15/01/2028	281	0.11	450,000	Meccanica Holdings USA Inc 6.25% 15/07/2019	485	0.18
550,000	Carpenter Technology Corp 4.45% 01/03/2023	564	0.21	400,000	Meccanica Holdings USA Inc 6.25% 15/01/2040	442	0.17
275,000	Carpenter Technology Corp 5.2% 15/07/2021	287	0.11	525,000	Meccanica Holdings USA Inc 7.375% 15/07/2039	624	0.23
750,000	Leidos Holdings Inc 4.45% 01/12/2020	788	0.30	191,000	NuStar Logistics LP 4.75% 01/02/2022	195	0.07
250,000	Leidos Holdings Inc 5.95% 01/12/2040	248	0.09	850,000	NuStar Logistics LP 4.8% 01/09/2020	889	0.33
250,000	Murphy Oil Corp 4% 01/06/2022	243	0.09	125,000	Provident Financing Trust I 7.405% 15/03/2038	141	0.05
990,000	Murphy Oil Corp 4.7% 01/12/2022	970	0.36	400,000	PulteGroup Inc 6.375% 15/05/2033	417	0.16
425,000	Murphy Oil Corp 6.125% 01/12/2042	404	0.15	450,000	PulteGroup Inc 7.875% 15/06/2032	518	0.19
200,000	Murphy Oil Corp 7.05% 01/05/2029	213	0.08	845,000	Rockies Express Pipeline LLC 5.625% 15/04/2020	898	0.34
Corporate bonds: BB+/- rating				600,000	Rockies Express Pipeline LLC 6.85% 15/07/2018	627	0.23
750,000	ONEOK Inc 4.25% 01/02/2022	774	0.29				
350,000	ONEOK Inc 6% 15/06/2035	371	0.14				
Corporate bonds: BB+ rating							
1,450,000	Alcatel-Lucent USA Inc 6.45% 15/03/2029	1,649	0.62				
500,000	Ally Financial Inc 8% 01/11/2031	597	0.22				
400,000	BAC Capital Trust XI 6.625% 23/05/2036	480	0.18				
300,000	Belo Corp 7.25% 15/09/2027	321	0.12				

iShares Fallen Angels High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (cont)			
United States (cont)			
Corporate bonds: BB+ rating (cont)			
900,000	Rockies Express Pipeline LLC 6.875% 15/04/2040	977	0.37
1,250,000	Symantec Corp 3.95% 15/06/2022	1,285	0.48
250,000	Toll Brothers Finance Corp 6.75% 01/11/2019	275	0.10
850,000	Under Armour Inc 3.25% 15/06/2026	791	0.30
950,000	Williams Cos Inc 3.7% 15/01/2023	934	0.35
1,325,000	Williams Cos Inc 4.55% 24/06/2024	1,366	0.51
675,000	Williams Cos Inc 5.75% 24/06/2044	703	0.26
750,000	Williams Cos Inc 7.5% 15/01/2031	896	0.34
250,000	Williams Cos Inc 7.875% 01/09/2021	293	0.11
550,000	Williams Cos Inc 8.75% 15/03/2032	712	0.27
Corporate bonds: BB/+ rating			
253,000	Sealed Air Corp 6.875% 15/07/2033	278	0.10
Corporate bonds: BB rating			
400,000	DCP Midstream Operating LP 2.7% 01/04/2019	397	0.15
1,050,000	DCP Midstream Operating LP 3.875% 15/03/2023	1,024	0.38
950,000	DCP Midstream Operating LP 4.75% 30/09/2021	969	0.36
500,000	DCP Midstream Operating LP 5.35% 15/03/2020	522	0.19
500,000	DCP Midstream Operating LP 5.6% 01/04/2044	475	0.18
500,000	DCP Midstream Operating LP 6.45% 03/11/2036	534	0.20
300,000	DCP Midstream Operating LP 6.75% 15/09/2037	327	0.12
250,000	DCP Midstream Operating LP 8.125% 16/08/2030	296	0.11
250,000	DCP Midstream Operating LP 9.75% 15/03/2019	282	0.11
1,100,000	Dresdner Funding Trust I 8.151% 30/06/2031	1,364	0.51
1,550,000	Embarq Corp 7.995% 01/06/2036	1,578	0.59
200,000	Energen Corp 4.625% 01/09/2021	204	0.08
200,000	Frontier Florida LLC 6.86% 01/02/2028	160	0.06
100,000	Goodyear Tire & Rubber Co 7% 15/03/2028	110	0.04
500,000	Lexmark International Inc 6.125% 15/03/2020	523	0.20
625,000	United States Cellular Corp 6.7% 15/12/2033	634	0.24
Corporate bonds: BB/- rating			
1,988,000	CenturyLink Inc 5.8% 15/03/2022	2,077	0.78
1,250,000	CenturyLink Inc 6.45% 15/06/2021	1,352	0.50
750,000	CenturyLink Inc 6.875% 15/01/2028	751	0.28
1,350,000	CenturyLink Inc 7.6% 15/09/2039	1,273	0.48
700,000	CenturyLink Inc 7.65% 15/03/2042	661	0.25
700,000	Liberty Interactive LLC 8.25% 01/02/2030	752	0.28
300,000	Liberty Interactive LLC 8.5% 15/07/2029	333	0.12

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Corporate bonds: BB/- rating (cont)			
250,000	Pride International LLC 6.875% 15/08/2020	265	0.10
Corporate bonds: BB- rating			
1,500,000	ADT Corp 3.5% 15/07/2022	1,469	0.55
700,000	ADT Corp 4.125% 15/06/2023	695	0.26
100,000	AECOM Global II LLC / URS Fox US LP 5% 01/04/2022	102	0.04
400,000	Allegheny Energy Supply Co LLC 6.75% 15/10/2039	579	0.22
250,000	Dell Inc 4.625% 01/04/2021	259	0.10
1,100,000	Dell Inc 5.875% 15/06/2019	1,165	0.44
775,000	Dell Inc 6.5% 15/04/2038	773	0.29
250,000	Dell Inc 7.1% 15/04/2028	275	0.10
500,000	Diamond Offshore Drilling Inc 3.45% 01/11/2023	446	0.17
1,050,000	Diamond Offshore Drilling Inc 4.875% 01/11/2043	756	0.28
350,000	Diamond Offshore Drilling Inc 5.7% 15/10/2039	281	0.11
400,000	Diamond Offshore Drilling Inc 5.875% 01/05/2019	415	0.16
1,875,000	EMC Corp 1.875% 01/06/2018	1,865	0.70
2,500,000	EMC Corp 2.65% 01/06/2020	2,460	0.92
1,000,000	EMC Corp 3.375% 01/06/2023	970	0.36
150,000	FirstLight Hydro Generating Co 8.812% 15/10/2026	125	0.05
1,250,000	Freeport-McMoRan Inc 3.1% 15/03/2020	1,232	0.46
2,075,000	Freeport-McMoRan Inc 3.55% 01/03/2022	1,948	0.73
1,750,000	Freeport-McMoRan Inc 3.875% 15/03/2023	1,628	0.61
850,000	Freeport-McMoRan Inc 4.55% 14/11/2024^	801	0.30
800,000	Freeport-McMoRan Inc 5.4% 14/11/2034	705	0.26
1,750,000	Freeport-McMoRan Inc 5.45% 15/03/2043	1,482	0.55
850,000	L Brands Inc 6.95% 01/03/2033	823	0.31
750,000	NGPL PipeCo LLC 7.768% 15/12/2037	894	0.33
500,000	SESI LLC 6.375% 01/05/2019	494	0.18
925,000	SESI LLC 7.125% 15/12/2021	922	0.34
950,000	Southwestern Energy Co 4.1% 15/03/2022	883	0.33
850,000	Southwestern Energy Co 5.8% 23/01/2020	863	0.32
1,245,000	Southwestern Energy Co 6.7% 23/01/2025	1,230	0.46
100,000	Sprint Communications Inc 9.25% 15/04/2022	122	0.05
Corporate bonds: B+ rating			
350,000	Crown Cork & Seal Co Inc 7.375% 15/12/2026	405	0.15
1,350,000	Frontier Communications Corp 9% 15/08/2031	1,109	0.41
150,000	HCA Inc 7.05% 01/12/2027	165	0.06
150,000	HCA Inc 7.5% 15/11/2095	150	0.06
250,000	HCA Inc 7.69% 15/06/2025	286	0.11

iShares Fallen Angels High Yield Corp Bond UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (cont)			
United States (cont)			
Corporate bonds: B+ rating (cont)			
350,000	HCA Inc 8.36% 15/04/2024	411	0.15
2,150,000	Navient Corp 5.5% 25/01/2023	2,119	0.79
475,000	Navient Corp 5.625% 01/08/2033	389	0.15
275,000	Navient Corp 7.25% 25/01/2022	295	0.11
2,075,000	Navient Corp 8% 25/03/2020	2,298	0.86
1,075,000	Navient Corp 8.45% 15/06/2018	1,141	0.43
625,000	RBS Capital Trust II 6.425% *	709	0.26
450,000	Rowan Cos Inc 4.75% 15/01/2024	400	0.15
1,200,000	Rowan Cos Inc 4.875% 01/06/2022	1,137	0.43
450,000	Rowan Cos Inc 5.4% 01/12/2042	340	0.13
300,000	Rowan Cos Inc 5.85% 15/01/2044	235	0.09
200,000	Rowan Cos Inc 7.875% 01/08/2019	215	0.08
150,000	RR Donnelley & Sons Co 7.625% 15/06/2020	166	0.06
775,000	Yum! Brands Inc 3.875% 01/11/2020	798	0.30
450,000	Yum! Brands Inc 3.875% 01/11/2023	446	0.17
250,000	Yum! Brands Inc 5.3% 15/09/2019	264	0.10
375,000	Yum! Brands Inc 5.35% 01/11/2043	333	0.12
400,000	Yum! Brands Inc 6.875% 15/11/2037	424	0.16
Corporate bonds: B rating			
875,000	Allegheny Technologies Inc 5.95% 15/01/2021	872	0.32
720,000	Allegheny Technologies Inc 7.875% 15/08/2023	745	0.28
150,000	Avon Products Inc 6.5% 01/03/2019	155	0.06
745,000	Avon Products Inc 6.6% 15/03/2020	755	0.28
500,000	Avon Products Inc 7% 15/03/2023	464	0.17
200,000	Avon Products Inc 8.95% 15/03/2043	177	0.07
725,000	Genworth Holdings Inc 4.8% 15/02/2024	583	0.22
250,000	Genworth Holdings Inc 6.5% 15/06/2034	199	0.07
400,000	Genworth Holdings Inc 6.515% 22/05/2018	401	0.15
2,083,000	Genworth Holdings Inc 7.625% 24/09/2021	1,974	0.74
150,000	JC Penney Corp Inc 7.625% 01/03/2097	107	0.04
950,000	JC Penney Corp Inc 6.375% 15/10/2036	694	0.26
364,000	JC Penney Corp Inc 7.4% 01/04/2037	282	0.10
1,800,000	Sprint Capital Corp 6.875% 15/11/2028	1,996	0.75
1,950,000	Sprint Capital Corp 6.9% 01/05/2019	2,104	0.79
3,000,000	Sprint Capital Corp 8.75% 15/03/2032	3,787	1.42
1,000,000	Talen Energy Supply LLC 4.6% 15/12/2021	779	0.29
250,000	Talen Energy Supply LLC 6% 15/12/2036	131	0.05
350,000	United States Steel Corp 6.65% 01/06/2037	311	0.12
Corporate bonds: B- rating			
975,000	New Albertsons Inc 7.45% 01/08/2029	939	0.35
100,000	New Albertsons Inc 7.75% 15/06/2026	99	0.04
600,000	New Albertsons Inc 8.7% 01/05/2030	601	0.23
450,000	Safeway Inc 5% 15/08/2019	459	0.17
670,000	Safeway Inc 7.25% 01/02/2031	653	0.24

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Corporate bonds: B- rating			
250,000	XPO CNW Inc 6.7% 01/05/2034	236	0.09
Total United States		125,798	47.09
Total bonds		252,840	94.64
Total value of investments		252,840	94.64
Cash equivalents			
UCITS collective investment schemes - Money Market Funds			
7,971,235	Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund**	7,971	2.98
Cash†		1,669	0.62
Other net assets		4,679	1.76
Net asset value attributable to redeemable participating shareholders at the end of the financial period		267,159	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.			
^ These securities are partially or fully transferred as securities lent.			
* Perpetual bond.			
** Investment in related party.			

	Fair value \$'000	% of total current assets
Analysis of total current assets gross of all liabilities		
Transferable securities admitted to an official stock exchange listing	202,337	75.70
Transferable securities dealt in an another regulated market	50,503	18.90
UCITS collective investment schemes - Money Market Funds	7,971	2.98
Other assets	6,460	2.42
Total current assets	267,271	100.00

iShares Fallen Angels High Yield Corp Bond UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
3,000,000	Sprint Capital Corp 8.75% 15/03/2032	2,941	1,750,000	Royal Bank of Scotland Group Plc 6.93% 09/04/2018	2,024
2,625,000	SoftBank Group Corp 4.5% 15/04/2020	2,695	1,275,000	Cenovus Energy Inc 6.75% 15/11/2039	1,462
1,950,000	UniCredit SpA 6.95% 31/10/2022	2,453	1,225,000	FirstEnergy Corp 4.25% 15/03/2023	1,271
2,500,000	EMC Corp 2.65% 01/06/2020	2,430	1,000,000	Cenovus Energy Inc 5.7% 15/10/2019	1,080
2,140,000	ArcelorMittal 6% 01/03/2021	2,280	825,000	FirstEnergy Corp 7.375% 15/11/2031	1,029
2,075,000	Navient Corp 8% 25/03/2020	2,209	900,000	NGPL PipeCo LLC 7.119% 15/12/2017	938
1,750,000	Royal Bank of Scotland Plc 6.93% 09/04/2018	2,099	950,000	Cenovus Energy Inc 5.2% 15/09/2043	933
2,233,000	Genworth Holdings Inc 7.625% 24/09/2021	2,038	600,000	Virgin Media Secured Finance Plc 6% 15/01/2025	901
2,150,000	Navient Corp 5.5% 25/01/2023	1,998	800,000	Veolia Environnement SA 4.45%*	900
1,950,000	Sprint Capital Corp 6.9% 01/05/2019	1,979	800,000	Royal Bank of Scotland Group Plc 6.99%*	894
2,025,000	Continental Resources Inc 5% 15/09/2022	1,974	850,000	Cenovus Energy Inc 3% 15/08/2022	836
2,100,000	Deutsche Bank AG 4.5% 01/04/2025	1,952	775,000	Transocean Inc 6% 15/03/2018	791
1,988,000	CenturyLink Inc 5.8% 15/03/2022	1,933	800,000	Royal Bank of Scotland Group Plc 7.648%*	776
1,650,000	UniCredit SpA 5.75% 28/10/2025	1,874	650,000	Credit Agricole SA 8.2%*	772
2,075,000	Freeport-McMoRan Inc 3.55% 01/03/2022	1,864	725,000	Springleaf Finance Corp 6.9% 15/12/2017	756
1,875,000	EMC Corp 1.875% 01/06/2018	1,855	650,000	Komatsu Mining Corp 5.13% 15/10/2021	718
1,750,000	Generali Finance BV 4.6%*	1,839	650,000	Freeport-McMoRan Inc 6.75% 01/02/2022	663
1,600,000	ArcelorMittal 7.5% 15/10/2039	1,766	500,000	Italcementi Finance SA 5.38% 19/03/2020	612
1,350,000	Intesa Sanpaolo SpA 6.625% 13/09/2023	1,731	775,000	Weatherford International Ltd 6.75% 15/09/2040	599
1,825,000	Intesa Sanpaolo SpA 5.017% 26/06/2024	1,703	800,000	Weatherford International Ltd 5.95% 15/04/2042	592
			550,000	Freeport-McMoRan Inc 2.375% 15/03/2018	546
			450,000	Masco Corp 6.5% 15/08/2032	490
			400,000	ArcelorMittal 5.75% 29/03/2018	457
			439,000	Southwestern Energy Co 7.5% 01/02/2018	456
			450,000	VEREIT Operating Partnership LP 3% 06/02/2019	450
			500,000	Noble Holding International Ltd 3.95% 15/03/2022	444
			350,000	HeidelbergCement Finance Luxembourg SA 5.63% 04/01/2018	401
			300,000	Veolia Environnement SA 4.85%*	399
			350,000	CSC Holdings LLC 7.875% 15/02/2018	367
			400,000	Cenovus Energy Inc 4.45% 15/09/2042	356
			350,000	Cenovus Energy Inc 3.8% 15/09/2023	354
			350,000	Freeport-McMoRan Inc 6.63% 01/05/2021	350
			400,000	Weatherford International Ltd 4.5% 15/04/2022	347
			290,000	ArcelorMittal 6% 01/03/2021	320
			250,000	First Niagara Financial Group Inc 7.25% 15/12/2021	306
			300,000	UniCredit Luxembourg Finance SA 6% 31/10/2017	306

* Perpetual bond.

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares Healthcare Innovation UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 12 September 2016 to 31 May 2017 \$'000
Operating income	2	67
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,502
Total gains		1,569
Operating expenses	4	(39)
Net operating loss		(39)
Finance costs:		
Interest expense*	7	-
Total finance costs		-
Net profit for the financial period before tax		1,530
Taxation		(8)
Net profit for the financial period after tax		1,522
Increase in net assets attributable to redeemable participating shareholders from operations		1,522

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	1,522
Share transactions:	
Proceeds from issue of redeemable participating shares	31,106
Payments on redemption of redeemable participating shares	(6,729)
Increase in net assets resulting from share transactions	24,377
Net assets attributable to redeemable participating shareholders at the end of the financial period	25,899

The accompanying notes form an integral part of these financial statements.

iShares Healthcare Innovation UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		151
Receivables	10	19
Financial assets at fair value through profit or loss	11	25,739
Total current assets		25,909
CURRENT LIABILITIES		
Margin cash account		(1)
Payables	12	(9)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(10)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	25,899

The accompanying notes form an integral part of these financial statements.

iShares Healthcare Innovation UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	65
Securities lending income	2
	67

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	1,497
Net gains on futures contracts	6
Net losses on foreign currency transactions	(1)
	1,502

4. OPERATING EXPENSES

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Management fees	(39)
	(39)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.40

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Transaction costs	(13)

7. INTEREST EXPENSE

	Financial period from 12 September 2016 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

iShares Healthcare Innovation UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	6,500,000
Redeemed during the financial period	(1,500,000)
Balance at the end of financial period	5,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	25,899

	No. of Shares
Shares in issue	
As at 31 May 2017	5,000,000

	\$
Net asset value per share	
As at 31 May 2017	\$5.18

10. RECEIVABLES

	31 May 2017 \$'000
Dividend income receivable	16
Securities lending income receivable	1
Tax reclaim receivable	2
	19

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	25,734
Unrealised gains on futures contracts	5
	25,739

12. PAYABLES

	31 May 2017 \$'000
Management fees payable	(9)
	(9)

iShares Healthcare Innovation UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Australia			
Pharmaceuticals			
15,303	Sirtex Medical Ltd Com NPV	136	0.53
	Total Australia	136	0.53
Belgium			
Biotechnology			
21,528	Ablynx NV Com NPV^	271	1.05
Healthcare products			
7,121	Ion Beam Applications Com NPV	432	1.67
Pharmaceuticals			
5,803	Galapagos NV Com NPV	483	1.86
4,198	UCB SA Com NPV	297	1.15
	Total Belgium	1,483	5.73
Canada			
Pharmaceuticals			
135,440	ProMetic Life Sciences Inc Com NPV^	203	0.78
	Total Canada	203	0.78
Cayman Islands			
Healthcare products			
29,398	Pharmally International Holding Co Ltd Com TWD 10.00	459	1.77
	Total Cayman Islands	459	1.77
Denmark			
Biotechnology			
1,747	Genmab A/S Com DKK 1.00	373	1.44
Pharmaceuticals			
8,420	H Lundbeck A/S Com DKK 5.00	450	1.74
	Total Denmark	823	3.18
France			
Healthcare products			
2,460	BioMerieux Com NPV	519	2.00
	Total France	519	2.00
Germany			
Biotechnology			
6,167	MorphoSys AG Com NPV	452	1.74
Packaging & containers			
4,104	Gerresheimer AG Com NPV	352	1.36
	Total Germany	804	3.10
Hong Kong			
Pharmaceuticals			
359,332	CSPC Pharmaceutical Group Ltd Com NPV	538	2.08
	Total Hong Kong	538	2.08

Holding	Investment	Fair value \$'000	% of net asset value
India			
Pharmaceuticals			
29,535	Aurobindo Pharma Ltd Com INR 1.00	263	1.01
15,331	Lupin Ltd Com INR 2.00	276	1.07
	Total India	539	2.08
Ireland			
Healthcare products			
3,818	Medtronic Plc Com USD 0.10	322	1.24
Pharmaceuticals			
7,512	Alkermes Plc Com USD 0.01	434	1.68
	Total Ireland	756	2.92
Israel			
Pharmaceuticals			
6,067	Teva Pharmaceutical Industries Ltd Com ILS 0.10	174	0.67
	Total Israel	174	0.67
Italy			
Healthcare products			
5,262	DiaSorin SpA Com EUR 1.00	408	1.58
	Total Italy	408	1.58
Japan			
Healthcare products			
6,138	Asahi Intecc Co Ltd Com NPV	284	1.10
27,849	Nipro Corp Com NPV^	389	1.50
4,242	Symex Corp Com NPV	253	0.98
Pharmaceuticals			
9,034	Chugai Pharmaceutical Co Ltd Com NPV	344	1.33
5,939	Nippon Shinyaku Co Ltd Com NPV	347	1.34
20,863	Sumitomo Dainippon Pharma Co Ltd Com NPV	319	1.23
5,990	Towa Pharmaceutical Co Ltd Com NPV	286	1.10
	Total Japan	2,222	8.58
Netherlands			
Healthcare products			
14,238	QIAGEN NV Com EUR 0.01	480	1.85
	Total Netherlands	480	1.85
Republic of South Korea			
Biotechnology			
8,832	ATGen Co Ltd Com KRW 500.00	269	1.04
5,731	iNtRON Biotechnology Inc Com KRW 500.00	128	0.49
53,465	Pharmicell Co Ltd Com KRW 500.00Com KRW 500.00	199	0.77
10,071	Seegene Inc Com KRW 500.00	349	1.35
Healthcare products			
10,221	i-SENS Inc Com KRW 500.00	261	1.01
8,103	InBody Co Ltd Com KRW 500.00	216	0.83

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Republic of South Korea (cont)			
Healthcare services			
3,983	Medipost Co Ltd Com KRW 500.00	245	0.95
Pharmaceuticals			
3,974	Celltrion Inc Com KRW 1000.00	340	1.31
3,682	Chongkundang Holdings Corp Com KRW 2500.00	257	0.99
631	Hanmi Pharm Co Ltd Com KRW 2500.00	215	0.83
9,549	LegoChem Biosciences Inc Com KRW 500.00	291	1.13
12,130	Samjin Pharmaceutical Co Ltd Com KRW 1000.00	378	1.46
2,420	ViroMed Co Ltd Com KRW 500.00	218	0.84
Total Republic of South Korea		3,366	13.00
Sweden			
Healthcare products			
43,845	Elektia AB Com SEK 0.50^	440	1.70
Total Sweden		440	1.70
Taiwan			
Pharmaceuticals			
251,278	ScinoPharm Taiwan Ltd Com TWD 10.00	343	1.32
Total Taiwan		343	1.32
United States			
Biotechnology			
11,684	Acorda Therapeutics Inc Com USD 0.001	161	0.62
5,059	Amylin Pharmaceuticals Inc Com USD 0.01	331	1.28
2,218	Bio-Rad Laboratories Inc Com USD 0.0001	496	1.92
1,308	Biogen Inc Com USD 0.0005	324	1.25
3,091	Celgene Corp Com USD 0.01	354	1.37
3,813	Charles River Laboratories International Inc Com USD 0.01	351	1.36
3,828	Gilead Sciences Inc Com USD 0.001	248	0.96
2,288	Illumina Inc Com USD 0.01	406	1.57
12,793	Intrexon Corp Com NPV	273	1.05
15,231	Ionis Pharmaceuticals Inc Com USD 0.001	698	2.69
7,201	Juno Therapeutics Inc Com USD 0.0001	167	0.64
9,640	Myriad Genetics Inc Com USD 0.01	196	0.76
8,023	Seattle Genetics Inc Com USD 0.001	513	1.98
4,980	Ultragenyx Pharmaceutical Inc Com USD 0.001	268	1.03
Commercial services			
5,289	Parexel International Corp Com USD 0.01	427	1.65
Healthcare products			
7,740	Alere Inc Com USD 0.001	376	1.45
2,920	Bio-Techne Corp Com USD 0.01	327	1.26
14,064	Boston Scientific Corp Com USD 0.01	380	1.47
3,140	Edwards Lifesciences Corp Com USD 1.00	361	1.39

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Healthcare products (cont)			
9,444	Hologic Inc Com USD 0.01	409	1.58
500	Intuitive Surgical Inc Com USD 0.001	457	1.77
1,888	Teleflex Inc Com USD 1.00	378	1.46
3,867	Varian Medical Systems Inc Com USD 1.00	383	1.48
Healthcare services			
4,961	Quintiles IMS Holdings Inc Com USD 0.01	429	1.65
Medical supplies			
4,236	West Pharmaceutical Services Inc Com USD 0.25	411	1.59
Pharmaceuticals			
5,370	AbbVie Inc Com USD 0.01	354	1.37
14,074	Catalent Inc Com USD 0.01	500	1.93
4,514	DexCom Inc Com USD 0.001	302	1.17
9,689	Impax Laboratories Inc Com USD 0.01	148	0.57
6,576	Neurocrine Biosciences Inc Com USD 0.001	286	1.10
Software			
24,475	Allscripts Healthcare Solutions Inc Com USD 0.01	279	1.08
2,400	athenahealth Inc Com USD 0.01	322	1.24
5,759	Cerner Corp Com USD 0.01	376	1.45
18,892	Nuance Communications Inc Com USD 0.001	350	1.35
Total United States		12,041	46.49
Total equities		25,734	99.36

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value	
Financial derivative instruments				
Futures contracts				
2	Mini MSCI Emerging Markets Index Futures June 2017	96	5	0.02
Total unrealised gains on futures contracts			5	0.02
Total financial derivative instruments			5	0.02

	Fair value \$'000	% of net asset value
Total value of investments	25,739	99.38

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

	Fair value \$'000	% of net asset value
Cash [†]	150	0.58
Other net assets	10	0.04
Net asset value attributable to redeemable participating shareholders at the end of the financial period	25,899	100.00

[†] Cash holdings of \$150,509 are held with State Street Bank and Trust Company. (\$875) is due as security for futures contracts with HSBC.

[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	25,734	99.32
Exchange traded financial derivative instruments	5	0.02
Other assets	170	0.66
Total current assets	25,909	100.00

iShares Healthcare Innovation UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
2,888	St Jude Medical Inc Com USD 0.10	231	19,722	Ionis Pharmaceuticals Inc Com USD 0.001	870
4,491	Ionis Pharmaceuticals Inc Com USD 0.001	198	10,372	Seattle Genetics Inc Com USD 0.001	668
2,349	Seattle Genetics Inc Com USD 0.001	156	39,398	Pharmally International Holding Co Ltd Com TWD 10.00	562
10,000	Pharmally International Holding Co Ltd Com TWD 10.00	130	9,711	Alkermes Plc Com USD 0.01	541
2,199	Alkermes Plc Com USD 0.01	124	2,866	Bio-Rad Laboratories Inc Com USD 0.0001	521
4,326	Qiagen NV Com EUR 0.01	119	461,332	CSPC Pharmaceutical Group Ltd Com NPV	519
648	Bio-Rad Laboratories Inc Com USD 0.0001	115	56,654	Elekta AB Com SEK 0.50	515
387	Biogen Inc Com USD 0.0005	114	6,410	Quintiles IMS Holdings Inc Com USD 0.01	505
1,489	Ultragenyx Pharmaceutical Inc Com USD 0.001	112	6,469	Ultragenyx Pharmaceutical Inc Com USD 0.001	503
3,834	Intrexon Corp Com NPV	111	1,695	Biogen Inc Com USD 0.0005	498
102,000	CSPC Pharmaceutical Group Ltd Com NPV	109	3,194	BioMerieuxCom NPV	492
926	Celgene Corp Com USD 0.01	109	7,496	Galapagos NV Com NPV	491
1,449	Quintiles IMS Holdings Inc Com USD 0.01	108	18,181	Catalent Inc Com USD 0.01	485
2,757	Hologic Inc Com USD 0.01	105	12,201	Hologic Inc Com USD 0.01	483
12,809	Elekta AB Com SEK 0.50	105	4,017	Celgene Corp Com USD 0.01	475
1,266	West Pharmaceutical Services Inc Com USD 0.25	102	2,960	Illumina Inc Com USD 0.01	463
734	BioMerieux Com NPV	102	5,502	West Pharmaceutical Services Inc Com USD 0.25	458
1,125	Varian Medical Systems Inc Com USD 1.00	101	26,863	Sumitomo Dainippon Pharma Co Ltd Com NPV	458
1,693	Galapagos NV Com NPV	100	650	Intuitive Surgical Inc Com USD 0.001	454
4,503	Lupin Ltd Com INR 2.00	99	5,840	DexCom Inc Com USD 0.001	453
3,529	Samjin Pharmaceutical Co Ltd Com KRW 1000.00	99	5,032	Celltrion Inc Com KRW 1000.00	449
6,000	Sumitomo Dainippon Pharma Co Ltd Com NPV	97	15,659	Samjin Pharmaceutical Co Ltd Com KRW 1000.00	448
1,621	AbbVie Inc Com USD 0.01	97	10,829	H Lundbeck A/S Com DKK 5.00	443
4,107	Catalent Inc Com USD 0.01	97	4,992	Varian Medical Systems Inc Com USD 1.00	441
1,134	Celltrion Inc Com KRW 1000.00	96	19,834	Lupin Ltd Com INR 2.00	439
150	Intuitive Surgical Inc Com USD 0.001	96	36,349	Nipro Corp Com NPV	439
1,308	Gerresheimer AG Com NPV	95	16,627	Intrexon Corp Com NPV	436
1,591	Parexel International Corp Com USD 0.01	94	6,991	AbbVie Inc Com USD 0.01	435
2,409	H Lundbeck A/S Com DKK 5.00	93	6,880	Parexel International Corp Com USD 0.01	430
8,500	Nipro Corp Com NPV	92	326,278	ScinoPharm Taiwan Ltd Com TWD 10.00	428
4,587	Sirtex Medical Ltd Com NPV	92	18,195	Boston Scientific Corp Com USD 0.01	427
75,000	ScinoPharm Taiwan Ltd Com TWD 10.00	92	2,460	Teleflex Inc Com USD 1.00	422
8,551	Aurobindo Pharma Ltd Com INR 1.00	90	9,212	on Beam Applications Com NPV	421
846	Bio-Techne Corp Com USD 0.01	89	5,412	Gerresheimer AG Com NPV	419
2,244	Alere Inc Com USD 0.001	89	2,260	Genmab A/S Com DKK 1.00	418
2,091	Ion Beam Applications Com NPV	89	8,508	Neurocrine Biosciences Inc Com USD 0.001	411
5,550	Nuance Communications Inc Com USD 0.001	89	6,790	DiaSorin SpA Com EUR 1.00	410
572	Teleflex Inc Com USD 1.00	88	38,086	Aurobindo Pharma Ltd Com INR 1.00	409
513	Genmab A/S Com DKK 1.00	87	7,451	Cerner Corp Com USD 0.01	405
672	Illumina Inc Com USD 0.01	86	9,984	Alere Inc Com USD 0.001	401
2,760	LegoChem Biosciences Inc Com KRW 500.00	86	7,940	MorphoSys AG Com NPV	399
1,326	DexCom Inc Com USD 0.001	85	3,766	Bio-Techne Corp Com USD 0.01	399
4,131	Boston Scientific Corp Com USD 0.01	85	24,442	Nuance Communications Inc Com USD 0.001	398

iShares Healthcare Innovation UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited) (continued)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
1,800	Nippon Shinyaku Co Ltd Com NPV	84	4,933	Charles River Laboratories International Inc Com USD 0.01	396
1,932	Neurocrine Biosciences Inc Com USD 0.001	84	5,456	UCB SA Com NPV	392
1,528	DiaSorin SpA Com EUR 1.00	84	7,739	Nippon Shinyaku Co Ltd Com NPV	391
3,018	Seegene Inc Com KRW 500.00	82	4,920	Medtronic Plc Com USD 0.10	390
1,692	Cerner Corp Com USD 0.01	81	4,082	Edwards Lifesciences Corp Com USD 1.00	388
1,120	Charles River Laboratories International Inc Com USD 0.01	81	13,089	Seegene Inc Com KRW 500.00	383
1,258	Gilead Sciences Inc Com USD 0.001	80	11,734	Chugai Pharmaceutical Co Ltd Com NPV	375
1,102	UCB SA Com NPV	80	31,664	Allscripts Healthcare Solutions Inc Com USD 0.01	370
1,773	Medtronic Plc Com USD 0.10	79	4,935	Gilead Sciences Inc Com USD 0.001	360
942	MorphoSys AG Com NPV	78	12,309	LegoChem Biosciences Inc Com KRW 500.00	354
7,189	Edwards Lifesciences Corp Com USD 1.00	78	13,156	i-SENS Inc Com KRW 500.00	348
2,700	Allscripts Healthcare Solutions Inc Com USD 0.01	76	3,120	athenahealth Inc Com USD 0.01	344
2,345	Chugai Pharmaceutical Co Ltd Com NPV	74	11,374	ATGen Co Ltd Com KRW 500.00	342
3,501	IMS Health Holdings Inc Com USD 0.01	73	19,890	Sirtex Medical Ltd Com NPV	340
2,542	Acorda Therapeutics Inc Com USD 0.001	72	15,185	Acorda Therapeutics Inc Com USD 0.001	340
2,935	ATGen Co Ltd Com KRW 500.00	72	5,442	Sysmex Corp Com NPV	332
40,584	i-SENS Inc Com KRW 500.00	71	6,496	Alnylam Pharmaceuticals Inc Com USD 0.01	331
1,200	ProMetic Life Sciences Inc Com NPV	70	7,938	Asahi Intecc Co Ltd Com NPV	330
			27,693	Ablynx NV Com NPV	326
			176,024	ProMetic Life Sciences Inc Com NPV	323
			7,790	Towa Pharmaceutical Co Ltd Com NPV	321

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

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INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	9,303	3,285
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(482)	154
Total gains		8,821	3,439
Operating expenses	4	(575)	(194)
Net operating profit		8,246	3,245
Finance costs:			
Distributions to redeemable participating shareholders	6	(7,805)	(1,674)
Interest expense	7	(1)	(1)
Total finance costs		(7,806)	(1,675)
Net profit for the financial year before tax		440	1,570
Net profit for the financial year after tax		440	1,570
Increase in net assets attributable to redeemable participating shareholders from operations		440	1,570

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	338,614	50,859
Increase in net assets attributable to redeemable participating shareholders from operations	440	1,570
Share transactions:		
Proceeds from issue of redeemable participating shares	262,985	286,185
Payments on redemption of redeemable participating shares	(20,674)	-
Increase in net assets resulting from share transactions	242,311	286,185
Net assets attributable to redeemable participating shareholders at the end of the financial year	581,365	338,614

The accompanying notes form an integral part of these financial statements.

iShares iBonds Sep 2018 \$ Corp UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		300	349
Cash equivalents		13,087	14,871
Receivables	11	4,381	2,467
Financial assets at fair value through profit or loss	12	563,647	325,795
Total current assets		581,415	343,482
CURRENT LIABILITIES			
Payables	13	(50)	(4,868)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(50)	(4,868)
Net asset value attributable to redeemable participating shareholders at the end of the financial year	10	581,365	338,614

The accompanying notes form an integral part of these financial statements.

iShares iBonds Sep 2018 \$ Corp UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	124	22
Bond interest income	9,179	3,263
	9,303	3,285

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(482)	154
Net gains on foreign currency transactions*	-	-
	(482)	154

* Amounts which are less than \$500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(575)	(194)
	(575)	(194)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.10	0.10

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS*

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
June	2,016	-
August	-	206
September	2,187	-
December	2,225	954
March	2,176	1,247
	8,604	2,407
Equalisation income	(848)	(733)
Equalisation expense	49	-
	7,805	1,674

* For distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company for details of the June 2017 distributions.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

7. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Bank interest	(1)	(1)
	(1)	(1)

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	67,499,850	10,156,000
Issued during the financial year	52,483,403	57,343,850
Redeemed during the financial year	(4,136,221)	-
Balance at the end of financial year	115,847,032	67,499,850

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	581,365
As at 31 May 2016	338,614
As at 31 May 2015	50,859

	No. of Shares
Shares in issue	
As at 31 May 2017	115,847,032
As at 31 May 2016	67,499,850
As at 31 May 2015	10,156,000

	\$
Net asset value per share	
As at 31 May 2017	5.02
As at 31 May 2016	5.02
As at 31 May 2015	5.01

11. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Interest receivable	10	5
Bond income receivable	4,371	2,462
	4,381	2,467

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in bonds	563,647	325,795
	563,647	325,795

13. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	-	(4,839)
Management fees payable	(50)	(29)
	(50)	(4,868)

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SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 96.22%)			
Bonds (31 May 2016: 96.22%)			
Australia (31 May 2016: 1.98%)			
Corporate bonds: AA- rating			
1,328,000	Australia & New Zealand Banking Group Ltd 1.45% 15/05/2018	1,327	0.23
1,580,000	Australia & New Zealand Banking Group Ltd 1.5% 16/01/2018	1,581	0.27
1,500,000	Commonwealth Bank of Australia 1.625% 12/03/2018	1,501	0.26
1,500,000	Commonwealth Bank of Australia 2.5% 20/09/2018	1,515	0.26
1,275,000	National Australia Bank Ltd 1.875% 23/07/2018	1,278	0.22
595,000	National Australia Bank Ltd 2.3% 25/07/2018	599	0.10
2,500,000	Westpac Banking Corp 1.5% 01/12/2017	2,502	0.43
1,750,000	Westpac Banking Corp 1.55% 25/05/2018	1,748	0.30
500,000	Westpac Banking Corp 1.6% 12/01/2018	500	0.09
1,000,000	Westpac Banking Corp 2.25% 30/07/2018	1,006	0.17
	Total Australia	13,557	2.33
Canada (31 May 2016: 6.37%)			
Corporate bonds: AA- rating			
200,000	Royal Bank of Canada 1.4% 13/10/2017	200	0.04
4,350,000	Royal Bank of Canada 1.8% 30/07/2018	4,356	0.75
2,850,000	Royal Bank of Canada 2.2% 27/07/2018	2,868	0.49
2,500,000	Toronto-Dominion Bank 1.4% 30/04/2018	2,499	0.43
1,190,000	Toronto-Dominion Bank 1.45% 06/09/2018	1,188	0.20
2,000,000	Toronto-Dominion Bank 1.625% 13/03/2018	2,003	0.35
1,099,000	Toronto-Dominion Bank 1.75% 23/07/2018	1,101	0.19
1,900,000	Toronto-Dominion Bank 2.625% 10/09/2018	1,923	0.33
Corporate bonds: A+ rating			
1,713,000	Bank of Montreal 1.35% 28/08/2018	1,707	0.29
905,000	Bank of Montreal 1.4% 10/04/2018	904	0.16
2,000,000	Bank of Montreal 1.8% 31/07/2018	2,004	0.34
983,000	Bank of Nova Scotia 1.375% 18/12/2017	983	0.17
1,225,000	Bank of Nova Scotia 1.45% 25/04/2018	1,225	0.21
1,250,000	Bank of Nova Scotia 1.7% 11/06/2018	1,251	0.22
1,000,000	Canadian Imperial Bank of Commerce 1.55% 23/01/2018	1,000	0.17
1,850,000	Total Capital Canada Ltd 1.45% 15/01/2018	1,850	0.32

Holding	Investment	Fair value \$'000	% of net asset value
Canada (31 May 2016: 6.37%) (cont)			
Corporate bonds: A rating			
465,000	Canadian National Railway Co 5.55% 15/05/2018	482	0.08
750,000	National Bank of Canada 1.45% 07/11/2017	750	0.13
Corporate bonds: A- rating			
175,000	Petro-Canada 6.05% 15/05/2018	182	0.03
2,750,000	TransCanada PipeLines Ltd 1.625% 09/11/2017	2,751	0.47
1,450,000	TransCanada PipeLines Ltd 1.875% 12/01/2018	1,452	0.25
500,000	TransCanada PipeLines Ltd 6.5% 15/08/2018	528	0.09
Corporate bonds: BBB+ rating			
1,675,000	Canadian Natural Resources Ltd 1.75% 15/01/2018	1,674	0.29
75,000	Canadian Natural Resources Ltd 5.9% 01/02/2018	77	0.01
600,000	Goldcorp Inc 2.125% 15/03/2018	601	0.10
900,000	Potash Corp of Saskatchewan Inc 3.25% 01/12/2017	906	0.16
1,450,000	Rogers Communications Inc 6.8% 15/08/2018	1,536	0.27
350,000	Thomson Reuters Corp 6.5% 15/07/2018	368	0.06
Corporate bonds: BBB- rating			
75,000	TransAlta Corp 6.9% 15/05/2018	78	0.01
	Total Canada	38,447	6.61
Cayman Islands (31 May 2016: 0.99%)			
Corporate bonds: A+ rating			
1,150,000	Alibaba Group Holding Ltd 1.625% 28/11/2017	1,149	0.20
Corporate bonds: A-/*- rating			
2,400,000	Baidu Inc 2.25% 28/11/2017	2,404	0.41
1,400,000	Baidu Inc 3.25% 06/08/2018	1,418	0.25
	Total Cayman Islands	4,971	0.86
Chile (31 May 2016: 0.06%)			
Corporate bonds: BBB+ rating			
700,000	Itau CorpBanca 3.125% 15/01/2018	704	0.12
	Total Chile	704	0.12
France (31 May 2016: 1.27%)			
Corporate bonds: AA rating			
1,750,000	Sanofi 1.25% 10/04/2018	1,748	0.30
Corporate bonds: A+ rating			
1,000,000	Total Capital SA 2.125% 10/08/2018	1,008	0.17
Corporate bonds: A rating			
1,570,000	BNP Paribas SA 2.7% 20/08/2018	1,587	0.27
1,250,000	BPCE SA 1.625% 26/01/2018	1,249	0.22
1,750,000	Societe Generale SA 2.75% 12/10/2017	1,758	0.30
	Total France	7,350	1.26

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.22%) (cont)			
Germany (31 May 2016: 0.44%)			
Corporate bonds: BBB- rating			
2,035,000	Deutsche Bank AG 1.875% 13/02/2018	2,034	0.35
Total Germany		2,034	0.35
Italy (31 May 2016: 0.27%)			
Corporate bonds: BBB- rating			
2,385,000	Intesa Sanpaolo SpA 3.875% 16/01/2018	2,410	0.42
Total Italy		2,410	0.42
Japan (31 May 2016: 0.37%)			
Corporate bonds: A rating			
250,000	Sumitomo Mitsui Banking Corp 1.75% 16/01/2018	250	0.04
2,500,000	Sumitomo Mitsui Banking Corp 1.95% 23/07/2018	2,503	0.43
1,000,000	Sumitomo Mitsui Banking Corp 2.5% 19/07/2018	1,008	0.18
Total Japan		3,761	0.65
Luxembourg (31 May 2016: 1.14%)			
Corporate bonds: A rating			
2,000,000	Coviden International Finance SA 6% 15/10/2017	2,032	0.35
Corporate bonds: A- rating			
650,000	Tyco Electronics Group SA 6.55% 01/10/2017	661	0.11
Corporate bonds: BBB rating			
3,350,000	Allergan Funding SCS 2.35% 12/03/2018	3,365	0.58
Corporate bonds: BBB-/A- rating			
1,100,000	Pentair Finance SA 2.9% 15/09/2018	1,111	0.19
Total Luxembourg		7,169	1.23
Mexico (31 May 2016: Nil)			
Corporate bonds: A- rating			
700,000	America Movil SAB de CV 5.625% 15/11/2017	713	0.12
Corporate bonds: BBB+ rating			
500,000	Grupo Televisa SAB 6% 15/05/2018	519	0.09
Total Mexico		1,232	0.21
Netherlands (31 May 2016: 1.11%)			
Corporate bonds: A+ rating			
2,000,000	Cooperatieve Rabobank UA 1.7% 19/03/2018	2,004	0.34
Corporate bonds: A rating			
1,750,000	Shell International Finance BV 1.25% 10/11/2017	1,749	0.30
1,880,000	Shell International Finance BV 1.9% 10/08/2018	1,888	0.33

Holding	Investment	Fair value \$'000	% of net asset value
Netherlands (31 May 2016: 1.11%) (cont)			
Corporate bonds: BBB+ rating			
1,250,000	Deutsche Telekom International Finance BV 6.75% 20/08/2018	1,323	0.23
Corporate bonds: BBB rating			
1,850,000	Teva Pharmaceutical Finance Netherlands III BV 1.4% 20/07/2018	1,842	0.32
Total Netherlands		8,806	1.52
Panama (31 May 2016: 0.03%)			
Corporate bonds: A- rating			
1,100,000	Carnival Corp 1.875% 15/12/2017	1,102	0.19
Total Panama		1,102	0.19
Spain (31 May 2016: 0.36%)			
Corporate bonds: BBB rating			
1,500,000	Telefonica Emisiones SAU 3.192% 27/04/2018	1,518	0.26
Total Spain		1,518	0.26
Sweden (31 May 2016: Nil)			
Corporate bonds: AA- rating			
1,000,000	Svenska Handelsbanken AB 1.625% 21/03/2018	1,001	0.17
Total Sweden		1,001	0.17
Switzerland (31 May 2016: 1.98%)			
Corporate bonds: A+ rating			
4,250,000	UBS AG 1.8% 26/03/2018	4,259	0.73
1,700,000	UBS AG 5.75% 25/04/2018	1,761	0.31
300,000	UBS AG 5.875% 20/12/2017	307	0.05
Corporate bonds: A rating			
2,250,000	Credit Suisse AG 1.7% 27/04/2018	2,250	0.38
4,050,000	Credit Suisse AG 1.75% 29/01/2018	4,054	0.70
Total Switzerland		12,631	2.17
United Kingdom (31 May 2016: 3.99%)			
Corporate bonds: A rating			
1,000,000	Lloyds Bank Plc 1.75% 14/05/2018	1,001	0.17
1,500,000	Santander UK Plc 2% 24/08/2018	1,502	0.26
600,000	Santander UK Plc 3.05% 23/08/2018	609	0.10
Corporate bonds: A- rating			
500,000	BP Capital Markets Plc 1.375% 06/11/2017	500	0.09
650,000	BP Capital Markets Plc 1.375% 10/05/2018	649	0.11
1,500,000	BP Capital Markets Plc 1.674% 13/02/2018	1,501	0.26
2,200,000	BP Capital Markets Plc 2.241% 26/09/2018	2,215	0.38
300,000	Diageo Capital Plc 1.125% 29/04/2018	299	0.05
2,000,000	Diageo Capital Plc 5.75% 23/10/2017	2,034	0.35

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.22%) (cont)			
United Kingdom (31 May 2016: 3.99%)			
Corporate bonds: BBB+ rating (cont)			
1,500,000	British Telecommunications Plc 5.95% 15/01/2018	1,539	0.26
2,424,000	Vodafone Group Plc 1.5% 19/02/2018	2,422	0.42
Corporate bonds: BBB rating			
1,200,000	Barclays Plc 2% 16/03/2018	1,201	0.21
Total United Kingdom		15,472	2.66
United States (31 May 2016: 75.86%)			
Corporate bonds: AAA rating			
300,000	Johnson & Johnson 1.125% 21/11/2017	300	0.05
1,500,000	Johnson & Johnson 5.15% 15/07/2018	1,562	0.27
1,450,000	Microsoft Corp 0.875% 15/11/2017	1,448	0.25
Corporate bonds: AA+ rating			
5,574,000	Apple Inc 1% 03/05/2018	5,557	0.96
1,000,000	Apple Inc 1.3% 23/02/2018	1,000	0.17
3,100,000	Exxon Mobil Corp 1.305% 06/03/2018	3,100	0.53
850,000	Exxon Mobil Corp 1.439% 01/03/2018	851	0.15
Corporate bonds: AA rating			
1,975,000	Berkshire Hathaway Finance Corp 1.45% 07/03/2018	1,977	0.34
1,000,000	Berkshire Hathaway Finance Corp 2% 15/08/2018	1,006	0.17
1,755,000	Berkshire Hathaway Finance Corp 5.4% 15/05/2018	1,820	0.31
500,000	Berkshire Hathaway Inc 1.15% 15/08/2018	499	0.09
55,000	Berkshire Hathaway Inc 1.55% 09/02/2018	55	0.01
1,250,000	Merck & Co Inc 1.1% 31/01/2018	1,248	0.21
1,300,000	Merck & Co Inc 1.3% 18/05/2018	1,299	0.22
2,250,000	Pfizer Inc 1.2% 01/06/2018	2,247	0.39
200,000	Pfizer Inc 1.5% 15/06/2018	200	0.03
500,000	Pfizer Inc 4.65% 01/03/2018	512	0.09
2,500,000	Wal-Mart Stores Inc 1.125% 11/04/2018	2,496	0.43
930,000	Wal-Mart Stores Inc 5.8% 15/02/2018	959	0.17
Corporate bonds: AA- rating			
1,150,000	3M Co 1.375% 07/08/2018	1,150	0.20
1,250,000	Amazon.com Inc 1.2% 29/11/2017	1,249	0.21
1,000,000	Chevron Corp 1.104% 05/12/2017	999	0.17
100,000	Chevron Corp 1.344% 09/11/2017	100	0.02
2,000,000	Chevron Corp 1.345% 15/11/2017	2,001	0.34
4,100,000	Chevron Corp 1.365% 02/03/2018	4,102	0.70
2,500,000	Chevron Corp 1.718% 24/06/2018	2,508	0.43
1,200,000	Cisco Systems Inc 1.4% 28/02/2018	1,201	0.21
2,850,000	Cisco Systems Inc 1.65% 15/06/2018	2,857	0.49
1,585,000	Coca-Cola Co 0.875% 27/10/2017	1,583	0.27
1,625,000	Coca-Cola Co 1.15% 01/04/2018	1,623	0.28
500,000	Coca-Cola Co 1.65% 14/03/2018	501	0.09
1,200,000	Colgate-Palmolive Co 0.9% 01/05/2018	1,196	0.21

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 75.86%) (cont)			
Corporate bonds: AA- rating (cont)			
1,500,000	Eli Lilly & Co 1.25% 01/03/2018	1,498	0.26
1,500,000	General Electric Co 1.625% 02/04/2018	1,503	0.26
4,750,000	General Electric Co 5.25% 06/12/2017	4,844	0.83
3,350,000	General Electric Co 5.625% 01/05/2018	3,479	0.60
2,100,000	Oracle Corp 1.2% 15/10/2017	2,099	0.36
4,070,000	Oracle Corp 5.75% 15/04/2018	4,219	0.73
1,200,000	Precision Castparts Corp 1.25% 15/01/2018	1,199	0.21
1,100,000	Toyota Motor Credit Corp 1.2% 06/04/2018	1,099	0.19
1,500,000	Toyota Motor Credit Corp 1.25% 05/10/2017	1,500	0.26
1,350,000	Toyota Motor Credit Corp 1.45% 12/01/2018	1,351	0.23
2,750,000	Toyota Motor Credit Corp 1.55% 13/07/2018	2,753	0.47
1,750,000	US Bank NA 1.35% 26/01/2018	1,749	0.30
500,000	US Bank NA 1.45% 29/01/2018	500	0.09
2,500,000	Wells Fargo Bank NA 1.65% 22/01/2018	2,503	0.43
Corporate bonds: A+ rating			
1,250,000	American Honda Finance Corp 1.55% 11/12/2017	1,251	0.22
1,780,000	American Honda Finance Corp 1.6% 13/07/2018	1,783	0.31
1,500,000	Bank of America NA 1.65% 26/03/2018	1,502	0.26
1,750,000	Bank of America NA 1.75% 05/06/2018	1,753	0.30
225,000	Connecticut Light & Power Co 5.65% 01/05/2018	233	0.04
1,500,000	Costco Wholesale Corp 1.125% 15/12/2017	1,500	0.26
1,150,000	General Dynamics Corp 1% 15/11/2017	1,148	0.20
3,500,000	GlaxoSmithKline Capital Inc 5.65% 15/05/2018	3,639	0.63
3,978,000	Intel Corp 1.35% 15/12/2017	3,979	0.68
3,200,000	International Business Machines Corp 1.125% 06/02/2018	3,195	0.55
300,000	International Business Machines Corp 1.25% 08/02/2018	300	0.05
750,000	JPMorgan Chase Bank NA 1.45% 21/09/2018	748	0.13
1,000,000	MUFG Union Bank NA 2.625% 26/09/2018	1,009	0.17
500,000	Nevada Power Co 6.5% 15/05/2018	523	0.09
1,000,000	Paccar Financial Corp 1.4% 18/05/2018	1,000	0.17
500,000	Paccar Financial Corp 1.45% 09/03/2018	500	0.09
350,000	PacifiCorp 5.65% 15/07/2018	365	0.06
1,995,000	PepsiCo Inc 1% 13/10/2017	1,993	0.34
1,375,000	PepsiCo Inc 1.25% 30/04/2018	1,374	0.24
1,050,000	PepsiCo Inc 5% 01/06/2018	1,088	0.19
1,000,000	United Parcel Service Inc 1.125% 01/10/2017	999	0.17
1,200,000	United Parcel Service Inc 5.5% 15/01/2018	1,230	0.21

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.22%) (cont)				United States (31 May 2016: 75.86%) (cont)			
United States (31 May 2016: 75.86%) (cont)				Corporate bonds: A rating (cont)			
1,000,000	UnitedHealth Group Inc 1.4% 15/10/2017	1,000	0.17	2,500,000	HSBC USA Inc 2% 07/08/2018	2,507	0.43
1,250,000	UnitedHealth Group Inc 1.4% 15/12/2017	1,249	0.22	1,300,000	HSBC USA Inc 2.625% 24/09/2018	1,313	0.23
1,995,000	UnitedHealth Group Inc 1.9% 16/07/2018	2,003	0.34	1,000,000	John Deere Capital Corp 1.2% 10/10/2017	1,000	0.17
500,000	UnitedHealth Group Inc 6% 15/02/2018	515	0.09	500,000	John Deere Capital Corp 1.35% 16/01/2018	500	0.09
2,750,000	Visa Inc 1.2% 14/12/2017	2,750	0.47	1,750,000	John Deere Capital Corp 1.55% 15/12/2017	1,752	0.30
1,450,000	Walt Disney Co 1.1% 01/12/2017	1,449	0.25	1,750,000	John Deere Capital Corp 1.6% 13/07/2018	1,753	0.30
1,750,000	Walt Disney Co 1.5% 17/09/2018	1,752	0.30	500,000	John Deere Capital Corp 1.75% 10/08/2018	501	0.09
Corporate bonds: A rating				250,000	John Deere Capital Corp 5.35% 03/04/2018	258	0.05
1,000,000	Aetna Inc 1.5% 15/11/2017	1,000	0.17	500,000	John Deere Capital Corp 5.75% 10/09/2018	526	0.09
1,295,000	Aetna Inc 1.7% 07/06/2018	1,296	0.22	870,000	Manufacturers & Traders Trust Co 1.45% 07/03/2018	870	0.15
500,000	Air Products & Chemicals Inc 1.2% 15/10/2017	500	0.09	1,180,000	Medtronic Inc 1.375% 01/04/2018	1,179	0.20
745,000	Amgen Inc 6.15% 01/06/2018	777	0.13	600,000	Medtronic Inc 1.5% 15/03/2018	600	0.10
1,300,000	Anthem Inc 2.3% 15/07/2018	1,307	0.23	75,000	MUFG Americas Holdings Corp 1.625% 09/02/2018	75	0.01
240,000	Archer-Daniels-Midland Co 5.45% 15/03/2018	247	0.04	200,000	National Rural Utilities Cooperative Finance Corp 5.45% 01/02/2018	205	0.04
350,000	Bank of New York Mellon Corp 1.3% 25/01/2018	350	0.06	300,000	Northern States Power Co 5.25% 01/03/2018	308	0.05
1,500,000	Bank of New York Mellon Corp 1.6% 22/05/2018	1,501	0.26	1,200,000	NYSE Holdings LLC 2% 05/10/2017	1,202	0.21
750,000	Bank of New York Mellon Corp 2.1% 01/08/2018	754	0.13	330,000	Occidental Petroleum Corp 1.5% 15/02/2018	330	0.06
250,000	Boeing Co 0.95% 15/05/2018	249	0.04	1,000,000	Oncor Electric Delivery Co LLC 6.8% 01/09/2018	1,059	0.18
1,000,000	Branch Banking & Trust Co 1.35% 01/10/2017	1,000	0.17	500,000	Parker-Hannifin Corp 5.5% 15/05/2018	519	0.09
1,200,000	Burlington Northern Santa Fe LLC 5.75% 15/03/2018	1,240	0.21	1,350,000	Philip Morris International Inc 1.25% 09/11/2017	1,349	0.23
750,000	Caterpillar Financial Services Corp 1.25% 06/11/2017	750	0.13	2,650,000	Philip Morris International Inc 5.65% 16/05/2018	2,754	0.47
2,500,000	Caterpillar Financial Services Corp 1.5% 23/02/2018	2,498	0.43	1,750,000	PNC Bank NA 1.5% 23/02/2018	1,750	0.30
500,000	Caterpillar Financial Services Corp 1.7% 16/06/2018	500	0.09	2,000,000	PNC Bank NA 1.6% 01/06/2018	2,001	0.34
250,000	Caterpillar Financial Services Corp 2.45% 06/09/2018	252	0.04	250,000	PNC Bank NA 1.85% 20/07/2018	251	0.04
250,000	Caterpillar Financial Services Corp 5.45% 15/04/2018	258	0.05	250,000	Prudential Financial Inc 2.3% 15/08/2018	252	0.04
750,000	Charles Schwab Corp 1.5% 10/03/2018	750	0.13	700,000	Prudential Financial Inc 6% 01/12/2017	715	0.12
1,500,000	Chubb Corp 5.75% 15/05/2018	1,560	0.27	1,000,000	Public Service Electric & Gas Co 2.3% 15/09/2018	1,009	0.17
500,000	Danaher Corp 1.65% 15/09/2018	501	0.09	2,270,000	Qualcomm Inc 1.4% 18/05/2018	2,270	0.39
500,000	Duke Energy Carolinas LLC 5.1% 15/04/2018	515	0.09	500,000	Ralph Lauren Corp 2.125% 26/09/2018	503	0.09
180,000	Entergy Gulf States Louisiana LLC 6% 01/05/2018	187	0.03	1,250,000	Stryker Corp 1.3% 01/04/2018	1,247	0.22
1,350,000	Gilead Sciences Inc 1.85% 04/09/2018	1,353	0.23	1,500,000	Target Corp 6% 15/01/2018	1,542	0.27
500,000	Hershey Co 1.6% 21/08/2018	501	0.09	976,000	Travelers Cos Inc 5.75% 15/12/2017	998	0.17
1,775,000	Home Depot Inc 2.25% 10/09/2018	1,793	0.31	2,337,000	Wachovia Corp 5.75% 01/02/2018	2,400	0.41
200,000	HSBC USA Inc 1.5% 13/11/2017	200	0.03	3,962,000	Wells Fargo & Co 1.5% 16/01/2018	3,961	0.68
500,000	HSBC USA Inc 1.625% 16/01/2018	500	0.09	3,250,000	Wells Fargo & Co 5.625% 11/12/2017	3,319	0.57
2,200,000	HSBC USA Inc 1.7% 05/03/2018	2,202	0.38	Corporate bonds: A/- rating			
				500,000	CR Bard Inc 1.375% 15/01/2018	499	0.09

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SCHEDULE OF INVESTMENTS (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.22%) (cont)				United States (31 May 2016: 75.86%) (cont)			
Corporate bonds: A- rating				Corporate bonds: A-/A- rating (cont)			
3,200,000	AbbVie Inc 1.8% 14/05/2018	3,207	0.55	320,000	Cardinal Health Inc 1.95% 15/06/2018	321	0.05
30,000	Airgas Inc 1.65% 15/02/2018	30	0.01	1,750,000	El du Pont de Nemours & Co 6% 15/07/2018	1,834	0.32
2,500,000	American Express Credit Corp 1.8% 31/07/2018	2,503	0.43	Corporate bonds: BBB+ rating			
1,400,000	Anheuser-Busch InBev Finance Inc 1.25% 17/01/2018	1,398	0.24	800,000	American Electric Power Co Inc 1.65% 15/12/2017	800	0.14
1,500,000	Anheuser-Busch InBev Worldwide Inc 2.2% 01/08/2018	1,510	0.26	475,000	American Express Co 1.55% 22/05/2018	475	0.08
1,000,000	BB&T Corp 1.45% 12/01/2018	1,000	0.17	2,480,000	American Express Co 7% 19/03/2018	2,585	0.44
300,000	BB&T Corp 2.05% 19/06/2018	301	0.05	1,000,000	American International Group Inc 5.85% 16/01/2018	1,027	0.18
3,500,000	Bear Stearns Cos LLC 6.4% 02/10/2017	3,556	0.61	3,000,000	Bank of America Corp 2% 11/01/2018	3,008	0.52
1,075,000	Bear Stearns Cos LLC 7.25% 01/02/2018	1,114	0.19	3,600,000	Bank of America Corp 5.65% 01/05/2018	3,723	0.64
2,750,000	Berkshire Hathaway Energy Co 5.75% 01/04/2018	2,843	0.49	1,500,000	Bank of America Corp 5.75% 01/12/2017	1,531	0.26
1,250,000	Biogen Inc 6.875% 01/03/2018	1,298	0.22	500,000	Bank of America Corp 6.5% 15/07/2018	525	0.09
1,950,000	Comcast Corp 5.7% 15/05/2018	2,027	0.35	5,890,000	Bank of America Corp 6.875% 25/04/2018	6,151	1.06
75,000	Comcast Corp 5.875% 15/02/2018	77	0.01	500,000	Capital One NA 1.5% 22/03/2018	499	0.09
1,150,000	Comcast Corp 6.3% 15/11/2017	1,175	0.20	2,000,000	Capital One NA 1.65% 05/02/2018	1,997	0.34
1,250,000	Commonwealth Edison Co 5.8% 15/03/2018	1,292	0.22	1,750,000	Capital One NA 2.35% 17/08/2018	1,759	0.30
2,500,000	ConocoPhillips Co 1.05% 15/12/2017	2,495	0.43	2,000,000	Celgene Corp 2.125% 15/08/2018	2,009	0.35
1,200,000	ConocoPhillips Co 1.5% 15/05/2018	1,199	0.21	1,000,000	Celgene Corp 2.3% 15/08/2018	1,007	0.17
350,000	Consolidated Edison Co of New York Inc 5.85% 01/04/2018	362	0.06	4,770,000	Citigroup Inc 1.7% 27/04/2018	4,768	0.82
1,328,000	Eaton Corp 1.5% 02/11/2017	1,328	0.23	1,500,000	Citigroup Inc 1.75% 01/05/2018	1,499	0.26
1,150,000	Ecolab Inc 1.55% 12/01/2018	1,150	0.20	2,940,000	Citigroup Inc 1.8% 05/02/2018	2,940	0.51
500,000	Eversource Energy 1.45% 01/05/2018	500	0.09	1,000,000	Citigroup Inc 1.85% 24/11/2017	1,001	0.17
1,200,000	Fifth Third Bank 1.45% 28/02/2018	1,199	0.21	1,500,000	Citigroup Inc 2.15% 30/07/2018	1,505	0.26
1,100,000	Fifth Third Bank 2.15% 20/08/2018	1,106	0.19	3,925,000	Citigroup Inc 2.5% 26/09/2018	3,956	0.68
2,500,000	JPMorgan Chase & Co 1.625% 15/05/2018	2,501	0.43	600,000	Citigroup Inc 6.125% 15/05/2018	624	0.11
4,351,000	JPMorgan Chase & Co 1.7% 01/03/2018	4,352	0.75	1,000,000	Cleveland Electric Illuminating Co 7.88% 01/11/2017	1,024	0.18
1,000,000	JPMorgan Chase & Co 1.8% 25/01/2018	1,002	0.17	475,000	Corning Inc 1.5% 08/05/2018	475	0.08
5,000,000	JPMorgan Chase & Co 6% 15/01/2018	5,131	0.88	500,000	CRH America Inc 8.125% 15/07/2018	533	0.09
1,500,000	KeyBank NA 1.65% 01/02/2018	1,501	0.26	3,000,000	CVS Health Corp 1.9% 20/07/2018	3,008	0.52
1,000,000	KeyBank NA 1.7% 01/06/2018	1,001	0.17	176,000	Dr Pepper Snapple Group Inc 6.82% 01/05/2018	184	0.03
1,000,000	MetLife Inc 1.903% 15/12/2017	1,002	0.17	1,600,000	Duke Energy Corp 2.1% 15/06/2018	1,607	0.28
1,695,000	MetLife Inc 6.817% 15/08/2018	1,797	0.31	1,250,000	eBay Inc 2.5% 09/03/2018	1,259	0.22
900,000	Nucor Corp 5.75% 01/12/2017	918	0.16	1,100,000	Enterprise Products Operating LLC 1.65% 07/05/2018	1,100	0.19
500,000	Nucor Corp 5.85% 01/06/2018	520	0.09	1,000,000	General Mills Inc 1.4% 20/10/2017	1,000	0.17
780,000	Ohio Power Co 6.05% 01/05/2018	810	0.14	3,250,000	Goldman Sachs Group Inc 2.375% 22/01/2018	3,264	0.56
2,100,000	Pacific Gas & Electric Co 5.625% 30/11/2017	2,142	0.37	3,503,000	Goldman Sachs Group Inc 2.9% 19/07/2018	3,545	0.61
750,000	Waste Management Inc 6.1% 15/03/2018	776	0.13	3,500,000	Goldman Sachs Group Inc 5.95% 18/01/2018	3,590	0.62
Corporate bonds: A-/A- rating				5,000,000	Goldman Sachs Group Inc 6.15% 01/04/2018	5,178	0.89
1,000,000	Cardinal Health Inc 1.7% 15/03/2018	1,000	0.17	1,025,000	Halliburton Co 2% 01/08/2018	1,027	0.18

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.22%) (cont)			
United States (31 May 2016: 75.86%) (cont)			
Corporate bonds: BBB+ rating (cont)			
440,000	Humana Inc 6.3% 01/08/2018	462	0.08
500,000	Humana Inc 7.2% 15/06/2018	527	0.09
500,000	Huntington National Bank 1.7% 26/02/2018	500	0.09
1,000,000	Huntington National Bank 2% 30/06/2018	1,003	0.17
2,225,000	McDonald's Corp 5.35% 01/03/2018	2,287	0.39
750,000	McKesson Corp 1.4% 15/03/2018	749	0.13
1,575,000	Medco Health Solutions Inc 7.125% 15/03/2018	1,641	0.28
1,200,000	Morgan Stanley 1.875% 05/01/2018	1,202	0.21
3,500,000	Morgan Stanley 2.125% 25/04/2018	3,513	0.60
2,200,000	Morgan Stanley 5.95% 28/12/2017	2,253	0.39
6,000,000	Morgan Stanley 6.625% 01/04/2018	6,236	1.07
500,000	National Oilwell Varco Inc 1.35% 01/12/2017	499	0.09
900,000	NetApp Inc 2% 15/12/2017	901	0.15
1,110,000	NextEra Energy Capital Holdings Inc 1.649% 01/09/2018	1,108	0.19
1,150,000	Norfolk Southern Corp 5.75% 01/04/2018	1,189	0.20
854,000	Public Service Co of New Mexico 7.95% 15/05/2018	902	0.16
150,000	Realty Income Corp 2% 31/01/2018	150	0.03
2,000,000	Regions Bank 2.25% 14/09/2018	2,006	0.34
1,100,000	Republic Services Inc 3.8% 15/05/2018	1,122	0.19
1,875,000	Reynolds American Inc 2.3% 12/06/2018	1,885	0.32
30,000	Ryder System Inc 2.5% 01/03/2018	30	0.01
850,000	S&P Global Inc 2.5% 15/08/2018	857	0.15
1,250,000	Santander Holdings USA Inc 3.45% 27/08/2018	1,269	0.22
1,350,000	Sempra Energy 6.15% 15/06/2018	1,411	0.24
335,000	Southern Co 1.55% 01/07/2018	334	0.06
2,000,000	Southern Co 2.45% 01/09/2018	2,014	0.35
250,000	Southern Power Co 1.5% 01/06/2018	249	0.04
750,000	Southern Power Co 1.85% 01/12/2017	751	0.13
250,000	Spectra Energy Partners LP 2.95% 25/09/2018	253	0.04
280,000	Sysco Corp 5.25% 12/02/2018	287	0.05
250,000	UDR Inc 4.25% 01/06/2018	256	0.04
930,000	Ventas Realty LP 2% 15/02/2018	932	0.16
4,600,000	Verizon Communications Inc 3.65% 14/09/2018	4,713	0.81
250,000	WEC Energy Group Inc 1.65% 15/06/2018	250	0.04
350,000	Welltower Inc 2.25% 15/03/2018	351	0.06
Corporate bonds: BBB+/- rating			
1,000,000	21st Century Fox America Inc 7.25% 18/05/2018	1,052	0.18
4,500,000	AT&T Inc 1.4% 01/12/2017	4,495	0.77

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 75.86%) (cont)			
Corporate bonds: BBB+/- rating (cont)			
2,925,000	AT&T Inc 5.5% 01/02/2018	2,998	0.51
1,500,000	AT&T Inc 5.6% 15/05/2018	1,555	0.27
1,430,000	Becton Dickinson and Co 1.8% 15/12/2017	1,434	0.25
Corporate bonds: BBB+/- rating			
1,200,000	Historic TW Inc 6.875% 15/06/2018	1,263	0.21
500,000	Time Warner Cos Inc 7.25% 15/10/2017	510	0.09
Corporate bonds: BBB rating			
2,000,000	Actavis Inc 1.875% 01/10/2017	2,001	0.34
1,000,000	Air Lease Corp 2.125% 15/01/2018	1,002	0.17
250,000	Air Lease Corp 2.625% 04/09/2018	252	0.04
550,000	Apache Corp 6.9% 15/09/2018	584	0.10
475,000	Columbia Pipeline Group Inc 2.45% 01/06/2018	477	0.08
500,000	Discover Bank 2% 21/02/2018	501	0.09
590,000	Dollar General Corp 1.875% 15/04/2018	591	0.10
1,050,000	Dominion Energy Inc 1.9% 15/06/2018	1,052	0.18
1,005,000	Dominion Energy Inc 6.4% 15/06/2018	1,051	0.18
100,000	Dow Chemical Co 5.7% 15/05/2018	104	0.02
400,000	EQT Corp 6.5% 01/04/2018	414	0.07
1,350,000	Exelon Generation Co LLC 6.2% 01/10/2017	1,369	0.24
2,750,000	Ford Motor Credit Co LLC 1.724% 06/12/2017	2,750	0.47
500,000	Ford Motor Credit Co LLC 2.145% 09/01/2018	501	0.09
2,800,000	Ford Motor Credit Co LLC 2.24% 15/06/2018	2,805	0.48
1,600,000	Ford Motor Credit Co LLC 2.375% 16/01/2018	1,606	0.28
1,200,000	Ford Motor Credit Co LLC 5% 15/05/2018	1,235	0.21
1,500,000	General Motors Financial Co Inc 2.4% 10/04/2018	1,507	0.26
1,075,000	General Motors Financial Co Inc 3.25% 15/05/2018	1,089	0.19
250,000	General Motors Financial Co Inc 6.75% 01/06/2018	262	0.04
470,000	Huntington Bancshares Inc 2.6% 02/08/2018	473	0.08
230,000	Ingersoll-Rand Global Holding Co Ltd 6.875% 15/08/2018	244	0.04
955,000	JM Smucker Co 1.75% 15/03/2018	956	0.16
250,000	Marriott International Inc 6.75% 15/05/2018	262	0.05
1,700,000	Northrop Grumman Corp 1.75% 01/06/2018	1,703	0.29
200,000	Oneok Partners LP 2% 01/10/2017	200	0.03
1,000,000	Oneok Partners LP 3.2% 15/09/2018	1,014	0.17
325,000	Pioneer Natural Resources Co 6.875% 01/05/2018	340	0.06

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Bonds (31 May 2016: 96.22%) (cont)			
United States (31 May 2016: 75.86%) (cont)			
Corporate bonds: BBB rating (cont)			
500,000	Roper Technologies Inc 1.85% 15/11/2017	500	0.09
1,150,000	Sherwin-Williams Co 1.35% 15/12/2017	1,149	0.20
100,000	Spectra Energy Capital LLC 6.2% 15/04/2018	104	0.02
350,000	Voya Financial Inc 2.9% 15/02/2018	353	0.06
1,750,000	Walgreens Boots Alliance Inc 1.75% 17/11/2017	1,752	0.30
1,025,000	Walgreens Boots Alliance Inc 1.75% 30/05/2018	1,033	0.18
500,000	Western Union Co 2.875% 10/12/2017	503	0.09
100,000	Western Union Co 3.65% 22/08/2018	102	0.02
500,000	Whirlpool Corp 1.65% 01/11/2017	500	0.09
1,600,000	Zimmer Biomet Holdings Inc 2% 01/04/2018	1,602	0.28
1,075,000	Zoetis Inc 1.875% 01/02/2018	1,076	0.18
Corporate bonds: BBB/*- rating			
750,000	Abbott Laboratories 2% 15/09/2018	751	0.13
Corporate bonds: BBB- rating			
1,350,000	American Tower Corp 4.5% 15/01/2018	1,372	0.24
500,000	Baxalta Inc 2% 22/06/2018	501	0.09
600,000	Best Buy Co Inc 5% 01/08/2018	621	0.11
150,000	Brandywine Operating Partnership LP 4.95% 15/04/2018	154	0.03
1,000,000	Buckeye Partners LP 6.05% 15/01/2018	1,024	0.18
250,000	DDR Corp 4.75% 15/04/2018	255	0.04
2,000,000	Energy Transfer LP 2.5% 15/06/2018	2,010	0.35
350,000	Energy Transfer LP 6.7% 01/07/2018	367	0.06
500,000	Harris Corp 1.999% 27/04/2018	501	0.09
500,000	Hospitality Properties Trust 6.7% 15/01/2018	502	0.09
500,000	International Lease Finance Corp 3.875% 15/04/2018	508	0.09
2,300,000	International Lease Finance Corp 7.125% 01/09/2018	2,442	0.42
982,000	Jefferies Group LLC 5.125% 13/04/2018	1,009	0.17
1,525,000	Kinder Morgan Energy Partners LP 5.95% 15/02/2018	1,568	0.27
900,000	Kinder Morgan Inc 2% 01/12/2017	901	0.15
250,000	Kinder Morgan Inc 7.25% 01/06/2018	263	0.05
3,190,000	Kraft Heinz Foods Co 2% 02/07/2018	3,199	0.55
900,000	Kraft Heinz Foods Co 6.125% 23/08/2018	947	0.16
2,000,000	Marathon Oil Corp 5.9% 15/03/2018	2,059	0.35
400,000	Mylan Inc 2.6% 24/06/2018	403	0.07
875,000	Nabors Industries Inc 6.15% 15/02/2018	897	0.15
500,000	Newell Brands Inc 2.05% 01/12/2017	501	0.09
675,000	Plains All American Pipeline LP 6.5% 01/05/2018	702	0.12

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 75.86%) (cont)			
Corporate bonds: BBB- rating (cont)			
605,000	Select Income REIT 2.85% 01/02/2018	608	0.10
1,000,000	Staples Inc 2.75% 12/01/2018	1,004	0.17
2,700,000	Time Warner Cable LLC 6.75% 01/07/2018	2,837	0.49
250,000	Total System Services Inc 2.375% 01/06/2018	251	0.04
250,000	Wyndham Worldwide Corp 2.5% 01/03/2018	251	0.04
1,000,000	Xerox Corp 6.35% 15/05/2018	1,041	0.18
Corporate bonds: BB+ rating			
1,000,000	FirstEnergy Corp 2.75% 15/03/2018	1,004	0.17
Total United States		441,482	75.94
Total bonds		563,647	96.95
Total value of investments			
		563,647	96.95
Cash equivalents (31 May 2016: 4.39%)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: 4.39%)			
13,087,367	Institutional Cash Series Plc – Institutional US Dollar Liquidity Fund*	13,087	2.25
Cash[†]			
		300	0.05
Other net assets			
		4,331	0.75
Net asset value attributable to redeemable participating shareholders at the end of the year			
		581,365	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.
* Investment in related party.

All credit ratings are shown as at 31 May 2017.

Fixed income securities are primarily classified by the country of incorporation of the issuer for corporate fixed income securities.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	482,735	83.02
Transferable securities dealt in an another regulated market	80,912	13.92
UCITS collective investment schemes - Money Market Funds	13,087	2.25
Other assets	4,681	0.81
Total current assets	581,415	100.00

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
3,350,000	Hewlett Packard Enterprise Co 2.45% 05/10/2017	3,362	4,000,000	Goldman Sachs Group Inc 2.90% 19/07/2018	4,093
3,150,000	EMC Corp 1.88% 01/06/2018	3,087	4,000,000	Citigroup Inc 2.50% 26/09/2018	4,067
1,250,000	Lloyds Bank PLC 2.00% 17/08/2018	1,253	4,000,000	Citigroup Inc 1.70% 27/04/2018	3,999
1,000,000	McCormick & Co Inc 5.75% 15/12/2017	1,029	3,500,000	General Electric Co 5.25% 06/12/2017	3,719
1,000,000	Union Pacific Corp 5.75% 15/11/2017	1,025	3,500,000	Bear Stearns Cos LLC 6.40% 02/10/2017	3,706
1,000,000	Voya Financial Inc 2.90% 15/02/2018	1,009	3,000,000	Goldman Sachs Group Inc 2.38% 22/01/2018	3,036
700,000	CF Industries Inc 6.88% 01/05/2018	738	3,000,000	Wells Fargo & Co 1.50% 16/01/2018	3,009
610,000	UnitedHealth Group Inc 1.90% 16/07/2018	612	2,500,000	Morgan Stanley 6.63% 01/04/2018	2,672
500,000	Ingersoll-Rand Global Holding Co Ltd 6.88% 15/08/2018	531	2,500,000	Morgan Stanley 2.13% 25/04/2018	2,523
500,000	Boeing Capital Corp 2.90% 15/08/2018	509	2,500,000	International Business Machines Corp 1.13% 06/02/2018	2,507
497,000	Goldman Sachs Group Inc 2.90% 19/07/2018	503	2,250,000	Verizon Communications Inc 3.65% 14/09/2018	2,355
500,000	Celgene Corp 2.13% 15/08/2018	502	2,250,000	JPMorgan Chase & Co 1.63% 15/05/2018	2,254
500,000	Catholic Health Initiatives 1.60% 01/11/2017	499	2,250,000	Pfizer Inc 1.20% 01/06/2018	2,253
500,000	Johnson Controls International plc 1.40% 02/11/2017	499	2,000,000	International Lease Finance Corp 7.13% 01/09/2018	2,203
500,000	Mattel Inc 1.70% 15/03/2018	499	2,000,000	JPMorgan Chase & Co 6.00% 15/01/2018	2,141
500,000	Beam Suntory Inc 1.75% 15/06/2018	499	2,000,000	Marathon Oil Corp 5.90% 15/03/2018	2,078
500,000	Caterpillar Financial Services Corp 1.30% 01/03/2018	498	1,890,000	Bank of America Corp 6.88% 25/04/2018	2,064
475,000	AT&T Inc 5.50% 01/02/2018	488	2,000,000	Royal Bank of Canada 2.20% 27/07/2018	2,030
480,000	Citigroup Inc 1.70% 27/04/2018	480	2,000,000	Wells Fargo Bank NA 1.65% 22/01/2018	2,015
476,000	Vodafone Group PLC 1.50% 19/02/2018	475	2,000,000	Intel Corp 1.35% 15/12/2017	2,011
472,000	Eaton Corp 1.50% 02/11/2017	472			
400,000	Anthem Inc 2.30% 15/07/2018	402			
310,000	Citigroup Inc 1.80% 05/02/2018	310			
300,000	American International Group Inc 5.85% 16/01/2018	308			
300,000	ConocoPhillips Co 1.05% 15/12/2017	299			
288,000	Wells Fargo & Co 1.50% 16/01/2018	288			
280,000	BNP Paribas SA 2.70% 20/08/2018	283			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

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INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	501	504
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	1,316	(18,631)
Total gains/(losses)		1,817	(18,127)
Operating expenses	4	(208)	(173)
Net operating profit/(loss)		1,609	(18,300)
Finance costs:			
Interest expense	6	(1)	-
Total finance costs		(1)	-
Net profit/(loss) for the financial year before tax		1,608	(18,300)
Taxation		(53)	(52)
Net profit/(loss) for the financial year after tax		1,555	(18,352)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(34)	22
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		1,521	(18,330)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	23,051	64,432
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	1,521	(18,330)
Share transactions:		
Proceeds from issue of redeemable participating shares	16,376	6,762
Payments on redemption of redeemable participating shares	(3,523)	(29,813)
Increase/(decrease) in net assets resulting from share transactions	12,853	(23,051)
Net assets attributable to redeemable participating shareholders at the end of the financial year	37,425	23,051

The accompanying notes form an integral part of these financial statements.

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BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		175	135
Receivables	10	1	1
Financial assets at fair value through profit or loss	11	37,269	22,894
Total current assets		37,445	23,030
CURRENT LIABILITIES			
Payables	12	(20)	(13)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(20)	(13)
Net assets attributable to redeemable participating shareholders		37,425	23,017
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	34
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	37,425	23,051

The accompanying notes form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Interest income	1	4
Dividend income	500	500
	501	504

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	1,323	(18,618)
Net losses on foreign currency transactions	(7)	(13)
	1,316	(18,631)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(208)	(173)
	(208)	(173)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.65	0.65

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(1)	-
	(1)	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Transaction costs	(27)	(89)

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	6,750,000	11,000,000
Issued during the financial year	4,500,000	1,750,000
Redeemed during the financial year	(1,000,000)	(6,000,000)
Balance at the end of financial year	10,250,000	6,750,000

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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	37,425
As at 31 May 2016	23,051
As at 31 May 2015	64,432

	No. of Shares
Shares in issue	
As at 31 May 2017	10,250,000
As at 31 May 2016	6,750,000
As at 31 May 2015	11,000,000

	\$
Net asset value per share	
As at 31 May 2017	3.65
As at 31 May 2016	3.41
As at 31 May 2015	5.86

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Dividend income receivable	1	1
	1	1

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	37,269	22,891
Investment in rights	-	3
	37,269	22,894

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Management fees payable	(20)	(13)
	(20)	(13)

iShares MSCI China A UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.32%)			
Equities (31 May 2016: 99.31%)			
People's Republic of China (31 May 2016: 99.31%)			
Advertising			
12,960	Guangdong Advertising Group Co Ltd Com CNY 1.00*	19	0.05
17,300	Hunan TV & Broadcast Intermediary Co Ltd Com CNY 1.00	28	0.08
Aerospace & defence			
14,000	AECC Aero-Engine Control Co Ltd Com CNY 1.00	39	0.10
24,000	AECC Aviation Power Co Ltd Com CNY 1.00	86	0.23
33,800	Avic Aircraft Co Ltd Com CNY 1.00	86	0.23
17,400	Avic Aviation High-Technology Co Ltd Com CNY 1.00	23	0.06
30,825	Avic Electromechanical Systems Co Ltd Com CNY 1.00*	47	0.13
7,700	Avic Helicopter Co Ltd Com CNY 1.00	46	0.12
13,200	China Aerospace Times Electronics Co Ltd Com CNY 1.00	28	0.08
47,000	Jihua Group Corp Ltd Com CNY 1.00	58	0.15
Agriculture			
50,175	Beijing Dabeinong Technology Group Co Ltd Com CNY 1.00	46	0.12
17,600	Guangdong Haid Group Co Ltd Com CNY 1.00	43	0.12
21,700	Heilongjiang Agriculture Co Ltd Com CNY 1.00	34	0.09
59,040	Hunan Dakang International Food & Agriculture Co Ltd Com CNY 1.00*	33	0.09
52,100	New Hope Liuhe Co Ltd Com CNY 1.00	61	0.16
15,400	Yuan Longping High-tech Agriculture Co Ltd Com CNY 1.00	47	0.13
Airlines			
45,362	Air China Ltd Com CNY 1.00	68	0.18
100,200	China Eastern Airlines Corp Ltd Com CNY 1.00	100	0.27
86,800	China Southern Airlines Co Ltd Com CNY 1.00	110	0.29
201,600	Hainan Airlines Holding Co Ltd Com CNY 1.00	95	0.26
6,900	Spring Airlines Co Ltd Com CNY 1.00	34	0.09
Apparel retailers			
8,800	Visual China Group Co Ltd Com CNY 1.00	20	0.05
Auto manufacturers			
20,000	Anhui Jianghuai Automobile Group Corp Ltd Com CNY 1.00	31	0.08
81,900	Beiqi Foton Motor Co Ltd Com CNY 1.00	34	0.09
22,200	Byd Co Ltd Com CNY 1.00	162	0.44
19,200	China Avionics Systems Co Ltd Com CNY 1.00	42	0.11
46,000	Chongqing Changan Automobile Co Ltd Com CNY 1.00	95	0.25

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Auto manufacturers (cont)			
21,500	FAW CAR Co Ltd Com CNY 1.00	30	0.08
66,700	Hubei Energy Group Co Ltd Com CNY 1.00	47	0.13
86,200	Pang Da Automobile Trade Co Ltd Com CNY 1.00	38	0.10
90,200	SAIC Motor Corp Ltd Com CNY 1.00	398	1.06
10,700	Weifu High-Technology Group Co Ltd Com CNY 1.00	34	0.09
27,350	Zhengzhou Yutong Bus Co Ltd Com CNY 1.00	82	0.22
Auto parts & equipment			
24,600	Fuyao Glass Industry Group Co Ltd Com CNY 1.00	86	0.23
38,600	Huayu Automotive Systems Co Ltd Com CNY 1.00	113	0.30
8,300	Ningbo Joyson Electronic Corp Com CNY 1.00	35	0.09
12,529	North Industries Group Red Arrow Co Ltd Com CNY 1.00	23	0.06
9,700	Shandong Linglong Co Ltd Com CNY 1.00	27	0.07
35,688	Wanxiang Qianchao Co Ltd Com CNY 1.00	50	0.13
36,100	Weichai Power Co Ltd Com CNY 1.00	59	0.16
16,600	Wuhu Shunrong Sanqi Interactive Entertainment Network Technology Co Ltd Com CNY 1.00	56	0.15
28,320	Zhejiang Wanfeng Auto Wheel Co Ltd Com CNY 1.00	65	0.18
Banks			
949,700	Agricultural Bank of China Ltd Com CNY 1.00	493	1.32
186,560	Bank of Beijing Co Ltd Com CNY 1.00	245	0.65
595,600	Bank of China Ltd Com CNY 1.00	326	0.87
475,400	Bank of Communications Co Ltd Com CNY 1.00	432	1.15
23,600	Bank of Guiyang Co Ltd Com CNY1.00	53	0.14
47,100	Bank of Jiangsu Co Ltd Com CNY1.00	62	0.17
74,380	Bank of Nanjing Co Ltd Com CNY 1.00	121	0.32
47,980	Bank of Ningbo Co Ltd Com CNY 1.00	130	0.35
24,100	Bank of Shanghai Co Ltd Com CNY1.00	84	0.23
72,500	China CITIC Bank Corp Ltd Com CNY 1.00	66	0.18
117,500	China Construction Bank Corp Com CNY 1.00	110	0.29
482,200	China Everbright Bank Co Ltd Com CNY 1.00	282	0.75
249,900	China Merchants Bank Co Ltd Com CNY 1.00	821	2.20
358,000	China Minsheng Banking Corp Ltd Com CNY 1.00	421	1.13
131,120	Huaxia Bank Co Ltd Com CNY 1.00	206	0.55
653,100	Industrial & Commercial Bank of China Ltd Com CNY 1.00	503	1.34
251,100	Industrial Bank Co Ltd Com CNY 1.00	609	1.63

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)			
People's Republic of China (31 May 2016: 99.31%) (cont)			
Banks (cont)			
210,647	Ping An Bank Co Ltd Com CNY 1.00	284	0.76
340,236	Shanghai Pudong Development Bank Co Ltd Com CNY 1.00	641	1.71
Beverages			
37,100	Beijing Yanjing Brewery Co Ltd Com CNY 1.00	35	0.10
15,460	Jiangsu Yanghe Brewery Joint-Stock Co Ltd Com CNY 1.00	198	0.53
15,280	Kweichow Moutai Co Ltd Com CNY 1.00	992	2.65
17,600	Luzhou Laojiao Co Ltd Com CNY 1.00	125	0.33
8,800	Tsingtao Brewery Co Ltd Com CNY 1.00	43	0.11
46,500	Wuliangye Yibin Co Ltd Com CNY 1.00	326	0.87
Biotechnology			
6,400	Beijing Tiantan Biological Products Corp Ltd Com CNY 1.00	44	0.12
11,560	Hualan Biological Engineering Inc Com CNY 1.00	60	0.16
32,100	MeiHua Holdings Group Co Ltd Com CNY 1.00	26	0.07
Building materials and fixtures			
49,100	Anhui Conch Cement Co Ltd Com CNY 1.00	153	0.41
82,600	BBMG Corp Com CNY 1.00	82	0.22
16,900	Beijing New Building Materials Plc Com CNY 1.00	33	0.09
34,320	China Jushi Co Ltd Com CNY 1.00	50	0.13
10,080	Dalian Zeus Entertainment Group Co Ltd Com CNY 1.00	31	0.08
36,900	Gree Electric Appliances Inc of Zhuhai Com CNY 1.00	184	0.49
9,300	Luxin Venture Capital Group Co Ltd Com CNY 1.00	23	0.06
34,150	Suzhou Gold Mantis Construction Decoration Co Ltd Com CNY 1.00	51	0.14
Chemicals			
28,890	CEFC Anhui International Holding Co Ltd Com CNY 1.00	28	0.08
48,300	China Hainan Rubber Industry Group Co Ltd Com CNY 1.00	38	0.10
7,900	Do-Fluoride Chemicals Co Ltd Com CNY 1.00	23	0.06
32,625	Hongda Xingye Co Ltd Com CNY 1.00	35	0.10
42,200	Hubei Biocause Pharmaceutical Co Ltd Com CNY 1.00	44	0.12
68,540	Inner Mongolia Junzheng Energy & Chemical Industry Group Co Ltd Com CNY 1.00	49	0.13
41,400	Kingenta Ecological Engineering Group Co Ltd Com CNY 1.00	42	0.11
28,900	Kingfa Sci & Tech Co Ltd Com CNY 1.00*	24	0.06
20,100	Qinghai Salt Lake Industry Co Ltd Com CNY 1.00	42	0.11

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Chemicals (cont)			
49,100	Sichuan Hebang Biotechnology Co Ltd Com CNY 1.00	35	0.09
62,700	Sinopec Shanghai Petrochemical Co Ltd Com CNY 1.00	61	0.16
12,600	Tianqi Lithium Industries Inc Com CNY 1.00	82	0.22
31,680	Wanhua Chemical Group Co Ltd Com CNY 1.00	107	0.29
25,700	Xinjiang Zhongtai Chemical Co Ltd Com CNY 1.00	41	0.11
24,300	Zhejiang Juhua Co Ltd Com CNY 1.00	41	0.11
39,500	Zhejiang Longsheng Group Co Ltd Com CNY 1.00	54	0.14
Coal			
53,900	China Shenhua Energy Co Ltd Com CNY 1.00	169	0.45
45,780	Jizhong Energy Resources Co Ltd Com CNY 1.00	39	0.11
36,680	Shanxi Lu'an Environmental Energy Development Co Ltd Com CNY 1.00	38	0.10
38,100	Shanxi Xishan Coal & Electricity Power Co Ltd Com CNY 1.00	43	0.11
32,400	Yang Quan Coal Industry Group Co Ltd Com CNY 1.00	30	0.08
Commercial services			
89,180	Dalian Port PDA Co Ltd Com CNY 1.00	37	0.10
27,600	Eternal Asia Supply Chain Management Ltd Com CNY 1.00	34	0.09
85,400	Shanghai International Port Group Co Ltd Com CNY 1.00	79	0.21
53,660	TangShan Port Group Co Ltd Com CNY 1.00	43	0.12
20,600	Tianjin Port Co Ltd Com CNY 1.00	38	0.10
55,700	Yingkou Port Liability Co Ltd Com CNY 1.00	27	0.07
17,200	Zhejiang Yasha Decoration Co Ltd Com CNY 1.00	23	0.06
Computers			
23,400	Aisino Corp Com CNY 1.00	62	0.17
416,600	BOE Technology Group Co Ltd Com CNY 1.00	236	0.63
15,950	Chengdu Santai Holding Group Co Ltd Com CNY 1.00*	16	0.04
8,200	Dawning Information Industry Co Ltd Com CNY 1.00	35	0.09
20,200	DHC Software Co Ltd Com CNY 1.00	62	0.17
7,600	Digital China Group Co Ltd Com CNY 1.00*	27	0.07
11,200	Fujian Newland Computer Co Ltd Com CNY 1.00	33	0.09
20,775	GRG Banking Equipment Co Ltd Com CNY 1.00	36	0.09
12,600	Inspur Electronic Information Industry Co Ltd Com CNY 1.00	33	0.09
5,300	Taiji Computer Corp Ltd Com CNY 1.00	21	0.06
36,400	Tsinghua Tongfang Co Ltd Com CNY 1.00*	75	0.20

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)			
People's Republic of China (31 May 2016: 99.31%) (cont)			
Computers (cont)			
11,600	Venustech Group Inc Com CNY 1.00	31	0.08
Distribution & wholesale			
18,900	Liaoning Cheng Da Co Ltd Com CNY 1.00	47	0.13
13,300	Minmetals Development Co Ltd Com CNY 1.00	23	0.06
8,600	Shanghai Jahwa United Co Ltd Com CNY 1.00	36	0.10
9,200	Shanghai Waigaoqiao Free Trade Zone Group Co Ltd Com CNY 1.00	23	0.06
19,900	Sinochem International Corp Com CNY 1.00	27	0.07
35,610	Wuchan Zhongda Group Co Ltd Com CNY 1.00	58	0.15
36,500	Xiamen C & D Inc Com CNY 1.00	62	0.17
Diversified financial services			
47,940	Anxin Trust Co Ltd Com CNY 1.00	75	0.20
76,700	Bohai Financial Investment Holding Co Ltd Com CNY 1.00	73	0.19
67,600	Changjiang Securities Co Ltd Com CNY 1.00	93	0.25
69,300	China Merchants Securities Co Ltd Com CNY 1.00	173	0.46
120,700	CITIC Securities Co Ltd Com CNY 1.00	291	0.78
26,400	Dongxing Securities Co Ltd Com CNY 1.00	66	0.18
48,700	Everbright Securities Co Ltd Com CNY 1.00	110	0.29
96,000	Founder Securities Co Ltd Com CNY 1.00	127	0.34
72,700	GF Securities Co Ltd Com CNY 1.00	177	0.47
50,300	Guosen Securities Co Ltd Com CNY 1.00	98	0.26
93,600	Guotai Junan Securities Co Ltd Com CNY 1.00	264	0.71
36,300	Guoyuan Securities Co Ltd Com CNY 1.00	64	0.17
99,300	Haitong Securities Co Ltd Com CNY 1.00	223	0.60
66,800	Huatai Securities Co Ltd Com CNY 1.00	172	0.46
82,170	Industrial Securities Co Ltd Com CNY 1.00	90	0.24
28,700	Northeast Securities Co Ltd Com CNY 1.00	41	0.11
61,900	Orient Securities Co Ltd Com CNY 1.00	126	0.34
81,620	Pacific Securities Co Ltd Com CNY 1.00	48	0.13
31,500	SDIC Essence Holdings Co Ltd Com CNY 1.00	70	0.19
51,000	Sealand Securities Co Ltd Com CNY 1.00	40	0.11
38,400	Shaanxi International Trust Co Ltd Com CNY 1.00	27	0.07
25,600	Shanghai DZH Ltd Com CNY 1.00	15	0.04
36,600	Shanxi Securities Co Ltd Com CNY 1.00	50	0.13

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Diversified financial services (cont)			
243,000	Shenwan Hongyuan Group Co Ltd Com CNY 1.00	203	0.54
37,100	Sinolink Securities Co Ltd Com CNY 1.00	65	0.17
37,900	SooChow Securities Co Ltd Com CNY 1.00	62	0.17
69,200	Southwest Securities Co Ltd Com CNY 1.00	56	0.15
43,092	Western Securities Co Ltd Com CNY 1.00	86	0.23
Electrical components & equipment			
9,750	Avic Jonhon OptronicTechnology Co Ltd Com CNY 1.00	40	0.11
16,360	Changyuan Group Ltd Com CNY 1.00	30	0.08
62,000	China XD Electric Co Ltd Com CNY 1.00	48	0.13
17,500	Chinese Universe Publishing and Media Co Ltd Com CNY 1.00	51	0.14
23,900	Dongfang Electric Corp Ltd Com CNY 1.00	33	0.09
23,600	Fangda Carbon New Material Co Ltd Com CNY 1.00	37	0.10
13,200	Henan Pinggao Electric Co Ltd Com CNY 1.00	26	0.07
44,600	Qingdao Hanhe Cable Co Ltd Com CNY 1.00	24	0.06
38,100	TBEA Co Ltd Com CNY 1.00	54	0.14
14,700	Tongding Interconnection Information Co Ltd Com CNY 1.00	27	0.07
27,200	Xinjiang Goldwind Science & Technology Co Ltd Com CNY 1.00	61	0.16
12,900	XJ Electric Co Ltd Com CNY 1.00	31	0.08
16,510	Zhejiang Chint Electrics Co Ltd Com CNY 1.00	45	0.12
12,400	Zhejiang Wanma Co Ltd Com CNY 1.00	18	0.05
25,000	Zhongshan Broad Ocean Motor Co Ltd Com CNY 1.00	23	0.06
Electricity			
159,200	China National Nuclear Power Co Ltd Com CNY 1.00	180	0.48
177,600	China Yangtze Power Co Ltd Com CNY 1.00	386	1.03
241,200	GD Power Development Co Ltd Com CNY 1.00	125	0.33
102,500	Huadian Power International Corp Ltd Com CNY 1.00	73	0.20
85,900	Huaneng Power International Inc Com CNY 1.00	98	0.26
69,600	Inner Mongolia MengDian HuaNeng Thermal Power Corp Ltd Com CNY 1.00	31	0.08
83,200	SDIC Power Holdings Co Ltd Com CNY 1.00	95	0.25
21,600	Shanghai Electric Power Co Ltd Com CNY 1.00	41	0.11
58,200	Shenenergy Co Ltd Com CNY 1.00	51	0.14

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)				People's Republic of China (31 May 2016: 99.31%) (cont)			
Electricity (cont)				Engineering & construction (cont)			
40,600	Shenzhen Energy Group Co Ltd Com CNY 1.00	40	0.11	111,100	Power Construction Corp of China Ltd Com CNY 1.00	130	0.35
53,900	Sichuan Chuantou Energy Co Ltd Com CNY 1.00	75	0.20	7,700	Shandong Qixing Iron Tower Co Ltd Com CNY 1.00	43	0.11
111,100	Zhejiang Zheneng Electric Power Co Ltd Com CNY 1.00	93	0.25	101,655	Shanghai Construction Group Co Ltd Com CNY 1.00	54	0.14
Electronics				8,600	Shanghai International Airport Co Ltd Com CNY 1.00	48	0.13
14,400	China Security & Fire Co Ltd Com CNY 1.00	35	0.09	40,000	Shanghai Tunnel Engineering Co Ltd Com CNY 1.00	56	0.15
56,000	Dongxu Optoelectronic Technology Co Ltd Com CNY 1.00	83	0.22	Entertainment			
36,600	GoerTek Inc Com CNY 1.00	91	0.24	23,000	China Film Co Ltd Com CNY 1.00	63	0.17
13,300	Han's Laser Technology Industry Group Co Ltd Com CNY 1.00	61	0.16	100,600	Shenzhen Overseas Chinese Town Co Ltd Com CNY 1.00	130	0.34
110,850	Hangzhou Hikvision Digital Technology Co Ltd Com CNY 1.00	431	1.15	11,900	Wanda Film Holding Co Ltd Com CNY 1.00	97	0.26
24,300	Luxshare Precision Industry Co Ltd Com CNY 1.00	99	0.27	Environmental control			
19,400	North Navigation Control Technology Co Ltd Com CNY 1.00	39	0.10	58,700	Beijing Capital Co Ltd Com CNY 1.00	60	0.16
13,200	Tatwah Smartech Co Ltd Com CNY 1.00	29	0.08	31,350	Beijing Orient Landscape & Environment Co Ltd Com CNY 1.00	74	0.20
19,960	Tianjin Zhonghuan Semiconductor Co Ltd Com CNY 1.00*	26	0.07	12,200	Beijing SPC Environment Protection Tech Co Ltd Com CNY 1.00	32	0.09
17,300	Tianma Microelectronics Co Ltd Com CNY 1.00	42	0.11	46,280	GEM Co Ltd Com CNY 1.00	35	0.09
6,100	Tsinghua Unisplendour Co Ltd Com CNY 1.00	47	0.13	11,000	Tus - Sound Environmental Resources Co Ltd Com CNY 1.00	54	0.14
7,300	Unigroup Guoxin Co Ltd Com CNY 1.00*	33	0.09	Food			
5,000	Westone Information Industry Inc Com CNY 1.00	21	0.06	15,300	Bright Dairy & Food Co Ltd Com CNY 1.00	26	0.07
Energy - alternate sources				25,100	COFCO Tunhe Sugar Co Ltd Com CNY 1.00	33	0.09
15,200	Jiangsu Zongyi Co Ltd Com CNY 1.00	16	0.04	11,900	Fujian Sunner Development Co Ltd Com CNY 1.00	23	0.06
24,300	LONGi Green Energy Technology Co Ltd Com CNY 1.00	53	0.14	33,750	Henan Shuanghui Investment & Development Co Ltd Com CNY 1.00	107	0.29
Engineering & construction				74,400	Inner Mongolia Yili Industrial Group Co Ltd Com CNY 1.00	212	0.57
12,120	China CAMC Engineering Co Ltd Com CNY 1.00	43	0.11	13,000	Muyuan Foodstuff Co Ltd Com CNY 1.00	46	0.12
33,600	China Communications Construction Co Ltd Com CNY 1.00	77	0.21	21,700	Shenzhen Agricultural Products Co Ltd Com CNY 1.00	28	0.07
56,300	China Gezhouba Group Co Ltd Com CNY 1.00	84	0.22	115,900	Yonghui Superstores Co Ltd Com CNY 1.00	112	0.30
58,300	China National Chemical Engineering Co Ltd Com CNY 1.00	55	0.15	Hand & machine tools			
21,400	China Nuclear Engineering Corp Ltd Com CNY 1.00	37	0.10	12,800	Hang Zhou Great Star Industrial Co Ltd Com CNY 1.00	28	0.07
141,100	China Railway Construction Corp Ltd Com CNY 1.00	250	0.67	Healthcare products			
224,300	China Railway Group Ltd Com CNY 1.00	293	0.78	9,026	Da An Gene Co Ltd of Sun Yat-Sen University Com CNY 1.00	26	0.07
17,700	China Railway Hi-tech Industry Co Ltd Com CNY 1.00	37	0.10	12,450	Jiangsu Yuyue Medical Equipment & Supply Co Ltd Com CNY 1.00	41	0.11
37,500	Jiangsu Zhongnan Construction Group Co Ltd Com CNY 1.00	36	0.10	Healthcare services			
166,500	Metallurgical Corp of China Ltd Com CNY 1.00	121	0.32	20,500	Meinian Onehealth Healthcare Holdings Co Ltd Com CNY 1.00	44	0.12
				40,680	Shanghai RAAS Blood Products Co Ltd Com CNY 1.00*	121	0.32

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)			
People's Republic of China (31 May 2016: 99.31%) (cont)			
Holding companies - diversified operations			
110,200	Avic Capital Co Ltd Com CNY 1.00	100	0.27
24,990	China Baoan Group Co Ltd Com CNY 1.00	27	0.07
14,100	Humanwell Healthcare Group Co Ltd Com CNY 1.00	40	0.11
66,700	Zhejiang China Commodities City Group Co Ltd Com CNY 1.00	76	0.20
Home furnishings			
11,050	Hangzhou Robam Appliances Co Ltd Com CNY 1.00	67	0.18
15,900	Hisense Electric Co Ltd Com CNY 1.00	33	0.09
77,850	Midea Group Co Ltd Com CNY 1.00	412	1.10
73,900	Qingdao Haier Co Ltd Com CNY 1.00	154	0.41
32,261	Shanghai Oriental Pearl Media Co Ltd Com CNY 1.00	102	0.27
61,000	Sichuan Changhong Electric Co Ltd Com CNY 1.00	30	0.08
9,600	Suofeiya Home Collection Co Ltd Com CNY 1.00	53	0.14
112,300	TCL Corp Com CNY 1.00*	58	0.15
19,800	Yihua Lifestyle Technology Co Ltd Com CNY 1.00	28	0.08
Hotels			
7,100	Shanghai Jinjiang International Hotels Development Co Ltd Com CNY 1.00	27	0.07
Insurance			
34,000	China Life Insurance Co Ltd Com CNY 1.00	140	0.37
77,200	China Pacific Insurance Group Co Ltd Com CNY 1.00	343	0.92
21,200	New China Life Insurance Co Ltd Com CNY 1.00	165	0.44
131,200	Ping An Insurance Group Co of China Ltd Com CNY 1.00	867	2.32
11,300	Xishui Strong Year Co Ltd Com CNY 1.00	31	0.08
Internet			
13,500	People.cn Co Ltd Com CNY 1.00	26	0.07
11,100	Searainbow Holding Corp Com CNY 1.00*	41	0.11
Iron & steel			
53,800	Angang Steel Co Ltd Com CNY 1.00	41	0.11
223,224	Baoshan Iron & Steel Co Ltd Com CNY 1.00	208	0.56
42,600	Beijing Shougang Co Ltd Com CNY 1.00	42	0.11
15,000	Gansu Gangtai Holding Group Co Ltd Com CNY 1.00	27	0.07
130,400	Hesteel Co Ltd Com CNY 1.00	85	0.23
466,200	Inner Mongolia BaoTou Steel Union Co Ltd Com CNY 1.00	150	0.40
72,400	Maanshan Iron & Steel Co Ltd Com CNY 1.00	34	0.09
69,000	Shandong Iron and Steel Co Ltd Com CNY 1.00	26	0.07

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Iron & steel (cont)			
69,000	Shanxi Taigang Stainless Steel Co Ltd Com CNY 1.00	41	0.11
Leisure time			
12,000	China International Travel Service Corp Ltd Com CNY 1.00	95	0.26
11,400	UTour Group Co Ltd Com CNY 1.00	20	0.05
Machinery - diversified			
15,300	China Shipbuilding Industry Group Power Co Ltd Com CNY 1.00	56	0.15
45,400	CITIC Heavy Industries Co Ltd Com CNY 1.00*	34	0.09
12,400	Galaxy Biomedical Investment Co Ltd Com CNY 1.00	21	0.06
15,800	Jiangxi Special Electric Motor Co Ltd Com CNY 1.00	20	0.05
20,200	Leo Group Co Ltd Com CNY 1.00	36	0.10
28,400	NARI Technology Co Ltd Com CNY 1.00	69	0.18
76,300	Shanghai Electric Group Co Ltd Com CNY 1.00	76	0.20
9,000	Shanghai Mechanical and Electrical Industry Co Ltd Com CNY 1.00	26	0.07
5,100	Taihai Manoir Nuclear Equipment Co Ltd Com CNY 1.00	31	0.08
40,800	Tian Di Science & Technology Co Ltd Com CNY 1.00	25	0.07
Machinery, construction & mining			
94,900	Sany Heavy Industry Co Ltd Com CNY 1.00	96	0.26
87,100	XCMG Construction Machinery Co Ltd Com CNY 1.00	43	0.11
74,300	Zoomlion Heavy Industry Science and Technology Co Ltd Com CNY 1.00	48	0.13
Machinery, diversified			
8,600	Hefei Meiya Optoelectronic Technology Inc Com CNY 1.00	24	0.07
Marine transportation			
17,000	China CSSC Holdings Ltd Com CNY 1.00	56	0.15
225,400	China Shipbuilding Industry Co Ltd Com CNY 1.00*	205	0.55
8,700	CSSC Offshore and Marine Engineering Group Co Ltd Com CNY 1.00	33	0.09
Media			
24,400	Anhui Xinhua Media Co Ltd Com CNY 1.00	48	0.13
16,400	Beijing Gehua CATV Network Co Ltd Com CNY 1.00	34	0.09
24,800	China Media Group Com CNY 1.00	38	0.10
22,000	China South Publishing & Media Group Co Ltd Com CNY 1.00	56	0.15
48,150	CITIC Guoan Information Industry Co Ltd Com CNY 1.00	62	0.17
13,400	Cultural Investment Holdings Co Ltd Com CNY 1.00	43	0.11
46,960	Jiangsu Broadcasting Cable Information Network Corp Ltd Com CNY 1.00	75	0.20

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)			
People's Republic of China (31 May 2016: 99.31%) (cont)			
Media (cont)			
25,600	Jiangsu Phoenix Publishing & Media Corp Ltd Com CNY 1.00	36	0.10
41,000	Jishi Media Co Ltd Com CNY 1.00	21	0.05
13,200	Zhejiang Daily Digital Culture Group Co Ltd Com CNY 1.00	37	0.10
Metal fabricate/ hardware			
22,500	Jiangsu Shagang Co Ltd Com CNY 1.00*	57	0.15
48,800	Xinxing Ductile Iron Pipes Co Ltd Com CNY 1.00	50	0.13
6,900	Zhongnan Red Culture Group Co Ltd Com CNY 1.00	13	0.04
Mining			
134,600	Aluminum Corp of China Ltd Com CNY 1.00	83	0.22
107,100	China Molybdenum Co Ltd Com CNY 0.20	66	0.18
24,200	China Nonferrous Metal Industry's Foreign Engineering and Construction Co Ltd Com CNY 1.00	24	0.06
44,594	China Northern Rare Earth Group High-Tech Co Ltd Com CNY 1.00	72	0.19
30,460	Guangdong HEC Technology Holding Co Ltd Com CNY 1.00*	32	0.09
25,400	Jiangxi Copper Co Ltd Com CNY 1.00	56	0.15
9,000	Jiangxi Ganfeng Lithium Co Ltd Com CNY 1.00	55	0.15
32,900	Jinduicheng Molybdenum Co Ltd Com CNY 1.00	32	0.09
23,100	Shandong Gold Mining Co Ltd Com CNY 1.00	97	0.26
91,350	Shandong Nanshan Aluminum Co Ltd Com CNY 1.00	43	0.11
29,000	Shenzhen Zhongjin Lingnan Nonfermet Co Ltd Com CNY 1.00	42	0.11
117,000	Tongling Nonferrous Metals Group Co Ltd Com CNY 1.00	46	0.12
26,200	Western Mining Co Ltd Com CNY 1.00	26	0.07
13,210	Xiamen Tungsten Co Ltd Com CNY 1.00	39	0.10
52,300	Yunnan Chihong Zinc & Germanium Co Ltd Com CNY 1.00	45	0.12
18,000	Yunnan Tin Co Ltd Com CNY 1.00	30	0.08
7,200	Zhejiang Huayou Cobalt Co Ltd Com CNY 1.00	45	0.12
42,208	Zhongjin Gold Corp Ltd Com CNY 1.00	62	0.17
191,300	Zijin Mining Group Co Ltd Com CNY 0.10	92	0.25
Miscellaneous manufacturers			
15,000	Anhui Zhongding Sealing Parts Co Ltd Com CNY 1.00*	49	0.13
15,800	China International Marine Containers Group Co Ltd Com CNY 1.00	37	0.10
281,180	CRRC Corp Ltd Com CNY 1.00	417	1.12

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Miscellaneous manufacturers (cont)			
40,757	Kangde Xin Composite Material Group Co Ltd Com CNY 1.00	120	0.32
13,100	Shenzhen O-film Tech Co Ltd Com CNY 1.00	75	0.20
31,350	Suzhou Victory Precision Manufacture Co Ltd Com CNY 1.00*	39	0.10
Oil & gas			
312,700	China Petroleum & Chemical Corp Com CNY 1.00	287	0.77
29,790	Geo-Jade Petroleum Corp Com CNY 1.00	27	0.07
17,600	Oriental Energy Co Ltd Com CNY 1.00	29	0.08
132,400	PetroChina Co Ltd Com CNY 1.00	152	0.40
32,800	Shanghai Dazhong Public Utilities Group Co Ltd Com CNY 1.00	26	0.07
150,460	Wintime Energy Co Ltd Com CNY 1.00	78	0.21
Oil & gas services			
54,100	Offshore Oil Engineering Co Ltd Com CNY 1.00	51	0.14
12,600	Yantai Jereh Oilfield Services Group Co Ltd Com CNY 1.00	30	0.08
Packaging & containers			
28,840	Org Packaging Co Ltd Com CNY 1.00	27	0.07
Pharmaceuticals			
10,000	Aurora Optoelectronics Co Ltd Com CNY 1.00*	41	0.11
9,000	Beijing SL Pharmaceutical Co Ltd Com CNY 1.00	34	0.09
17,000	Beijing Tongrentang Co Ltd Com CNY 1.00	80	0.21
3,700	China National Accord Medicines Corp Ltd Com CNY 1.00	41	0.11
11,800	China Resources Sanjiu Medical & Pharmaceutical Co Ltd Com CNY 1.00	51	0.14
8,100	Dong-E-E-Jiao Co Ltd Com CNY 1.00	80	0.21
45,700	Guangxi Wuzhou Zhongheng Group Co Ltd Com CNY 1.00	27	0.07
17,800	Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd Com CNY 1.00	73	0.20
17,500	Guizhou Bailing Group Pharmaceutical Co Ltd Com CNY 1.00	43	0.11
14,600	Hainan Haiyao Co Ltd Com CNY 1.00	29	0.08
28,400	Harbin Gloria Pharmaceuticals Co Ltd Com CNY 1.00	28	0.08
31,510	Harbin Pharmaceutical Group Co Ltd Com CNY 1.00	25	0.07
24,400	Hengkang Medical Group Co Ltd Com CNY 1.00	43	0.11
11,800	Huadong Medicine Co Ltd Com CNY 1.00	79	0.21
24,900	Huapont Life Sciences Co Ltd Com CNY 1.00	29	0.08
11,900	Jiangsu Bicon Pharmaceutical Listed Co Com CNY 1.00	46	0.12
34,203	Jiangsu Hengrui Medicine Co Ltd Com CNY 1.00	250	0.67

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)			
People's Republic of China (31 May 2016: 99.31%) (cont)			
Pharmaceuticals (cont)			
11,400	Jilin Aodong Pharmaceutical Group Co Ltd Com CNY 1.00	47	0.13
20,400	Joincare Pharmaceutical Group Industry Co Ltd Com CNY 1.00	25	0.07
15,800	Jointown Pharmaceutical Group Co Ltd Com CNY 1.00	45	0.12
60,800	Kangmei Pharmaceutical Co Ltd Com CNY 1.00	190	0.51
18,400	Realcan Pharmaceutical Co Ltd Com CNY 1.00	41	0.11
24,000	Shanghai Fosun Pharmaceutical Group Co Ltd Com CNY 1.00	111	0.30
12,680	Shenzhen Hepalink Pharmaceutical Group Co Ltd Com CNY 1.00*	38	0.10
13,120	Shenzhen Salubris Pharmaceuticals Co Ltd Com CNY 1.00	61	0.16
13,600	Shijiazhuang Yiling Pharmaceutical Co Ltd Com CNY 1.00	33	0.09
17,100	Sichuan Kelun Pharmaceutical Co Ltd Com CNY 1.00	38	0.10
13,000	Tasly Pharmaceutical Group Co Ltd Com CNY 1.00	76	0.20
16,032	Tonghua Dongbao Pharmaceutical Co Ltd Com CNY 1.00	48	0.13
12,300	Tonghua Golden-Horse Pharmaceutical Industry Co Ltd Com CNY 1.00	28	0.07
12,600	Yifan Pharmaceutical Co Ltd Com CNY 1.00	27	0.07
12,500	Yunnan Baiyao Group Co Ltd Com CNY 1.00	163	0.44
7,400	Zhangzhou Pientzehuang Pharmaceutical Co Ltd Com CNY 1.00	58	0.15
12,260	Zhejiang Huahai Pharmaceutical Co Ltd Com CNY 1.00	36	0.10
13,500	Zhejiang NHU Co Ltd Com CNY 1.00	35	0.09
Pipelines			
61,000	Guanghui Energy Co Ltd Com CNY 1.00	37	0.10
Real estate investment & services			
32,100	Beijing Capital Development Co Ltd Com CNY 1.00	55	0.15
20,700	Beijing Urban Construction Investment & Development Co Ltd Com CNY 1.00	43	0.11
30,100	China Fortune Land Development Co Ltd Com CNY 1.00	148	0.40
80,852	China Merchants Shekou Industrial Zone Holdings Co Ltd Com CNY 1.00	238	0.63
363,400	China State Construction Engineering Corp Ltd Com CNY 1.00	503	1.34
117,900	China Vanke Co Ltd Com CNY 1.00	367	0.98
32,000	Chongqing Dima Industry Co Ltd Com CNY 1.00	26	0.07
24,300	COFCO Property Group Co Ltd Com CNY 1.00	26	0.07
36,600	Financial Street Holdings Co Ltd Com CNY 1.00	63	0.17
28,600	Future Land Holdings Co Ltd Com CNY 1.00	72	0.19

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Real estate investment & services (cont)			
55,100	Gemdale Corp Com CNY 1.00	96	0.26
57,900	Jinke Properties Group Co Ltd Com CNY 1.00*	56	0.15
5,300	Kunwu Jiuding Investment Holdings Co Ltd Com CNY 1.00	26	0.07
43,800	Oceanwide Holdings Co Ltd Com CNY 1.00	55	0.15
145,400	Poly Real Estate Group Co Ltd Com CNY 1.00	207	0.55
54,224	RiseSun Real Estate Development Co Ltd Com CNY 1.00	82	0.22
17,500	Shanghai AJ Group Co Ltd Com CNY 1.00*	37	0.10
11,730	Shanghai Jinqiao Export Processing Zone Development Co Ltd Com CNY 1.00	30	0.08
20,720	Shanghai Lujiazui Finance & Trade Zone Development Co Ltd Com CNY 1.00	72	0.19
22,305	Shanghai SMI Holding Co Ltd Com CNY 1.00	33	0.09
19,000	Shanghai Zhangjiang High-Tech Park Development Co Ltd Com CNY 1.00	45	0.12
27,440	Shenzhen World Union Properties Consultancy Inc Com CNY 1.00	31	0.08
38,500	Suning Universal Co Ltd Com CNY 1.00	34	0.09
44,000	Sunshine City Group Co Ltd Com CNY 1.00	37	0.10
13,100	Tahoe Group Co Ltd Com CNY 1.00	31	0.08
105,600	Xinhu Zhongbao Co Ltd Com CNY 1.00	77	0.21
32,900	Youngor Group Co Ltd Com CNY 1.00	68	0.18
66,300	Zhonghong Holding Co Ltd Com CNY 1.00	25	0.07
57,300	Zhongtian Financial Group Co Ltd Com CNY 1.00	55	0.15
Retail			
56,300	China Grand Automotive Services Co Ltd Com CNY 1.00	80	0.21
11,900	Global Top E-Commerce Co Ltd Com CNY 1.00	34	0.09
9,900	Nanjing Xinjiekou Department Store Co Ltd Com CNY 1.00	52	0.14
19,800	Shanghai Bailian Group Co Ltd Com CNY 1.00	44	0.12
23,700	Shanghai Pharmaceuticals Holding Co Ltd Com CNY 1.00	89	0.24
18,700	Shanghai Yuyuan Tourist Mart Co Ltd Com CNY 1.00*	31	0.08
114,300	Suning Commerce Group Co Ltd Com CNY 1.00	178	0.48
Semiconductors			
28,300	GCL System Integration Technology Co Ltd Com CNY 1.00	17	0.05
50,560	Sanan Optoelectronics Co Ltd Com CNY 1.00	135	0.36

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 99.31%) (cont)			
People's Republic of China (31 May 2016: 99.31%) (cont)			
Software			
11,000	Beijing Shiji Information Technology Co Ltd Com CNY 1.00	33	0.09
13,650	Glodon Co Ltd Com CNY 1.00	35	0.09
21,200	Hangzhou Liaison Interactive Information Technology Co Ltd Com CNY 1.00*	40	0.11
8,000	Hundsun Technologies Inc Com CNY 1.00	44	0.12
15,900	Iflytek Co Ltd Com CNY 1.00	70	0.19
29,400	Jiangsu Protruly Vision Technology Group Co Ltd Com CNY 1.00	52	0.14
5,200	Kingnet Network Co Ltd Com CNY 1.00	25	0.07
13,250	NavInfo Co Ltd Com CNY 1.00	33	0.09
16,400	Neusoft Corp Com CNY 1.00	35	0.09
41,480	Shanghai 2345 Network Holding Group Co Ltd Com CNY 1.00	36	0.10
11,300	Shenzhen Kingdom Sci-Tech Co Ltd Com CNY 1.00	28	0.07
4,400	Sinodata Co Ltd Com CNY 1.00	18	0.05
17,400	Yonyou Network Technology Co Ltd Com CNY 1.00	39	0.10
7,400	Youzu Interactive Co Ltd Com CNY 1.00	30	0.08
35,750	Zhejiang Dahua Technology Co Ltd Com CNY 1.00	98	0.26
Storage & warehousing			
25,400	CMST Development Co Ltd Com CNY 1.00	29	0.08
Telecommunications			
10,000	Addsino Co Ltd Com CNY 1.00	14	0.04
35,100	Beijing Xinwei Technology Group Co Ltd Com CNY 1.00*	75	0.20
14,100	China Spacesat Co Ltd Com CNY 1.00	56	0.15
260,100	China United Network Communications Ltd Com CNY 1.00*	285	0.76
12,000	Datang Telecom Technology Co Ltd Com CNY 1.00	24	0.06
9,300	Digital China Information Service Co Ltd Com CNY 1.00	22	0.06
17,300	Dr Peng Telecom & Media Group Co Ltd Com CNY 1.00	42	0.11
13,600	Fiberhome Telecommunication Technologies Co Ltd Com CNY 1.00	44	0.12
19,100	Guangzhou Haige Communications Group Inc Co Com CNY 1.00	30	0.08
11,500	Guoxuan High-Tech Co Ltd Com CNY 1.00	46	0.12
15,300	Hengtong Optic-electric Co Ltd Com CNY 1.00	54	0.15
21,200	Hytera Communications Corp Ltd Com CNY 1.00	45	0.12
30,050	Jiangsu Zhongtian Technology Co Ltd Com CNY 1.00	49	0.13
11,000	Shenzhen Aisidi Co Ltd Com CNY 1.00	16	0.04
41,440	ZTE Corp Com CNY 1.00	119	0.32

Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (31 May 2016: 99.31%) (cont)			
Toys, games & hobbies			
16,600	Alpha Group Com CNY 1.00	36	0.10
Transportation			
25,800	China High-Speed Railway Technology Co Ltd Com CNY 1.00	27	0.07
64,300	China Merchants Energy Shipping Co Ltd Com CNY 1.00*	49	0.13
98,400	COSCO Shipping Development Co Ltd Com CNY 1.00	50	0.13
36,700	COSCO Shipping Energy Transportation Co Ltd Com CNY 1.00	34	0.09
92,400	COSCO Shipping Holdings Co Ltd Com CNY 1.00*	73	0.20
182,400	Daqin Railway Co Ltd Com CNY 1.00	229	0.61
67,200	Guangshen Railway Co Ltd Com CNY 1.00	43	0.11
106,400	Ningbo Zhoushan Port Co Ltd Com CNY 1.00	88	0.24
12,390	Shenzhen Feima International Supply Chain Co Ltd Com CNY 1.00	32	0.09
22,600	Shenzhen Yan Tian Port Holding Co Ltd Com CNY 1.00	32	0.09
12,200	Sinotrans Air Transportation Development Co Ltd Com CNY 1.00	31	0.08
31,600	Tianjin Tianhai Investment Co Ltd Com CNY 1.00	27	0.07
Water			
33,500	Chengdu Xingrong Environment Co Ltd Com CNY 1.00	27	0.07
11,800	Guangdong Golden Dragon Development Inc Com CNY 1.00	27	0.07
Total People's Republic of China		37,269	99.58
Total equities		37,269	99.58
Rights (31 May 2016: 0.01%)			
People's Republic of China (31 May 2016: 0.01%)			
Total value of investments		37,269	99.58
Cash[†]		175	0.47
Other net liabilities		(19)	(0.05)
Net assets attributable to redeemable participating shareholders		37,425	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company

* This security was fair valued in consultation with the Investment Manager. This security was suspended or priced at zero at financial year end.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

iShares MSCI China A UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	37,269	99.53
Other assets	176	0.47
Total current assets	37,445	100.00

iShares MSCI China A UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
291,200	Bank of China Ltd Com CNY 1.00	147,255	7,200	Kweichow Moutai Co Ltd Com CNY 1.00	344,151
2,900	Kweichow Moutai Co Ltd Com CNY 1.00	137,337	116,400	China Merchants Bank Co Ltd Com CNY 1.00	323,089
45,600	China Merchants Bank Co Ltd Com CNY 1.00	121,200	60,200	Ping An Insurance Group Co of China Ltd Com CNY 1.00	312,400
23,200	Ping An Insurance Group Co of China Ltd Com CNY 1.00	119,569	127,200	Shanghai Pudong Development Bank Co Ltd Com CNY 1.00	310,443
43,000	Shanghai Pudong Development Bank Co Ltd Com CNY 1.00	104,546	128,000	Industrial Bank Co Ltd Com CNY 1.00	305,618
43,600	Industrial Bank Co Ltd Com CNY 1.00	104,146	163,900	China Minsheng Banking Corp Ltd Com CNY 1.00	223,536
69,100	China State Construction Engineering Corp Ltd Com CNY 1.00	88,567	63,000	China Vanke Co Ltd Com CNY 1.00	214,123
64,600	China Minsheng Banking Corp Ltd Com CNY 1.00	86,286	444,100	Agricultural Bank of China Ltd Com CNY 1.00	212,067
180,700	Agricultural Bank of China Ltd Com CNY 1.00	83,384	305,300	Industrial & Commercial Bank of China Ltd Com CNY 1.00	205,423
24,400	China Life Insurance Co Ltd Com CNY 1.00	82,277	217,200	Bank of Communications Co Ltd Com CNY 1.00	189,774
124,000	Industrial & Commercial Bank of China Ltd Com CNY 1.00	80,515	130,700	CRRRC Corp Ltd Com CNY 1.00	189,268
50,200	CRRRC Corp Ltd Com CNY 1.00	79,369	172,300	China State Construction Engineering Corp Ltd Com CNY 1.00	184,544
85,300	Bank of Communications Co Ltd Com CNY 1.00	71,824	88,300	China Yangtze Power Co Ltd Com CNY 1.00	177,305
15,200	Midea Group Co Ltd Com CNY 1.00	65,242	219,400	China Petroleum & Chemical Corp Com CNY 1.00	165,722
18,400	China Vanke Co Ltd Com CNY 1.00	62,688	58,600	Guotai Junan Securities Co Ltd Com CNY 1.00	165,415
31,000	China Yangtze Power Co Ltd Com CNY 1.00	58,073	36,800	Midea Group Co Ltd Com CNY 1.00	156,762
23,200	China Shenhua Energy Co Ltd Com CNY 1.00	51,500	90,000	China Railway Construction Corp Ltd Com CNY 1.00	154,513
12,200	China Pacific Insurance Group Co Ltd Com CNY 1.00	51,418	39,600	Gree Electric Appliances Inc of Zhuhai Com CNY 1.00	150,604
86,800	China Everbright Bank Co Ltd Com CNY 1.00	49,708	119,900	China Railway Group Ltd Com CNY 1.00	148,511
13,800	SAIC Motor Corp Ltd Com CNY 1.00	47,865	40,900	SAIC Motor Corp Ltd Com CNY 1.00	144,835

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares MSCI EM SRI UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 11 July 2016 to 31 May 2017 \$'000
Operating income	2	538
Net gains on financial assets/liabilities at fair value through profit or loss	3	4,173
Total gains		4,711
Operating expenses	4	(85)
Net operating profit		4,626
Finance costs:		
Interest expense	6	(2)
Total finance costs		(2)
Net profit for the financial period		4,624
Taxation		(68)
Increase in net assets attributable to redeemable participating shareholders from operations		4,556

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	4,556
Share transactions:	
Proceeds from issue of redeemable participating shares	54,973
Increase in net assets resulting from share transactions	54,973
Net assets attributable to redeemable participating shareholders at the end of the financial period	59,529

The accompanying notes form an integral part of these financial statements.

iShares MSCI EM SRI UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		326
Receivables	10	1,957
Financial assets at fair value through profit or loss	11	59,079
Total current assets		61,362
CURRENT LIABILITIES		
Margin cash account		(4)
Payables	12	(1,829)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(1,833)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	59,529

The accompanying notes form an integral part of these financial statements.

iShares MSCI EM SRI UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	538
	538

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	4,155
Net gains on futures	9
Net gains on foreign currency transactions	9
	4,173

4. OPERATING EXPENSES

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Management fees	(85)
	(85)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.35

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. INTEREST EXPENSE

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Bank interest	(2)
	(2)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Transaction costs	(59)

iShares MSCI EM SRI UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial year period	10,000,000
Balance at the end of financial year period	10,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	59,529

	No. of Shares
Shares in issue	
As at 31 May 2017	10,000,000

	\$
Net asset value per share	
As at 31 May 2017	5.95

10. RECEIVABLES

	31 May 2017 \$'000
Sales of securities awaiting settlement	1,925
Dividend income receivable	32
	1,957

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	59,070
Unrealised gains on futures contracts	9
	59,079

12. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(1,813)
Interest payable	(1)
Management fees payable	(15)
	(1,829)

iShares MSCI EM SRI UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Bermuda			
Home furnishings			
72,000	Haier Electronics Group Co Ltd Com HKD 0.10	183	0.31
	Total Bermuda	183	0.31
Brazil			
Banks			
53,877	Banco Bradesco SA Com NPV	450	0.75
177,368	Banco Bradesco SA Pref NPV	1,505	2.53
Building materials and fixtures			
18,000	Duratex SA Com NPV	44	0.08
Commercial services			
10,158	Localiza Rent a Car SA Com NPV	136	0.23
Cosmetics & personal care			
10,000	Natura Cosmeticos SA Com NPV	100	0.17
Diversified financial services			
119,898	BM&FBovespa SA - Bolsa de Valores Mercadorias e Futuros Com NPV	681	1.14
Electricity			
44,000	Cia Energetica de Minas Gerais Pref BRL 5.00	104	0.17
6,000	Cia Paranaense de Energia Pref NPV	52	0.09
12,000	CPFL Energia SA Com NPV	97	0.16
18,000	EDP - Energias do Brasil SA Com NPV	74	0.13
10,000	Engie Brasil Energia SA Com NPV	102	0.17
Forest products & paper			
32,000	Klabin SA Unit NPV	165	0.28
Machinery - diversified			
33,000	WEG SA Com NPV	193	0.32
Oil & gas			
7,088	Cosan SA Industria e Comercio Com NPV	79	0.13
Retail			
40,790	Lojas Renner SA Com NPV	332	0.56
	Total Brazil	4,114	6.91
Cayman Islands			
Apparel retailers			
32,000	Shenzhou International Group Holdings Ltd Com HKD 0.10	219	0.37
Auto manufacturers			
280,000	Geely Automobile Holdings Ltd Com HKD 0.02	464	0.78
Diversified financial services			
60,000	Chailease Holding Co Ltd Com TWD 10.00	162	0.27
	Total Cayman Islands	845	1.42

Holding	Investment	Fair value \$'000	% of net asset value
Chile			
Chemicals			
5,591	Sociedad Quimica y Minera de Chile SA Pref NPV	202	0.34
Holding companies - diversified operations			
26,531	Empresas COPEC SA Com NPV	303	0.51
Retail			
36,260	SACI Falabella Com NPV	300	0.51
Water			
151,813	Aguas Andinas SA Com NPV	85	0.14
	Total Chile	890	1.50
Colombia			
Building materials and fixtures			
26,738	Cementos Argos SA Com COP 6.00	107	0.18
	Total Colombia	107	0.18
Czech Republic			
Banks			
4,411	Komerční Banka AS Com CZK 100.00	176	0.30
	Total Czech Republic	176	0.30
Hong Kong			
Computers			
412,000	Lenovo Group Ltd Com NPV	270	0.45
	Total Hong Kong	270	0.45
Hungary			
Oil & gas			
2,681	MOL Hungarian Oil & Gas Plc Com HUF 1000.00	218	0.37
	Total Hungary	218	0.37
India			
Auto manufacturers			
16,175	Mahindra & Mahindra Financial Services Ltd Com INR 2.00	90	0.15
21,051	Mahindra & Mahindra Ltd Com INR 5.00	462	0.77
90,086	Tata Motors Ltd Com INR 2.00	665	1.12
Banks			
18,995	Yes Bank Ltd Com INR 10.00	421	0.71
Chemicals			
16,705	Asian Paints Ltd Com INR 1.00	298	0.50
Computers			
104,705	Infosys Ltd Com INR 5.00	1,586	2.66
27,669	Tata Consultancy Services Ltd Com INR 1.00	1,092	1.84
34,447	Wipro Ltd Com INR 2.00	286	0.48
Diversified financial services			
87,316	Housing Development Finance Corp Ltd Com INR 2.00	2,125	3.57

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
India (cont)			
Food			
1,350	Nestle India Ltd Com INR 10.00	139	0.23
Oil & gas			
29,499	Bharat Petroleum Corp Ltd Com INR 10.00	340	0.57
Pharmaceuticals			
272	Divi's Laboratories Ltd Com INR 2.00	2	0.00
6,523	Dr Reddy's Laboratories Ltd Com INR 5.00	255	0.43
4,501	Piramal Enterprises Ltd Com INR 2.00	191	0.32
Retail			
17,524	Titan Co Ltd Com INR 1.00	129	0.22
Software			
31,842	HCL Technologies Ltd Com INR 2.00	427	0.72
Telecommunications			
68,332	Bharti Airtel Ltd Com INR 5.00	393	0.66
Total India		8,901	14.95
Indonesia			
Banks			
195,000	Bank Danamon Indonesia Tbk PT Com NPV	76	0.13
531,800	Bank Mandiri Persero Tbk PT Com IDR 500.00	503	0.84
433,100	Bank Negara Indonesia Persero Tbk PT Com IDR 7500.00	213	0.36
Coal			
869,000	Adaro Energy Tbk PT Com IDR 100.00	99	0.17
Food			
136,000	Indofood CBP Sukses Makmur Tbk PT Com IDR 50.00	89	0.15
Machinery, construction & mining			
98,000	United Tractors Tbk PT Com IDR 250.00	204	0.34
Media			
289,100	Media Nusantara Citra Tbk PT Com IDR 100.00	41	0.07
Pharmaceuticals			
1,224,300	Kalbe Farma Tbk PT Com IDR 10.00	142	0.24
Retail			
1,153,400	Astra International Tbk PT Com IDR 50.00	758	1.27
Telecommunications			
165,200	XL Axiata Tbk PT Com IDR 100.00	37	0.06
Total Indonesia		2,162	3.63
Isle of Man			
Real estate investment & services			
12,823	New Europe Property Investments Plc Com EUR 0.01	149	0.25
Total Isle of Man		149	0.25

Holding	Investment	Fair value \$'000	% of net asset value
Malaysia			
Agriculture			
37,100	HAP Seng Consolidated Bhd Com MYR 1.00	79	0.13
Auto manufacturers			
27,000	UMW Holdings Bhd Com MYR 0.50	38	0.06
Banks			
202,124	CIMB Group Holdings Bhd Com MYR 1.00	302	0.51
204,100	Malayan Banking Bhd Com MYR 1.00	450	0.76
165,900	Public Bank Bhd Com MYR 1.00	778	1.30
Media			
91,000	Astro Malaysia Holdings Bhd Com MYR 0.10	54	0.09
Oil & gas			
14,200	Petronas Dagangan Bhd Com MYR 1.00	82	0.14
Telecommunications			
151,900	Axiata Group Bhd Com MYR 1.00	180	0.30
177,200	DiGi.Com Bhd Com MYR 0.01	205	0.35
109,000	Maxis Bhd Com MYR 0.10	157	0.26
66,000	Telekom Malaysia Bhd Com MYR 0.70	100	0.17
Total Malaysia		2,425	4.07
Mexico			
Banks			
57,000	Gentera SAB de CV Com NPV	91	0.16
108,355	Grupo Financiero Santander Mexico SAB de CV Com MXN 3.780783	198	0.33
Beverages			
24,309	Arca Continental SAB de CV Com NPV	173	0.29
29,000	Coca-Cola Femsa SAB de CV Com NPV	233	0.39
107,000	Fomento Economico Mexicano SAB de CV Unit NPV	1,005	1.69
Engineering & construction			
12,000	Grupo Aeroportuario del Sureste SAB de CV Com NPV	236	0.40
Household products			
89,000	Kimberly-Clark de Mexico SAB de CV Com NPV	175	0.29
Mining			
8,100	Industrias Penoles SAB de CV Com NPV	176	0.29
Total Mexico		2,287	3.84
People's Republic of China			
Auto manufacturers			
116,000	Guangzhou Automobile Group Co Ltd Com CNY 1.00	195	0.33
Banks			
316,000	China Minsheng Banking Corp Ltd Com CNY 1.00	324	0.54

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
People's Republic of China (cont)			
Electricity			
240,000	Huaneng Renewables Corp Ltd Com CNY 1.00	79	0.13
Energy - alternate sources			
188,000	China Longyuan Power Group Corp Ltd Com CNY 1.00	142	0.24
Miscellaneous manufacturers			
240,000	CRRC Corp Ltd Com CNY 1.00	225	0.38
Total People's Republic of China		965	1.62
Philippines			
Banks			
41,010	Bank of the Philippine Islands Com PHB 10.00	87	0.15
113,923	BDO Unibank Inc Com PHB 10.00	280	0.47
Electricity			
544,100	Energy Development Corp Com PHB 1.00	67	0.11
Real estate investment & services			
481,100	SM Prime Holdings Inc Com PHB 1.00	326	0.55
Total Philippines		760	1.28
Poland			
Banks			
35,210	Bank Millennium SA Com PLN 1.00	66	0.11
Media			
11,133	Cyfrowy Polsat SA Com PLN 0.04	80	0.13
Oil & gas			
17,060	Polski Koncern Naftowy Orlen SA Com PLN 1.25	486	0.82
Total Poland		632	1.06
Qatar			
Telecommunications			
4,563	Ooredoo QSC Com QAR 10.00	131	0.22
Transportation			
1,578	Qatar Gas Transport Co Ltd Com QAR 10.00	8	0.01
Total Qatar		139	0.23
Republic of South Korea			
Airlines			
2,723	Korean Air Lines Co Ltd Com KRW 5000.00	86	0.14
Auto parts & equipment			
4,311	Hankook Tire Co Ltd Com KRW 500.00	235	0.39
Banks			
17,665	Woori Bank Com KRW 5000.00	241	0.41
Chemicals			
440	LG Chem Ltd Pref KRW 5000.00	80	0.13
2,615	LG Chem Ltd Com KRW 5000.00	705	1.19

Holding	Investment	Fair value \$'000	% of net asset value
Republic of South Korea (cont)			
Computers			
1,804	SK Holdings Co Ltd Com KRW 200.00	441	0.74
Cosmetics & personal care			
520	Amorepacific Corp Pref KRW 500.00	99	0.17
1,831	Amorepacific Corp Com KRW 500.00	561	0.94
1,620	Amorepacific Group Com KRW 500.00	218	0.36
535	LG Household & Health Care Ltd Com KRW 5000.00	469	0.79
Distribution & wholesale			
5,344	LG Corp Com KRW 5000.00	387	0.65
Diversified financial services			
15,135	BNK Financial Group Inc Com KRW 5000.00	135	0.23
9,813	DGB Financial Group Inc Com KRW 5000.00	101	0.17
22,634	KB Financial Group Inc Com KRW 5000.00	1,084	1.82
1,650	Samsung Card Co Ltd Com KRW 5000.00	62	0.10
24,318	Shinhan Financial Group Co Ltd Com KRW 5000.00	1,074	1.81
Electrical components & equipment			
6,009	LG Electronics Inc Com KRW 5000.00	443	0.74
830	LG Innotek Co Ltd Com KRW 5000.00	99	0.17
Electronics			
13,045	LG Display Co Ltd Com KRW 5000.00	380	0.64
3,251	Samsung Electro-Mechanics Co Ltd Com KRW 5000.00	239	0.40
Food			
460	CJ CheilJedang Corp Com KRW 5000.00	157	0.26
Home furnishings			
2,999	Coway Co Ltd Com KRW 500.00	269	0.45
Insurance			
3,631	Hyundai Marine & Fire Insurance Co Ltd Com KRW 500.00	122	0.21
1,755	Samsung Fire & Marine Insurance Co Ltd Com KRW 500.00	459	0.77
Machinery - diversified			
2,780	Doosan Heavy Industries & Construction Co Ltd Com KRW 5000.00	57	0.10
Oil & gas			
2,980	GS Holdings Corp Com KRW 5000.00	194	0.33
2,620	S-Oil Corp Com KRW 2500.00	242	0.41
3,688	SK Innovation Co Ltd Com KRW 5000.00	557	0.93
Telecommunications			
3,106	Samsung SDI Co Ltd Com KRW 5000.00	459	0.77
Total Republic of South Korea		9,655	16.22
Russian Federation			
Electricity			
1,817,599	Inter RAO UES PJSC Com RUB 2.80977	127	0.22

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Russian Federation (cont)			
Oil & gas			
5,190	Novatek PJSC GDR NPV	583	0.98
	Total Russian Federation	710	1.20
South Africa			
Apparel retailers			
13,362	Mr Price Group Ltd Com ZAR 0.00025	152	0.26
Banks			
24,607	Barclays Africa Group Ltd Com ZAR 2.00	259	0.43
191,206	FirstRand Ltd Com ZAR 0.01	715	1.20
12,715	Nedbank Group Ltd Com ZAR 1.00	212	0.36
73,775	Standard Bank Group Ltd Com ZAR 0.10	820	1.38
Coal			
10,413	Exxaro Resources Ltd Com ZAR 0.01	81	0.14
Diversified financial services			
15,543	Investec Ltd Com ZAR 0.0002	122	0.21
40,982	RMB Holdings Ltd Com ZAR 0.01	191	0.32
Food			
7,449	Pioneer Foods Group Ltd Com ZAR 0.10	80	0.13
11,283	SPAR Group Ltd Com NPV	146	0.25
9,089	Tiger Brands Ltd Com ZAR 0.10	265	0.44
Forest products & paper			
6,871	Mondi Ltd Com NPV	180	0.30
Healthcare products			
22,107	Aspen Pharmacare Holdings Ltd Com ZAR 0.1390607	498	0.84
Healthcare services			
55,146	Netcare Ltd Com ZAR 0.01	113	0.19
Holding companies - diversified operations			
8,762	Imperial Holdings Ltd Com ZAR 0.04	110	0.18
Insurance			
81,753	Sanlam Ltd Com ZAR 0.01	425	0.71
Real estate investment trusts			
121,808	Growthpoint Properties Ltd Reits NPV	232	0.39
Retail			
12,213	Foschini Group Ltd Com ZAR 0.0125	128	0.22
6,301	Massmart Holdings Ltd Com ZAR 0.01	56	0.09
56,195	Woolworths Holdings Ltd Com NPV	287	0.48
Telecommunications			
96,630	MTN Group Ltd Com ZAR 0.0001	861	1.45
29,675	Vodacom Group Ltd Com ZAR 0.01	372	0.62
	Total South Africa	6,305	10.59
Taiwan			
Airlines			
150,000	China Airlines Ltd Com TWD 10.00	46	0.07
119,550	Eva Airways Corp Com TWD 10.00	58	0.10

Holding	Investment	Fair value \$'000	% of net asset value
Taiwan (cont)			
Apparel retailers			
175,000	Far Eastern New Century Corp Com TWD 10.00	142	0.24
Auto manufacturers			
50,000	Yulon Motor Co Ltd Com TWD 10.00	45	0.08
Banks			
194,050	Taiwan Business Bank Com TWD 10.00	54	0.09
Computers			
170,000	Acer Inc Com TWD 10.00	93	0.16
143,000	Inventec Corp Com TWD 10.00	107	0.18
121,000	Lite-On Technology Corp Com TWD 10.00	203	0.34
Food			
32,220	Standard Foods Corp Com TWD 10.00	87	0.14
273,000	Uni-President Enterprises Corp Com TWD 10.00	545	0.92
Insurance			
480,000	Shin Kong Financial Holding Co Ltd Com TWD 10.00	124	0.21
Iron & steel			
717,000	China Steel Corp Com TWD 10.00	590	0.99
Retail			
16,000	Hotai Motor Co Ltd Com TWD 10.00	210	0.35
32,000	President Chain Store Corp Com TWD 10.00	286	0.48
Semiconductors			
371,089	Advanced Semiconductor Engineering Inc Com TWD 10.00	475	0.80
115,000	Siliconware Precision Industries Co Ltd Com TWD 10.00	194	0.32
1,404,000	Taiwan Semiconductor Manufacturing Co Ltd Com TWD 10.00	9,476	15.92
Telecommunications			
120,000	Asia Pacific Telecom Co Ltd Com TWD 10.00	41	0.07
216,000	Chunghwa Telecom Co Ltd Com TWD 10.00	772	1.30
92,000	Far EasTone Telecommunications Co Ltd Com TWD 10.00	234	0.39
93,000	Taiwan Mobile Co Ltd Com TWD 10.00	346	0.58
	Total Taiwan	14,128	23.73
Thailand			
Banks			
65,800	Kasikornbank PCL Com THB 10.00	361	0.61
33,000	Kasikornbank PCL Receipt THB 10.00	182	0.30
203,000	Krung Thai Bank PCL Receipt THB 5.15	114	0.19
100,300	Siam Commercial Bank PCL Receipt THB 10.00	450	0.76
Chemicals			
610,400	IRPC PCL Receipt THB 1.00	91	0.15

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (cont)			
Thailand (cont)			
Coal			
113,200	Banpu PCL Receipt THB 1.00	59	0.10
Healthcare services			
225,000	Bangkok Dusit Medical Services PCL Receipt THB 0.10	123	0.21
Holding companies - diversified operations			
6,300	Siam Cement PCL Receipt THB 1.00	98	0.16
17,300	Siam Cement PCL Com THB 1.00	267	0.45
Oil & gas			
47,700	Thai Oil PCL Receipt THB 10.00	108	0.18
Real estate investment & services			
78,000	Central Pattana PCL Receipt THB 0.50	151	0.26
Retail			
229,000	Home Product Center PCL Receipt THB 1.00	66	0.11
125,000	Minor International PCL Receipt THB 1.00	138	0.23
Transportation			
339,100	BTS Group Holdings PCL Receipt THB 4.00	85	0.14
Total Thailand		2,293	3.85
Turkey			
Beverages			
4,431	Coca-Cola Icecek AS Com TRY 1.00	46	0.08
Holding companies - diversified operations			
36,810	KOC Holding AS Com TRY 1.00	167	0.28
Home furnishings			
13,733	Arcelik AS Com TRY 1.00	95	0.16
Total Turkey		308	0.52
United Arab Emirates			
Banks			
113,692	Abu Dhabi Commercial Bank PJSC Com AED 1.00	226	0.38
Commercial services			
9,633	DP World Ltd Com USD 2.00	222	0.37
Total United Arab Emirates		448	0.75
Total equities		59,070	99.23

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial Derivative Instruments			
Futures Contracts			
3	Mini MSCI Emerging Market Index Futures June2017	141	0.01
Total unrealised gains on futures contracts		9	0.01
Total Financial Derivative Instruments		9	0.01

	Fair value \$'000	% of net asset value
Total value of investments	59,079	99.24
Cash[†]	322	0.54
Other net assets	128	0.22
Net asset value attributable to redeemable participating shareholders at the end of the financial period	59,529	100.00

[†] Cash holdings of \$ 326,236 are held with State Street Bank and Trust Company. \$4,210 is due as security for futures contracts with HSBC Bank Plc.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	59,070	96.26
Exchange traded financial derivative instruments	9	0.01
Other assets	2,283	3.73
Total current assets	61,362	100.00

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SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
30,737	Remgro Ltd Com NPV	507	1,441,000	Taiwan Semiconductor Manufacturing Co Ltd Com	
37,000	Taiwan Semiconductor Manufacturing Co Ltd Com			TWD 10.00	8,899
	TWD 10.00	243	87,641	Housing Development Finance Corp Ltd Com INR 2.00	1,836
856	SK Holdings Co Ltd Com KRW 200.00	208	107,189	Infosys Ltd Com INR 5.00	1,627
60,000	China Everbright Ltd Com NPV	134	167,000	Banco Bradesco SA Pref NPV	1,598
98,400	Alfa SAB de CV Com NPV	131	27,669	Tata Consultancy Services Ltd Com INR 1.00	997
5,711	Grupa Lotos SA Com PLN 1.00	83	107,000	Fomento Economico Mexicano SAB de CV Unit NPV	987
90,000	Chongqing Dima Industry Co Ltd Com CNY 1.00	57	25,007	Shinhan Financial Group Co Ltd Com KRW 5000.00	987
1,991	Polski Koncern Naftowy ORLEN SA Com PLN 1.25	55	23,007	KB Financial Group Inc Com KRW 5000.00	913
175	Samsung Fire & Marine Insurance Co Ltd Com KRW 500.00	46	98,620	MTN Group Ltd Com ZAR 0.0001	857
25,000	Geely Automobile Holdings Ltd Com HKD 0.02	41	75,550	Standard Bank Group Ltd Com ZAR 0.10	791
4,349	Divi's Laboratories Ltd Com INR 2.00	39	165,900	Public Bank Bhd Com MYR 1.00	779
2,484	Infosys Ltd Com INR 5.00	38	220,000	Chunghwa Telecom Co Ltd Com TWD 10.00	776
1,900	Bank Handlowy w Warszawie SA Com PLN 4.00	35	1,175,300	Astra International Tbk PT Com IDR 50.00	735
689	Shinhan Financial Group Co Ltd Com KRW 5000.00	30	119,898	BM&FBovespa SA - Bolsa de Valores Mercadorias e	
115	LG Chem Ltd Com KRW 5000.00	30		Futuros Com NPV	705
25,800	DiGi.Com Bhd Com MYR 0.01	30	196,466	FirstRand Ltd Com ZAR 0.01	690
29,000	China Minsheng Banking Corp Ltd Com CNY 1.00	30	91,787	Tata Motors Ltd Com INR 2.00	676
2,123	New Europe Property Investments Plc Com EUR 0.01	25	2,730	LG Chem Ltd Com KRW 5000.00	615
2,000	Hotai Motor Co Ltd Com TWD 10.00	22	5,367	Novatek PJSC GDR NPV	607
177	Novatek PJSC GDR NPV	21	1,870	Amorepacific Corp Com KRW 500.00	589
			2,660	SK Holdings Co Ltd Com KRW 200.00	541

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares MSCI EMU Large Cap UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	5,166	6,014
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	24,519	(28,324)
Total gains/(losses)		29,685	(22,310)
Operating expenses	4	(802)	(976)
Net operating profit/(loss)		28,883	(23,286)
Finance costs:			
Interest expense	6	(4)	(3)
Total finance costs		(4)	(3)
Net profit/(loss) for the financial year before tax		28,879	(23,289)
Taxation		(351)	(337)
Net profit/(loss) for the financial year after tax		28,528	(23,626)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(97)	(25)
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		28,431	(23,651)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	181,222	222,348
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	28,431	(23,651)
Share transactions:		
Proceeds from issue of redeemable participating shares	6,242	9,368
Payments on redemption of redeemable participating shares	(55,378)	(26,843)
Decrease in net assets resulting from share transactions	(49,136)	(17,475)
Net assets attributable to redeemable participating shareholders at the end of the financial year	160,517	181,222

The accompanying notes form an integral part of these financial statements.

iShares MSCI EMU Large Cap UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		1,906	2,898
Margin cash account		180	294
Receivables	10	1,224	857
Financial assets at fair value through profit or loss	11	157,696	177,838
Total current assets		161,006	181,887
CURRENT LIABILITIES			
Payables	12	(480)	(762)
Financial liabilities at fair value through profit or loss	11	(9)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(489)	(762)
Net assets attributable to redeemable participating shareholders		160,517	181,125
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	97
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	160,517	181,222

The accompanying notes form an integral part of these financial statements.

iShares MSCI EMU Large Cap UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	5,135	6,001
Securities lending income	31	13
	5,166	6,014

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	24,441	(28,409)
Net gains on futures contracts	80	85
Net losses on foreign currency transactions	(2)	-
	24,519	(28,324)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(802)	(976)
	(802)	(976)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for further details.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.49	0.49

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(4)	(3)
	(4)	(3)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(18)	(21)

iShares MSCI EMU Large Cap UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	6,101,416	6,701,416
Issued during the financial year	200,000	300,000
Redeemed during the financial year	(1,800,000)	(900,000)
Balance at the end of financial year	4,501,416	6,101,416

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	160,517
As at 31 May 2016	181,222
As at 31 May 2015	222,348

	No. of Shares
Shares in issue	
As at 31 May 2017	4,501,416
As at 31 May 2016	6,101,416
As at 31 May 2015	6,701,416

	€
Net asset value per share	
As at 31 May 2017	35.66
As at 31 May 2016	29.70
As at 31 May 2015	33.18

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sale of securities awaiting settlement	428	169
Dividend income receivable	439	309
Securities lending income receivable	3	2
Tax reclaim receivable	354	377
	1,224	857

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	157,696	177,735
Investment in rights	-	33
Unrealised gains on futures contracts	-	70
	157,696	177,838

Financial liabilities:		
Unrealised losses on futures contracts	(9)	-
	(9)	-

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(412)	(685)
Interest payable*	-	(1)
Management fees payable	(68)	(76)
	(480)	(762)

* Amounts which are less than €500 are rounded to zero.

iShares MSCI EMU Large Cap UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 98.09%)			
Equities (31 May 2016: 98.07%)			
Austria (31 May 2016: 0.25%)			
Banks			
14,677	Erste Group Bank AG Com NPV	474	0.30
Total Austria		474	0.30
Belgium (31 May 2016: 4.56%)			
Banks			
12,216	KBC Group NV Com NPV	818	0.51
Beverages			
36,834	Anheuser-Busch InBev SA/NV Com NPV	3,825	2.38
Investment services			
3,979	Groupe Bruxelles Lambert SA Com NPV	344	0.22
Pharmaceuticals			
6,205	UCB SA Com NPV	390	0.24
Telecommunications			
7,178	Proximus SADP Com NPV^	230	0.14
Total Belgium		5,607	3.49
Finland (31 May 2016: 2.48%)			
Electricity			
21,465	Fortum Oyj Com EUR 3.40	305	0.19
Insurance			
21,826	Sampo Oyj Com NPV	987	0.62
Machinery - diversified			
16,463	Kone Oyj Com NPV^	726	0.45
Telecommunications			
283,477	Nokia Oyj Com NPV	1,600	1.00
Total Finland		3,618	2.26
France (31 May 2016: 30.86%)			
Advertising			
9,368	Publicis Groupe SA Com EUR 0.40	638	0.40
Aerospace & defence			
15,183	Safran SA Com EUR 0.20	1,196	0.74
5,168	Thales SA Com EUR 3.00	508	0.32
Apparel retailers			
2,677	Christian Dior SE Com EUR 2.00	681	0.42
1,198	Hermes International Com NPV	527	0.33
13,491	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	3,064	1.91
Auto manufacturers			
9,215	Renault SA Com EUR 3.81	766	0.48
Auto parts & equipment			
8,510	Cie Generale des Etablissements Michelin Com EUR 2.00	953	0.59

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 30.86%) (cont)			
Banks			
54,620	BNP Paribas SA Com EUR 2.00	3,431	2.14
55,279	Credit Agricole SA Com EUR 3.00	754	0.47
46,227	Natixis SA Com EUR 11.20	272	0.17
37,189	Societe Generale SA Com EUR 1.25	1,736	1.08
Beverages			
10,285	Pernod Ricard SA Com EUR 1.55	1,243	0.78
Building materials and fixtures			
24,257	Cie de Saint-Gobain Com EUR 4.00	1,207	0.75
Chemicals			
18,886	Air Liquide SA Com EUR 5.50	2,049	1.28
Cosmetics & personal care			
12,239	L'Oreal SA Com EUR 0.20	2,331	1.45
Electrical components & equipment			
27,114	Schneider Electric SE Com EUR 4.00	1,859	1.16
Electricity			
15,797	Electricite de France SA Com EUR 0.50	151	0.10
76,845	Engie SA Com EUR 1.00	1,044	0.65
Engineering & construction			
9,963	Bouygues SA Com EUR 1.00	380	0.24
24,578	Vinci SA Com EUR 2.50	1,910	1.19
Food			
27,214	Carrefour SA Com EUR 2.50	633	0.39
27,663	Danone SA Com EUR 0.25	1,828	1.14
Healthcare products			
10,073	Essilor International SA Com EUR 0.18	1,192	0.74
Holding companies - diversified operations			
43,128	Bollore SA Com EUR 0.16	177	0.11
Insurance			
94,179	AXA SA Com EUR 2.29	2,236	1.39
8,570	CNP Assurances Com EUR 1.00	168	0.11
Media			
49,986	Vivendi SA Com EUR 5.50	965	0.60
Oil & gas			
110,252	Total SA Com EUR 2.50	5,212	3.25
Pharmaceuticals			
56,514	Sanofi Com EUR 2.00	4,983	3.10
Real estate investment trusts			
10,925	Klepierre Reits EUR 1.40	406	0.25
4,823	Unibail-Rodamco SE Reits EUR 5.00	1,108	0.69
Retail			
3,675	Kering Com EUR 4.00	1,082	0.67
Software			
6,292	Dassault Systemes SE Com EUR 0.50	517	0.32
Telecommunications			
96,652	Orange SA Com EUR 4.00	1,512	0.94
Total France		48,719	30.35
Germany (31 May 2016: 30.69%)			
Apparel retailers			
9,223	Adidas AG Com NPV	1,570	0.98

iShares MSCI EMU Large Cap UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 98.07%) (cont)			
Germany (31 May 2016: 30.69%) (cont)			
Auto manufacturers			
16,087	Bayerische Motoren Werke AG Com EUR 1.00	1,340	0.83
2,669	Bayerische Motoren Werke AG Pref EUR 1.00	195	0.12
46,509	Daimler AG Com NPV^	3,005	1.87
7,401	Porsche Automobil Holding SE Pref NPV	377	0.24
1,588	Volkswagen AG Com NPV^	221	0.14
9,016	Volkswagen AG Pref NPV	1,206	0.75
Auto parts & equipment			
5,277	Continental AG Com NPV	1,045	0.65
Banks			
101,197	Deutsche Bank AG Com NPV	1,576	0.98
Building materials and fixtures			
7,291	HeidelbergCement AG Com NPV	604	0.38
Chemicals			
44,619	BASF SE Com NPV	3,741	2.33
7,961	Evonik Industries AG Com NPV	244	0.15
8,952	Linde AG Com NPV	1,521	0.95
Cosmetics & personal care			
4,939	Beiersdorf AG Com NPV	472	0.29
Diversified financial services			
9,452	Deutsche Boerse AG Com NPV^	874	0.55
Electricity			
106,827	E.ON SE Com NPV	832	0.52
6,870	Innogy SE Com EUR 2.00	251	0.16
Food			
2,255	Metro AG Com NPV	67	0.04
Healthcare services			
10,483	Fresenius Medical Care AG & Co KGaA Com NPV	893	0.56
19,906	Fresenius SE & Co KGaA Com NPV	1,517	0.94
Household products			
5,021	Henkel AG & Co KGaA Com NPV	555	0.35
8,661	Henkel AG & Co KGaA Pref NPV	1,082	0.67
Insurance			
22,206	Allianz SE Com NPV	3,795	2.36
7,822	Muenchener Rueckversicherungs-Gesellschaft AG Com NPV	1,375	0.86
Iron & steel			
18,176	ThyssenKrupp AG Com NPV	429	0.27
Machinery - diversified			
1,770	MAN SE Com NPV	167	0.10
Miscellaneous manufacturers			
37,042	Siemens AG Com NPV	4,706	2.93
Pharmaceuticals			
40,169	Bayer AG Com NPV	4,744	2.95
6,261	Merck KGaA Com NPV	673	0.42
Semiconductors			
55,282	Infineon Technologies AG Com NPV	1,089	0.68

Holding	Investment	Fair value €000	% of net asset value
Germany (31 May 2016: 30.69%) (cont)			
Software			
47,774	SAP SE Com NPV	4,560	2.84
Telecommunications			
159,058	Deutsche Telekom AG Com NPV	2,819	1.76
Transportation			
47,132	Deutsche Post AG Com NPV	1,533	0.96
Total Germany		49,078	30.58
Ireland (31 May 2016: 0.92%)			
Airlines			
8,125	Ryanair Holdings Plc Com EUR 0.006	146	0.09
Building materials and fixtures			
40,573	CRH Plc Com EUR 0.32	1,301	0.81
Total Ireland		1,447	0.90
Italy (31 May 2016: 6.29%)			
Banks			
615,929	Intesa Sanpaolo SpA Com EUR 0.52	1,569	0.98
43,764	Intesa Sanpaolo SpA Misc EUR 0.52^	106	0.06
95,518	UniCredit SpA Com NPV	1,487	0.93
Commercial services			
20,302	Atlantia SpA Com EUR 1.00	503	0.31
Electricity			
369,810	Enel SpA Com EUR 1.00	1,760	1.10
Gas			
118,801	Snam SpA Com NPV	485	0.30
Insurance			
56,089	Assicurazioni Generali SpA Com EUR 1.00	788	0.49
Oil & gas			
123,579	Eni SpA Com NPV	1,741	1.08
Retail			
8,207	Luxottica Group SpA Com EUR 0.06	443	0.28
Telecommunications			
554,815	Telecom Italia SpA Com NPV	462	0.29
302,002	Telecom Italia SpA Misc NPV	208	0.13
Total Italy		9,552	5.95
Luxembourg (31 May 2016: 0.33%)			
Iron & steel			
30,585	ArcelorMittal Com NPV	590	0.37
Media			
1,930	RTL Group SA Com NPV	134	0.08
Metal fabricate/ hardware			
22,326	Tenaris SA Com USD 1.00	300	0.19
Total Luxembourg		1,024	0.64
Netherlands (31 May 2016: 10.99%)			
Aerospace & defence			
28,151	Airbus SE Com EUR 1.00	2,057	1.28

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SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 98.07%) (cont)			
Netherlands (31 May 2016: 10.99%) (cont)			
Banks			
13,768	ABN Amro Group NV CVS EUR 1.00^	316	0.19
188,382	ING Groep NV Com EUR 0.01	2,805	1.75
Beverages			
4,759	Heineken Holding NV Com EUR 1.60^	394	0.25
11,247	Heineken NV Com EUR 1.60	986	0.61
Chemicals			
12,282	Akzo Nobel NV Com EUR 2.00^	915	0.57
Commercial services			
48,916	Relx NV Com EUR 0.07	903	0.56
Cosmetics & personal care			
79,334	Unilever NV CVS EUR 0.16	4,022	2.51
Electronics			
46,048	Koninklijke Philips NV Com EUR 0.20	1,449	0.90
Food			
62,243	Koninklijke Ahold Delhaize NV Com EUR 0.01	1,222	0.76
Insurance			
83,608	Aegon NV Com EUR 0.12^	370	0.23
Media			
5,385	Altice NV Com EUR 0.25	120	0.08
18,246	Altice NV Com EUR 0.01	404	0.25
Semiconductors			
17,967	ASML Holding NV Com EUR 0.09	2,111	1.32
14,166	NXP Semiconductors NV Com EUR 0.20	1,385	0.86
Total Netherlands		19,459	12.12
Portugal (31 May 2016: 0.26%)			
Electricity			
113,049	EDP - Energias de Portugal SA Com EUR 1.00^	370	0.23
Total Portugal		370	0.23
Spain (31 May 2016: 10.44%)			
Airlines			
38,036	International Consolidated Airlines Group SA Com EUR 0.50	264	0.16
Banks			
323,154	Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	2,343	1.46
709,023	Banco Santander SA Com EUR 0.50	4,099	2.55
230,546	Bankia SA Com EUR 0.80^	236	0.15
175,225	CaixaBank SA Com EUR 1.00	737	0.46
Commercial services			
31,734	Abertis Infraestructuras SA Com EUR 3.00	517	0.32

Holding	Investment	Fair value €000	% of net asset value
Spain (31 May 2016: 10.44%) (cont)			
Electricity			
15,639	Endesa SA Com EUR 1.20	347	0.21
268,453	Iberdrola SA Com EUR 0.75^	1,906	1.19
Engineering & construction			
3,293	Aena SA Com EUR 10.00	591	0.37
22,979	Ferrovial SA (Voting) Com EUR 0.20	461	0.29
393	Ferrovial SA Com EUR 0.20	8	0.00
Gas			
17,218	Gas Natural SDG SA Com EUR 1.00^	386	0.24
Oil & gas			
55,751	Repsol SA Com EUR 1.00	832	0.52
Retail			
52,997	Industria de Diseno Textil SA Com EUR 0.03	1,929	1.20
Software			
21,571	Amadeus IT Group SA Com EUR 0.01^	1,118	0.70
Telecommunications			
221,286	Telefonica SA Com EUR 1.00	2,194	1.37
Total Spain		17,968	11.19
United Kingdom (31 May 2016: Nil)			
Beverages			
10,364	Coca-Cola European Partners Plc Com EUR 0.01	380	0.24
Total United Kingdom		380	0.24
Total equities		157,696	98.25
Rights (31 May 2016: 0.02%)			
Spain (31 May 2016: 0.02%)			

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value
Financial derivative instruments (31 May 2016: 0.04%)			
Futures contracts (31 May 2016: 0.04%)			
28	Euro Stoxx 50 Index Futures June 2017	1,004	(9) (0.01)
Total unrealised loss on futures contracts		(9)	(0.01)
Total financial derivative instruments		(9)	(0.01)
		Fair value €000	% of net asset value
Total value of investments		157.687	98.24

iShares MSCI EMU Large Cap UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

	Fair value €000	% of net asset value
Cash[†]	2,086	1.30
Other net assets	744	0.46
Net asset value attributable to redeemable participating shareholders at the end of the financial year	160,517	100.00

[†] Cash holdings of €1,905,971 are held with State Street Bank and Trust Company. €179,607 is held as security for futures contracts to Barclays Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	157,696	97.94
Other assets	3,310	2.06
Total current assets	161,006	100.00

iShares MSCI EMU Large Cap UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
50,711	Total SA Com EUR 2.50	2,269	66,386	Infineon Technologies AG Com NPV	1,052
24,757	Sanofi Com EUR 2.00	1,874	11,486	NXP Semiconductors NV Com NPV	975
17,152	Siemens AG Com NPV	1,852	107,830	ArcelorMittal Com NPV	768
16,944	Bayer AG Com NPV	1,607	33,927	Koninklijke Ahold Delhaize NV Com EUR 0.01	743
19,941	SAP SE Com NPV	1,599	6,205	Thales SA Com EUR 3.00	573
18,633	BASF SE Com NPV	1,486	14,528	Coca-Cola European Partners Plc Com EUR 0.01	514
9,377	Allianz SE Com NPV	1,386	3,957	Aena SA Com EUR 10.00	498
33,104	Unilever NV CVS EUR 0.16	1,363	8,267	Total SA Com EUR 2.50	366
298,415	Banco Santander SA Com EUR 0.50	1,356	5,912	BNP Paribas SA Com EUR 2.00	361
13,227	Anheuser-Busch InBev SA/NV Com NPV	1,332	8,709	Innogy SE Com EUR 2.00	328
19,762	Daimler AG Com NPV	1,254	15,708	ABN Amro Group NV CVS EUR 1.00	294
21,811	BNP Paribas SA Com EUR 2.00	1,163	3,400	Sanofi Com EUR 2.00	266
5,891	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	1,020	2,289	Bayer AG Com NPV	228
64,898	Deutsche Telekom AG Com NPV	988	2,034	Siemens AG Com NPV	225
5,264	L'Oreal SA Com EUR 0.20	891	2,917	Vinci SA Com EUR 2.50	200
98,017	Telefonica SA Com EUR 1.00	874	1,310	Allianz SE Com NPV	199
40,281	AXA SA Com EUR 2.29	859	2,021	ASML Holding NV Com EUR 0.09	194
65,634	ING Groep NV Com EUR 0.01	846	2,435	SAP SE Com NPV	193
136,048	Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	829	38,995	Banco Santander SA Com EUR 0.50	183
13,006	Danone SA Com EUR 0.25	818	21,119	Telefonica SA Com EUR 1.00	181
7,893	Air Liquide SA Com EUR 5.50	779	3,767	Unilever NV CVS EUR 0.16	166
12,455	Airbus Group SE Com EUR 1.00	743	2,108	BASF SE Com NPV	164
7,418	ASML Holding NV Com EUR 0.09	741	61,179	CaixaBank SA Com EUR 1.00	159
119,323	Iberdrola SA Com EUR 0.75	715	904	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	157
51,349	Eni SpA Com NPV	712	10,345	Deutsche Telekom AG Com NPV	156
22,017	Industria de Diseno Textil SA Com EUR 0.03	711	2,501	Daimler AG Com NPV	154
11,266	Schneider Electric SE Com EUR 4.00	706	3,910	Societe Generale SA Com EUR 1.25	150
4,984	Adidas AG Com NPV	704			
10,490	Vinci SA Com EUR 2.50	695			
4,089	Linde AG Com NPV	622			
3,647	Muenchener Rueckversicherungs-Gesellschaft AG Com NPV	614			
152,635	Enel SpA Com EUR 1.00	611			
5,302	Anheuser-Busch InBev SA/NV Com NPV	603			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares MSCI EMU Mid Cap UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Notes	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	4,507	5,690
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	24,420	(24,200)
Total gains/(losses)		28,927	(18,510)
Operating expenses	4	(698)	(1,136)
Net operating profit/(loss)		28,229	(19,646)
Finance costs:			
Interest expense	6	(7)	(7)
Total finance costs		(7)	(7)
Net profit/(loss) for the financial year before tax		28,222	(19,653)
Taxation		(261)	(269)
Net profit/(loss) for the financial year after tax		27,961	(19,922)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(168)	60
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		27,793	(19,862)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	171,374	275,462
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	27,793	(19,862)
Share transactions:		
Proceeds from issue of redeemable participating shares	72,045	24,066
Payments on redemption of redeemable participating shares	(57,796)	(108,292)
Increase/(decrease) in net assets resulting from share transactions	14,249	(84,226)
Net assets attributable to redeemable participating shareholders at the end of the financial year	213,416	171,374

The accompanying notes form an integral part of these financial statements.

iShares MSCI EMU Mid Cap UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Notes	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		3,334	3,245
Margin cash account		291	329
Receivables	10	2,646	29,148
Financial assets at fair value through profit or loss	11	209,743	164,822
Total current assets		216,014	197,544
CURRENT LIABILITIES			
Payables	12	(2,594)	(26,338)
Financial liabilities at fair value through profit or loss		(4)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(2,598)	(26,338)
Net assets attributable to redeemable participating shareholders		213,416	171,206
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	168
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	213,416	171,374

The accompanying notes form an integral part of these financial statements.

iShares MSCI EMU Mid Cap UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	4,435	5,609
Securities lending income	72	81
	4,507	5,690

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	24,239	(24,154)
Net gains/(losses) on futures contracts	184	(44)
Net losses on foreign currency transactions	(3)	(2)
	24,420	(24,200)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(698)	(1,136)
	(698)	(1,136)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for further details.

The Fund employs an “all in one” fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the “Total Expense Ratio” or “TER”). The TER is calculated in accordance with the Committee of European Securities Regulators (“CESR”) guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.49	0.49

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(7)	(7)
	(7)	(7)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(84)	(101)

iShares MSCI EMU Mid Cap UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	5,504,638	8,304,638
Issued during the financial year	2,000,000	800,000
Redeemed during the financial year	(1,900,000)	(3,600,000)
Balance at the end of financial year	5,604,638	5,504,638

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	213,416
As at 31 May 2016	171,374
As at 31 May 2015	275,462

	No. of Shares
Shares in issue	
As at 31 May 2017	5,604,638
As at 31 May 2016	5,504,638
As at 31 May 2015	8,304,638

	€
Net asset value per share	
As at 31 May 2017	38.08
As at 31 May 2016	31.13
As at 31 May 2015	33.17

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sale of securities awaiting settlement	1,916	28,420
Dividend income receivable	453	472
Securities lending income receivable	8	9
Tax reclaim receivable	269	247
	2,646	29,148

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	209,743	164,662
Investment in rights	-	121
Unrealised gains on future contracts*	-	39
	209,743	164,822

* Amounts which are less than €500 are rounded to zero.

	31 May 2017 €000	31 May 2016 €000
Financial liabilities		
Unrealised losses on futures contracts	(4)	-
	(4)	-

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(2,510)	(1,351)
Payable for fund shares repurchased	-	(24,904)
Interest payable	(1)	(1)
Management fees payable	(83)	(82)
	(2,594)	(26,338)

iShares MSCI EMU Mid Cap UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 96.15%)			
Equities (31 May 2016: 96.08%)			
Austria (31 May 2016: 1.88%)			
Banks			
34,971	Raiffeisen Bank International AG Com NPV	820	0.38
Iron & steel			
33,828	Voestalpine AG Com NPV^	1,363	0.64
Machinery - diversified			
22,308	Andritz AG Com NPV	1,192	0.56
Oil & gas			
43,657	OMV AG Com NPV^	2,026	0.95
Real estate investment & services			
8,669	Immofinanz AG Com NPV	17	0.01
Total Austria		5,418	2.54
Belgium (31 May 2016: 5.37%)			
Chemicals			
22,433	Solvay SA Com EUR 15.00	2,611	1.22
28,924	Umicore SA Com NPV^	1,706	0.80
Food			
20,617	Colruyt SA Com NPV^	1,015	0.48
Insurance			
58,822	Ageas Com NPV^	2,114	0.99
Media			
15,997	Telenet Group Holding NV Com NPV	944	0.44
Total Belgium		8,390	3.93
Finland (31 May 2016: 5.84%)			
Auto parts & equipment			
34,194	Nokian Renkaat Oyj Com NPV	1,244	0.58
Forest products & paper			
166,108	Stora Enso OYJ Com NPV	1,870	0.88
161,556	UPM-Kymmene Oyj Com NPV	4,055	1.90
Machinery - diversified			
33,651	Metso OYJ Com NPV^	1,019	0.48
Miscellaneous manufacturers			
43,782	Wartsila OYJ Abp Com NPV	2,314	1.08
Oil & gas			
38,150	Neste Oyj Com NPV	1,350	0.63
Pharmaceuticals			
30,541	Orion Oyj Com EUR 0.65	1,759	0.83
Telecommunications			
43,170	Elisa Oyj Com NPV^	1,497	0.70
Total Finland		15,108	7.08
France (31 May 2016: 28.25%)			
Advertising			
22,172	JCDecaux SA Com NPV	653	0.31

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 28.25%) (cont)			
Aerospace & defence			
677	Dassault Aviation SA Com EUR 8.00	899	0.42
62,281	Zodiac Aerospace Com NPV	1,468	0.69
Auto manufacturers			
143,788	Peugeot SA Com EUR 1.00	2,524	1.18
Auto parts & equipment			
70,777	Valeo SA Com EUR 1.00	4,386	2.05
Beverages			
6,747	Remy Cointreau SA Com EUR 1.60^	658	0.31
Building materials and fixtures			
10,685	Imerys SA Com EUR 2.00	825	0.39
Chemicals			
20,588	Arkema SA Com EUR 10.00	1,915	0.90
Commercial services			
80,649	Bureau Veritas SA Com EUR 0.12	1,646	0.77
64,202	Edenred Com EUR 2.00^	1,507	0.71
139,505	Groupe Eurotunnel SE Com EUR 0.40	1,463	0.68
Computers			
27,404	Atos SE Com EUR 1.00	3,499	1.64
49,509	Capgemini SE Com EUR 8.00	4,563	2.14
16,513	Ingenico Group SA Com EUR 1.00^	1,429	0.67
Distribution & wholesale			
89,618	Rexel SA Com EUR 5.00	1,405	0.66
Diversified financial services			
12,569	Eurazeo SE Com NPV	800	0.37
Electrical components & equipment			
80,835	Legrand SA Com EUR 4.00^	4,933	2.31
Engineering & construction			
8,855	Aéroports de Paris Com EUR 3.00^	1,205	0.56
17,562	Eliffage SA Com EUR 4.00	1,421	0.67
Food			
16,425	Casino Guichard Perrachon SA Com EUR 1.53^	902	0.42
Food Service			
27,921	Sodexo SA Com EUR 4.00^	3,391	1.59
Holding companies - diversified operations			
8,432	Wendel SA Com EUR 4.00	1,145	0.54
Home furnishings			
6,734	SEB SA Com EUR 1.00	1,052	0.49
Hotels			
51,720	Accor SA Com EUR 3.00^	2,186	1.02
Household products			
8,577	Societe BIC SA Com EUR 3.82^	933	0.44
Insurance			
49,392	SCOR SE Com EUR 7.876972	1,731	0.81
Internet			
7,822	Iliad SA Com NPV	1,806	0.85
Machinery - diversified			
45,772	Alstom SA Com EUR 7.00	1,427	0.67

iShares MSCI EMU Mid Cap UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 96.08%) (cont)			
France (31 May 2016: 28.25%) (cont)			
Media			
35,218	Lagardere SCA Com EUR 6.10	985	0.46
Pharmaceuticals			
2,190	Ipsen SA Com EUR 1.00	246	0.11
Real estate investment trusts			
10,196	Fonciere Des Regions Reits EUR 3.00	846	0.40
11,060	ICADE Reits NPV	794	0.37
Real estate investment trusts			
12,441	Gecina SA Reits EUR 7.50	1,703	0.80
Telecommunications			
52,095	Eutelsat Communications SA Com EUR 1.00 [^]	1,193	0.56
Water			
102,295	Suez Com EUR 4.00	1,661	0.78
141,929	Veolia Environnement SA Com EUR 5.00	2,781	1.30
Total France		61,981	29.04
Germany (31 May 2016: 18.81%)			
Airlines			
68,040	Deutsche Lufthansa AG Com NPV [^]	1,177	0.55
Auto parts & equipment			
49,536	Schaeffler AG Pref NPV	728	0.34
Banks			
316,771	Commerzbank AG Com NPV	2,974	1.39
Chemicals			
46,765	Brenntag AG Com NPV	2,408	1.13
27,503	Covestro AG Com NPV	1,831	0.86
20,737	Fuchs Petrolub SE Pref NPV	1,030	0.48
57,112	K&S AG Com NPV [^]	1,301	0.61
27,311	Lanxess AG Com NPV [^]	1,814	0.85
36,498	Symrise AG Com NPV [^]	2,335	1.09
Electrical components & equipment			
24,787	OSRAM Licht AG Com NPV	1,690	0.79
Electricity			
153,358	RWE AG Com NPV	2,773	1.30
Engineering & construction			
12,410	Fraport AG Frankfurt Airport Services Worldwide Com NPV	895	0.42
5,709	Hochtief AG Com NPV	935	0.44
Food			
52,758	Metro AG Com NPV	1,572	0.74
Insurance			
18,198	Hannover Rueck SE Com NPV	1,929	0.91
Internet			
36,762	United Internet AG Com NPV	1,800	0.84
Machinery - diversified			
55,356	GEA Group AG Com NPV [^]	2,025	0.95
Media			
13,360	Axel Springer SE Com EUR 1.00 [^]	748	0.35
68,959	ProSiebenSat.1 Media SE Com NPV [^]	2,606	1.22

Holding	Investment	Fair value €000	% of net asset value
Germany (31 May 2016: 18.81%) (cont)			
Real estate investment & services			
104,959	Deutsche Wohnen AG Com NPV	3,665	1.72
138,018	Vonovia SE Com NPV	4,827	2.26
Retail			
19,073	Hugo Boss AG Com NPV [^]	1,279	0.60
25,812	Zalando SE Com NPV [^]	1,097	0.51
Telecommunications			
221,901	Telefonica Deutschland Holding AG Com NPV [^]	982	0.46
Total Germany		44,421	20.81
Ireland (31 May 2016: 4.69%)			
Banks			
8,326,637	Bank of Ireland Com EUR 0.05	2,007	0.94
Entertainment			
24,098	Paddy Power Betfair Plc Com EUR 0.09	2,247	1.05
Food			
47,945	Kerry Group Plc Com EUR 0.125	3,768	1.77
Total Ireland		8,022	3.76
Italy (31 May 2016: 5.02%)			
Aerospace & defence			
104,460	Leonardo SpA Com EUR 4.40	1,638	0.77
Banks			
168,944	Mediobanca SpA Com EUR 0.50	1,426	0.67
Electrical components & equipment			
60,934	Prysmian SpA Com EUR 0.10	1,509	0.71
Electricity			
456,501	Terna Rete Elettrica Nazionale SpA Com EUR 0.22 [^]	2,296	1.08
Insurance			
155,898	Poste Italiane SpA Com NPV [^]	976	0.46
308,426	UnipolSai Assicurazioni SpA Com NPV [^]	622	0.29
Oil & gas services			
186,464	Saipem SpA Com NPV [^]	673	0.31
Pharmaceuticals			
5,550	Recordati SpA Com EUR 0.125	199	0.09
Total Italy		9,339	4.38
Luxembourg (31 May 2016: 2.31%)			
Healthcare services			
3,266	Eurofins Scientific SE Com EUR 0.10 [^]	1,544	0.72
Telecommunications			
110,264	SES SA Receipt NPV [^]	2,428	1.14
Total Luxembourg		3,972	1.86
Netherlands (31 May 2016: 13.55%)			
Auto manufacturers			
36,529	Ferrari NV Com EUR 0.01	2,813	1.32
273,116	Fiat Chrysler Automobiles NV Com EUR 0.01 [^]	2,552	1.20

iShares MSCI EMU Mid Cap UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 96.08%) (cont)			
Netherlands (31 May 2016: 13.55%) (cont)			
Chemicals			
54,543	Koninklijke DSM NV Com EUR 1.50	3,614	1.69
Commercial services			
46,860	AerCap Holdings NV Com EUR 0.01	1,835	0.86
35,263	Randstad Holding NV Com EUR 0.10	1,816	0.85
Computers			
24,145	Gemalto NV Com EUR 1.00^	1,275	0.60
Engineering & construction			
27,171	Boskalis Westminster Com EUR 0.01^	834	0.39
Healthcare products			
66,240	QIAGEN NV Com EUR 0.01^	1,985	0.93
Insurance			
92,912	NN Group NV Com EUR 0.12	2,973	1.39
Investment services			
32,362	Exor NV Com EUR 0.01	1,607	0.75
Machinery - diversified			
303,079	CNH Industrial NV Com EUR 0.01^	2,993	1.40
Media			
91,381	Wolters Kluwer NV Com EUR 0.12	3,568	1.67
Pipelines			
21,569	Koninklijke Vopak NV Com EUR 0.50^	870	0.41
Semiconductors			
188,643	STMicroelectronics NV Com EUR 1.04	2,770	1.30
Telecommunications			
1,034,052	Koninklijke KPN NV Com EUR 0.04^	3,136	1.47
Total Netherlands		34,641	16.23
Portugal (31 May 2016: 1.49%)			
Banks			
757,134	Banco Espirito Santo SA Com NPV*/**	-	0.00
Food			
74,524	Jeronimo Martins SGPS SA Com EUR 1.00^	1,321	0.62
Oil & gas			
129,202	Galp Energia SGPS SA Com EUR 1.00^	1,774	0.83
Total Portugal		3,095	1.45
Spain (31 May 2016: 8.87%)			
Banks			
1,600,611	Banco de Sabadell SA Com EUR 0.125	2,935	1.37
828,552	Banco Popular Espanol SA Com EUR 0.50	505	0.24
204,986	Bankinter SA Com EUR 0.30^	1,680	0.79
Electrical components & equipment			
13,824	Gamesa Corp Tecnologica SA Com EUR 0.17	279	0.13
Electricity			
86,207	Red Electrica Corp SA Com EUR 0.50	1,722	0.81
Engineering & construction			
69,124	ACS Actividades de Construcción y Servicios SA Com EUR 0.50^	2,459	1.15

Holding	Investment	Fair value €000	% of net asset value
Spain (31 May 2016: 8.87%) (cont)			
Food			
190,205	Distribuidora Internacional de Alimentacion SA Com EUR 0.10^	1,042	0.49
Gas			
45,279	Enagas SA Com EUR 1.50^	1,198	0.56
Insurance			
321,628	Mapfre SA Com EUR 0.10^	1,018	0.48
Machinery - diversified			
33,694	Zardoya Otis SA Com EUR 0.10	294	0.14
Pharmaceuticals			
88,265	Grifols SA Com EUR 0.25^	2,224	1.04
Total Spain		15,356	7.20
Total equities		209,743	98.28
Rights (31 May 2016: 0.07%)			
Spain (31 May 2016: 0.07%)			

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value	
Financial derivative instruments (31 May 2016: 0.02%)				
Futures contracts (31 May 2016: 0.02%)				
12	Euro Stoxx 50 Index Futures June 2017	427	(1)	0.00
14	Ibex 35 Index Futures June 2017	1,523	(3)	0.00
1	FTSE MIB Index Futures June 2017*	104	-	0.00
Total unrealised losses on futures contracts			(4)	0.00
Total financial derivative Instruments			(4)	0.00

	Fair value \$'000	% of net asset value
Total value of investments	209,739	98.28
Cash†	3,625	1.70
Other net assets	52	0.02
Net asset value attributable to redeemable participating shareholders at the end of the financial year	213,416	100.00

† Cash holdings of €3,333,858 are held with State Street Bank and Trust Company. €291,350 is held as security for futures contracts with Barclays Bank Plc.

^ These securities are partially or fully transferred as securities lent.

* Investments which are less than €500 are rounded to zero.

** These securities were valued in consultation with the Manager. These securities were priced at zero at the financial year end.

iShares MSCI EMU Mid Cap UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	209,743	97.10
Exchange traded financial derivative instruments	-	0.00
Other assets	6,271	2.90
Total current assets	216,014	100.00

iShares MSCI EMU Mid Cap UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
316,962	Infineon Technologies AG Com NPV	4,797	326,999	Commerzbank AG Com NPV	2,384
515,463	ArcelorMittal Com NPV	3,297	59,503	Vonovia SE Com NPV	1,978
29,561	Thales SA Com EUR 3.00	2,582	34,295	Legrand SA Com EUR 4.00	1,935
18,918	Aena SA Com N Ap 10.00	2,347	30,438	Valeo SA Com EUR 1.00	1,817
99,251	Koninklijke Ahold Delhaize NV Com EUR 0.01	2,183	20,888	Capgemini SE Com EUR 8.00	1,800
31,782	Technip Com NPV	1,987	34,807	Covestro AG Com NPV	1,777
47,062	Vonovia SE Com EUR 0.01	1,548	42,838	AerCap Holdings NV Com EUR 0.01	1,614
25,395	Legrand SA Com EUR 4.00	1,240	52,758	Metro AG Com NPV	1,572
15,462	Capgemini SE Com EUR 8.00	1,234	68,513	UPM-Kymmene Oyj Com NPV	1,564
15,084	Kerry Group Plc Com EUR 0.125	1,179	48,426	Deutsche Wohnen AG Com NPV	1,553
23,909	Valeo SA Com EUR 0.12	1,089	20,370	Kerry Group Plc Com EUR 0.125	1,532
34,124	Deutsche Wohnen AG Com EUR 0.04	1,062	38,800	Wolters Kluwer NV Com EUR 0.12	1,483
28,777	Wolters Kluwer NV Com NPV	1,052	23,321	Koninklijke DSM NV Com EUR 1.50	1,469
18,515	Koninklijke DSM NV Com EUR 1.50	1,043	3,324	Eurofins Scientific SE Com EUR 0.10	1,392
322,435	Koninklijke KPN NV Com EUR 3.00	993	471,801	Koninklijke KPN NV Com EUR 0.04	1,364
50,307	UPM-Kymmene Oyj Com NPV	903	11,810	Atos SE Com EUR 1.00	1,335
34,509	NN Group NV Com EUR 5.00	892	193,204	Poste Italiane SpA Com NPV	1,288
8,878	Sodexo SA Com NPV	882	11,481	Sodexo SA Com EUR 4.00	1,267
46,162	Veolia Environnement SA Com EUR 5.00	880	143,418	CNH Industrial NV Com EUR 0.01	1,246
22,388	ProSiebenSat.1 Media SE Com EUR 4.00	860	32,383	ProSiebenSat.1 Media SE Com NPV	1,244
12,436	Symrise AG Com EUR 0.09	768	70,327	Peugeot SA Com EUR 1.00	1,217
7,495	Paddy Power Betfair Plc Com EUR 0.09	753	37,621	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	1,211
17,257	GEA Group AG Com EUR 1.00	737	17,529	Eiffage SA Com EUR 4.00	1,210
101,674	CNH Industrial NV Com NPV	699	38,778	NN Group NV Com EUR 0.12	1,191
7,175	Delhaize Group Com NPV	690	66,921	Veolia Environnement SA Com EUR 5.00	1,169
19,198	Accor SA Com NPV	687	56,739	SES SA Receipt NPV	1,160
142,281	BQ Com NPV	682	690,394	Banco de Sabadell SA Com EUR 0.125	1,102
34,452	SES SA Com NPV	682	117,143	Fiat Chrysler Automobiles NV Com EUR 0.01	1,100
8,386	Atos SE Com NPV	680	9,522	Solvay SA Com EUR 15.00	1,069
14,585	Brenntag AG Com NPV	670	77,960	STMicroelectronics NV Com EUR 1.04	1,051
7,336	Solvay SA Com NPV	660	68,449	RWE AG Com NPV	1,041
45,999	RWE AG Com NPV	659	15,854	Ferrari NV Com EUR 0.01	1,033
32,307	SM Com NPV	654	19,780	Brenntag AG Com NPV	1,033
			10,227	Paddy Power Betfair Plc Com EUR 0.09	1,028
			15,901	Symrise AG Com NPV	979
			7,561	Hochtief AG Com NPV	957

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares MSCI France UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Operating income	2	703	346
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	2,512	(974)
Total gains/(losses)		3,215	(628)
Operating expenses	4	(38)	(24)
Net operating loss		3,177	(652)
Finance costs:			
Interest expense	6	(1)	-
Net profit/(loss) for the financial year before tax		3,176	(652)
Taxation		(4)	(4)
Net profit/(loss) for the financial year after tax		3,172	(656)
Adjustment to align to the valuation methodology as set out in the prospectus	1	(4)	2
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		3,168	(654)

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	10,778	8,639
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	3,168	(654)
Share transactions:		
Proceeds from issue of redeemable participating shares	22,169	2,793
Increase in net assets resulting from share transactions	22,169	2,793
Net assets attributable to redeemable participating shareholders at the end of the financial year	36,115	10,778

The accompanying notes form an integral part of these financial statements.

iShares MSCI France UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		395	264
Margin cash account		18	22
Receivables	10	278	28
Financial assets at fair value through profit or loss	11	35,517	10,530
Total current assets		36,208	10,844
CURRENT LIABILITIES			
Payables	12	(93)	(70)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(93)	(70)
Net assets attributable to redeemable participating shareholders		36,115	10,774
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	4
Net asset value attributable to redeemable participating shareholders at the end of the financial year	9	36,115	10,778

* Amounts which are less than \$500 are rounded to zero.

The accompanying notes form an integral part of these financial statements.

iShares MSCI France UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	702	346
Securities lending income	1	-
	703	346

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Net gains/(losses) on investments in securities held at fair value through profit or loss	2,509	(983)
Net gains on futures contracts	3	9
Net losses on foreign currency transactions*	-	-
	2,512	(974)

* Amounts which are less than €500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Management fees	(38)	(24)
	(38)	(24)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.25	0.25

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Bank interest	(1)	-
	(1)	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Transaction costs	(44)	(7)

iShares MSCI France UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	400,000	300,000
Issued during the financial year	700,000	100,000
Balance at the end of financial year	1,100,000	400,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	36,115
As at 31 May 2016	10,778
As at 31 May 2015	8,639

	No. of Shares
Shares in issue	
As at 31 May 2017	1,100,000
As at 31 May 2016	400,000
As at 31 May 2015	300,000

	€
Net asset value per share	
As at 31 May 2017	32.83
As at 31 May 2016	26.95
As at 31 May 2015	28.80

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sale of securities awaiting settlement	103	2
Dividend income receivable	175	26
	278	28

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	35,517	10,526
Unrealised gains on futures contracts	-	4
	35,517	10,530

Financial liabilities:		
Unrealised losses on futures contracts*	-	-
	-	-

* Amounts less than €500 have been rounded to zero.

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	(86)	(68)
Management fees payable	(7)	(2)
	(93)	(70)

iShares MSCI France UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 97.66%)			
Equities (31 May 2016: 97.66%)			
France (31 May 2016: 92.93%)			
Advertising			
2,056	JCDecaux SA Com NPV	61	0.17
5,317	Publicis Groupe SA Com EUR 0.40	362	1.00
Aerospace & defence			
64	Dassault Aviation SA Com EUR 8.00	85	0.24
8,632	Safran SA Com EUR 0.20	680	1.88
2,909	Thales SA Com EUR 3.00	286	0.79
5,707	Zodiac Aerospace Com NPV	135	0.37
Apparel retailers			
1,495	Christian Dior SE Com EUR 2.00	380	1.05
677	Hermes International Com NPV	298	0.82
7,673	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	1,743	4.83
Auto manufacturers			
13,451	Peugeot SA Com EUR 1.00	236	0.65
5,279	Renault SA Com EUR 3.81	439	1.22
Auto parts & equipment			
5,009	Cie Generale des Etablissements Michelin Com EUR 2.00	561	1.56
6,603	Valeo SA Com EUR 1.00	409	1.13
Banks			
30,977	BNP Paribas SA Com EUR 2.00	1,946	5.39
31,133	Credit Agricole SA Com EUR 3.00	425	1.18
26,091	Natixis SA Com EUR 11.20	153	0.42
21,182	Societe Generale SA Com EUR 1.25	989	2.74
Beverages			
5,848	Pernod Ricard SA Com EUR 1.55	707	1.96
602	Remy Cointreau SA Com EUR 1.60	59	0.16
Building materials and fixtures			
13,815	Cie de Saint-Gobain Com EUR 4.00	688	1.90
1,031	Imerys SA Com EUR 2.00	79	0.22
Chemicals			
10,727	Air Liquide SA Com EUR 5.50	1,164	3.22
1,866	Arkema SA Com EUR 10.00	174	0.48
Commercial services			
7,351	Bureau Veritas SA Com EUR 0.12	150	0.41
5,973	Edenred Com EUR 2.00	140	0.39
12,975	Groupe Eurotunnel SE Com EUR 0.40	136	0.38
Computers			
2,521	Atos SE Com EUR 1.00	322	0.89
4,462	Capgemini SE Com EUR 8.00	411	1.14
1,536	Ingenico Group SA Com EUR 1.00	133	0.37
Cosmetics & personal care			
6,947	L'Oreal SA Com EUR 0.20	1,323	3.66
Distribution & wholesale			
8,301	Rexel SA Com EUR 5.00	130	0.36
Diversified financial services			
1,232	Eurazeo SE Com NPV	78	0.22

Holding	Investment	Fair value €000	% of net asset value
France (31 May 2016: 92.93%) (cont)			
Electrical components & equipment			
7,395	Legrand SA Com EUR 4.00	451	1.25
15,474	Schneider Electric SE Com EUR 4.00	1,061	2.94
Electricity			
9,747	Electricite de France SA Com EUR 0.50	93	0.26
43,566	Engie SA Com EUR 1.00	592	1.64
Engineering & construction			
822	Aeroports de Paris Com EUR 3.00	112	0.31
5,694	Bouygues SA Com EUR 1.00	217	0.60
1,583	Eiffage SA Com EUR 4.00	128	0.36
13,904	Vinci SA Com EUR 2.50	1,081	2.99
Food			
15,609	Carrefour SA Com EUR 2.50	363	1.01
1,527	Casino Guichard Perrachon SA Com EUR 1.53	84	0.23
15,838	Danone SA Com EUR 0.25	1,046	2.90
Food Service			
2,536	Sodexo SA Com EUR 4.00	308	0.85
Healthcare products			
5,694	Essilor International SA Com EUR 0.18	674	1.87
Holding companies - diversified operations			
24,166	Bollore SA Com EUR 0.16	99	0.28
777	Wendel SA Com EUR 4.00	106	0.29
Home furnishings			
618	SEB SA Com EUR 1.00	97	0.27
Hotels			
4,693	Accor SA Com EUR 3.00	198	0.55
Insurance			
53,477	AXA SA Com EUR 2.29	1,269	3.52
4,638	CNP Assurances Com EUR 1.00	91	0.25
4,563	SCOR SE Com EUR 7.876972	160	0.44
Internet			
737	Iliad SA Com NPV	170	0.47
Machinery - diversified			
4,179	Alstom SA Com EUR 7.00	130	0.36
Media			
3,188	Lagardere SCA Com EUR 6.10^	89	0.25
28,461	Vivendi SA Com EUR 5.50	550	1.52
Nondurable household products			
810	Societe BIC SA Com EUR 3.82	88	0.24
Oil & gas			
62,633	Total SA Com EUR 2.50	2,961	8.20
Pharmaceuticals			
204	Ipsen SA Com EUR 1.00	23	0.06
32,075	Sanofi Com EUR 2.00	2,828	7.83
Real estate investment trusts			
933	Fonciere Des Regions Reits EUR 3.00	77	0.21
1,152	Gecina SA Reits EUR 7.50	158	0.44
1,035	ICADE Reits NPV	74	0.20
6,098	Klepierre Reits EUR 1.40	227	0.63
2,746	Unibail-Rodamco SE Reits EUR 5.00	631	1.75

iShares MSCI France UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Equities (31 May 2016: 97.66%) (cont)			
France (31 May 2016: 92.93%) (cont)			
Retail			
2,086	Kering Com EUR 4.00	614	1.70
Software			
3,536	Dassault Systemes SE Com EUR 0.50	290	0.80
Telecommunications			
4,724	Eutelsat Communications SA Com EUR 1.00	108	0.30
55,002	Orange SA Com EUR 4.00	860	2.38
Water			
9,518	Suez Com EUR 4.00	154	0.43
13,155	Veolia Environnement SA Com EUR 5.00	258	0.71
Total France		33,402	92.49
Luxembourg (31 May 2016: 1.36%)			
Healthcare services			
298	Eurofins Scientific SE Com EUR 0.10	141	0.39
Iron & steel			
16,842	ArcelorMittal Com NPV	325	0.90
Telecommunications			
10,010	SES SA Receipt NPV [†]	221	0.61
Total Luxembourg		687	1.90
Netherlands (31 May 2016: 3.37%)			
Aerospace & defence			
15,993	Airbus SE Com EUR 1.00	1,168	3.24
Semiconductors			
17,681	STMicroelectronics NV Com EUR 1.04	260	0.72
Total Netherlands		1,428	3.96
Total equities		35,517	98.35

No. of contracts	Underlying exposure €000	Fair value €000	% of net asset value
Financial derivative instruments (31 May 2016: 0.04%)			
Futures contracts (31 May 2016: 0.04%)			
3	CAC 40 Index Futures June 2017*	158	-
Total unrealised losses on futures contracts		-	-
Total financial derivative instruments		-	-

	Fair value €000	% of net asset value
Total value of investments	35,517	98.35
Cash[†]	413	1.14
Other net assets	185	0.51
Net asset value attributable to redeemable participating shareholders at the end of the financial year	36,115	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.[†] These securities are partially or fully transferred as securities lent.

* Amounts which are less than €500 are rounded to zero.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	35,517	98.09
Exchange traded financial derivative instruments	-	-
Other assets	691	1.91
Total current assets	36,208	100.00

iShares MSCI France UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
1,377	Technip SA Com EUR 0.7625	92,469	41,060	Total SA Com EUR 2.50	1,940,059
2,676	SFR Group SA Com EUR 1.00	82,056	20,768	Sanofi Com EUR 2.00	1,773,438
1,154	Total SA Com EUR 2.50	50,741	20,711	BNP Paribas SA Com EUR 2.00	1,304,667
1,763	Vivendi SA Com EUR 5.50	31,739	4,950	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	1,053,615
427	Danone SA Com EUR 0.25	27,481	4,524	L'Oreal SA Com EUR 0.20	835,338
54	Hermes International Com NPV	23,492	34,447	AXA SA Com EUR 2.29	813,395
367	Accor SA Com EUR 3.00	13,918	6,796	Air Liquide SA Com EUR 5.50	741,997
167	Sanofi Com EUR 2.00	12,108	10,288	Airbus SE Com EUR 1.00	730,698
181	Airbus SE Com EUR 1.00	10,429	9,274	Vinci SA Com EUR 2.50	708,366
94	Air Liquide SA Com EUR 5.50	8,758	10,068	Schneider Electric SE Com EUR 4.00	700,395
120	Vinci SA Com EUR 2.50	8,611	10,482	Danone SA Com EUR 0.25	677,996
47	L'Oreal SA Com EUR 0.20	7,568	14,119	Societe Generale SA Com EUR 1.25	663,275
113	BNP Paribas SA Com EUR 2.00	6,178	35,507	Orange SA Com EUR 4.00	525,886
32	LVMH Moet Hennessy Louis Vuitton SE Com EUR 0.30	5,805	3,667	Essilor International SA Com EUR 0.18	437,038
243	AXA SA Com EUR 2.29	5,390	9,109	Cie de Saint-Gobain Com EUR 4.00	436,916
52	Cie Generale des Etablissements Michelin Com EUR 2.00	4,892	3,788	Pernod Ricard SA Com EUR 1.55	436,598
46	Sodexo SA Com EUR 4.00	4,746	5,596	Safran SA Com EUR 0.20	417,414
188	Rexel SA Com EUR 5.00	2,743	1,785	Unibail-Rodamco SE Reits EUR 5.00	413,682
32	Cap Gemini SA Com EUR 8.00	2,676	29,542	Engie SA Com EUR 1.00	401,879
66	Societe Generale SA Com EUR 1.25	2,667	3,224	Cie Generale des Etablissements Michelin Com EUR 2.00	370,324
			18,944	Vivendi SA Com EUR 5.50	352,884
			1,365	Kering Com EUR 4.00	347,774
			3,424	Renault SA Com EUR 3.81	287,137
			4,773	Legrand SA Com EUR 4.00	280,541
			20,671	Credit Agricole SA Com EUR 3.00	270,955
			4,254	Valeo SA Com EUR 1.00	265,331
			2,871	Cap Gemini SA Com EUR 8.00	262,170
			10,265	Carrefour SA Com EUR 2.50	228,554

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 €000	Financial period from 4 May 2016 to 31 May 2016 €000
Operating income	2	760	-
Net gains on financial assets/liabilities at fair value through profit or loss	3	2,356	568
Total gains		3,116	568
Operating expenses	4	(112)	(3)
Net operating profit		3,004	565
Finance costs:			
Interest expense	6	(2)	(1)
Total finance costs		(2)	(1)
Net profit for the financial year before tax		3,002	564
Taxation		(114)	-
Net profit for the financial year/period after tax		2,888	564
Adjustment to align to the valuation methodology as set out in the prospectus	1	(23)	23
Increase in net assets attributable to redeemable participating shareholders from operations		2,865	587

There are no recognised gains or losses arising in the financial year/period other than those dealt with in the income statement. In arriving at the results of the financial year/period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 €000	Financial period from 4 May 2016 to 31 May 2016 €000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year/period	19,220	-
Increase in net assets attributable to redeemable participating shareholders from operations	2,865	587
Share transactions:		
Proceeds from issue of redeemable participating shares	34,073	18,633
Payments on redemption of redeemable participating shares	(27,018)	-
Increase in net assets resulting from share transactions	7,055	18,633
Net assets attributable to redeemable participating shareholders at the end of the financial year/period	29,140	19,220

The accompanying notes form an integral part of these financial statements.

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 €000	31 May 2016 €000
CURRENT ASSETS			
Cash		96	72
Margin cash account		3	-
Receivables	10	310	2,256
Financial assets at fair value through profit or loss	11	28,740	19,144
Total current assets		29,149	21,472
CURRENT LIABILITIES			
Bank overdraft		-	(17)
Payables	12	(9)	(2,258)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(9)	(2,275)
Net assets attributable to redeemable participating shareholders		29,140	19,197
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	23
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period	9	29,140	19,220

The accompanying notes form an integral part of these financial statements.

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 €000	Financial year ended 31 May 2016 €000
Dividend income	760	-
	760	-

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 €000	Financial period from 4 May 2016 to 31 May 2016 €000
Net gains on investments in securities held at fair value through profit or loss	2,117	455
Net (losses)/gains on forward currency contracts	(95)	131
Net gains on futures contracts	85	-
Net gains/(losses) on foreign currency transactions	249	(18)
	2,356	568

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 €000	Financial period from 4 May 2016 to 31 May 2016 €000
Management fees	(112)	(3)
	(112)	(3)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year/period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year/period were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.35	0.35

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 €000	Financial period from 4 May 2016 to 31 May 2016 €000
Bank interest	(2)	(1)
	(2)	(1)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial year ended 31 May 2017 and financial period ended 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 €000	Financial period from 4 May 2016 to 31 May 2016 €000
Transaction costs	(9)	(2)

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year/period	3,750,000	-
Issued during the financial year/period	6,750,000	3,750,000
Redeemed during the financial year/period	(5,250,000)	-
Balance at the end of financial year/period	5,250,000	3,750,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	€000
Net asset value	
As at 31 May 2017	29,140
As at 31 May 2016	19,220

	No. of Shares
Shares in issue	
As at 31 May 2017	5,250,000
As at 31 May 2016	3,750,000

	€
Net asset value per share	
As at 31 May 2017	5.55
As at 31 May 2016	5.13

10. RECEIVABLES

	31 May 2017 €000	31 May 2016 €000
Sales of securities awaiting settlement	-	2,256
Dividend income receivable	310	-
	310	2,256

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 €000	31 May 2016 €000
Financial assets:		
Investment in equities	28,052	19,013
Unrealised gains on forward currency contracts	678	131
Unrealised gains on futures contracts	10	-
	28,740	19,144

12. PAYABLES

	31 May 2017 €000	31 May 2016 €000
Purchase of securities awaiting settlement	-	(2,254)
Interest payable	-	(1)
Management fees payable	(9)	(3)
	(9)	(2,258)

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value €000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 98.92%)			
Equities (31 May 2016: 98.92%)			
Japan (31 May 2016: 98.92%)			
Apparel retailers			
6,699	Asics Corp Com NPV	100	0.34
Auto manufacturers			
68,255	Honda Motor Co Ltd Com NPV	1,711	5.87
97,368	Nissan Motor Co Ltd Com NPV	831	2.85
Auto parts & equipment			
19,570	Denso Corp Com NPV	743	2.55
10,931	NGK Insulators Ltd Com NPV	196	0.67
6,199	Stanley Electric Co Ltd Com NPV	166	0.57
Banks			
91,502	Resona Holdings Inc Com NPV	417	1.43
13,749	Sumitomo Mitsui Trust Holdings Inc Com NPV	415	1.43
Beverages			
5,789	Suntory Beverage & Food Ltd Com NPV	250	0.86
Building materials and fixtures			
9,697	Daikin Industries Ltd Com NPV	846	2.90
Chemicals			
52,000	Asahi Kasei Corp Com NPV	445	1.53
4,399	Hitachi Chemical Co Ltd Com NPV	108	0.37
11,611	Kaneka Corp Com NPV	78	0.27
9,000	Kansai Paint Co Ltd Com NPV	173	0.59
6,799	Nitto Denko Corp Com NPV	486	1.67
64,851	Sumitomo Chemical Co Ltd Com NPV	302	1.04
7,600	Teijin Ltd Com NPV	127	0.43
60,901	Toray Industries Inc Com NPV	453	1.55
Commercial services			
2,800	Benesse Holdings Inc Com NPV	91	0.31
21,999	Dai Nippon Printing Co Ltd Com NPV	218	0.75
Computers			
77,030	Fujitsu Ltd Com NPV	500	1.72
5,458	Nomura Research Institute Ltd Com NPV	185	0.63
Diversified financial services			
4,651	AEON Financial Service Co Ltd Com NPV	85	0.29
Electronics			
13,199	Kyocera Corp Com NPV	677	2.32
7,904	Murata Manufacturing Co Ltd Com NPV	976	3.35
7,940	Omron Corp Com NPV	296	1.01
10,599	Yaskawa Electric Corp Com NPV	188	0.65
9,402	Yokogawa Electric Corp Com NPV	145	0.50
Engineering & construction			
27,101	Obayashi Corp Com NPV	267	0.92
23,035	Shimizu Corp Com NPV	207	0.71
Food			
22,535	Ajinomoto Co Inc Com NPV	430	1.47
3,687	Toyo Suisan Kaisha Ltd Com NPV	128	0.44

Holding	Investment	Fair value €000	% of net asset value
Japan (31 May 2016: 98.92%) (cont)			
Gas			
78,002	Osaka Gas Co Ltd Com NPV	274	0.94
81,000	Tokyo Gas Co Ltd Com NPV	375	1.29
Healthcare products			
6,426	Sysmex Corp Com NPV	340	1.17
Home builders			
23,258	Daiwa House Industry Co Ltd Com NPV	677	2.32
16,842	Sekisui Chemical Co Ltd Com NPV	263	0.91
24,867	Sekisui House Ltd Com NPV	380	1.30
Home furnishings			
90,870	Panasonic Corp Com NPV	1,038	3.56
52,853	Sony Corp Com NPV	1,715	5.89
Insurance			
14,499	Sompo Holdings Inc Com NPV	498	1.71
Iron & steel			
9,107	Hitachi Metals Ltd Com NPV	108	0.37
12,905	Kobe Steel Ltd Com NPV	105	0.36
Machinery - diversified			
43,787	Kubota Corp Com NPV	617	2.12
Machinery, construction & mining			
4,599	Hitachi Construction Machinery Co Ltd Com NPV	95	0.33
37,996	Komatsu Ltd Com NPV	805	2.76
Mining			
20,000	Sumitomo Metal Mining Co Ltd Com NPV	216	0.74
Miscellaneous manufacturers			
18,046	FUJIFILM Holdings Corp Com NPV	586	2.01
18,999	Konica Minolta Inc Com NPV	133	0.46
Oil & gas			
39,143	Inpex Corp Com NPV	321	1.10
Pharmaceuticals			
7,799	Alfresa Holdings Corp Com NPV	134	0.46
88,628	Astellas Pharma Inc Com NPV	997	3.42
10,476	Eisai Co Ltd Com NPV	492	1.69
10,751	Kyowa Hakko Kirin Co Ltd Com NPV	164	0.56
3,199	Suzuken Co Ltd Com NPV	93	0.32
Real estate investment & services			
12,299	Hulic Co Ltd Com NPV	103	0.35
Retail			
26,952	Aeon Co Ltd Com NPV	363	1.25
2,080	Lawson Inc Com NPV	126	0.43
Telecommunications			
76,797	KDDI Corp Com NPV	1,894	6.50
58,005	NTT DoCoMo Inc Com NPV	1,267	4.35
Transportation			
13,612	East Japan Railway Co Com NPV	1,162	3.99
24,782	Keio Corp Com NPV	183	0.63
44,016	Tokyu Corp Com NPV	288	0.99
Total Japan		28,052	96.27
Total equities		28,052	96.27

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Curr	Amount Purchased	Curr	Amount Sold	Underlying Exposure (€)	Maturity date	Unrealised gain/(loss) €000	% of net asset value
Financial derivative instruments (31 May 2016: 0.68%)							
Forward currency contracts** (31 May 2016: 0.68%)							
EUR	28,765,205	JPY	3,492,686,340	28,086,902	02/06/2017	678	2.33
EUR	28,079,101	JPY	3,492,686,340	28,079,101	05/07/2017	-	0.00
EUR	1,035,336	JPY	128,782,720	1,035,336	05/07/2017	-	0.00
Total unrealised gain on forward currency contracts						678	2.33

No. of contracts	Underlying exposure €000	Fair value €000	% of net assets value
Futures contracts (31 May 2016: (0.00)%)			
5 Topix Index Futures June 2017	621	10	0.03
Total unrealised gains on futures contracts		10	0.03
Total financial derivative instruments		688	2.36
Total value of investments		28,740	98.63

	Fair value \$'000	% of net asset value
Cash†	99	0.34
Other net assets	301	1.03
Net asset value attributable to redeemable participating shareholders at the end of the financial year	29,140	100.00

† Cash holdings of €95,519 are held with State Street Bank and Trust Company. €3,081 is held as security for futures contracts with HSBC Bank Plc.

* Investments which are less than €500 have been rounded to zero.

** The counterparty for forward currency contracts is State Street Bank and Trust Company

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value €000	% of total current assets
Transferable securities admitted to an official stock exchange listing	28,052	96.24
Exchange traded financial derivative instruments	10	0.03
Over-the-counter financial derivative instruments	678	2.33
Other assets	409	1.40
Total current assets	29,149	100.00

iShares MSCI Japan SRI EUR Hedged UCITS ETF (Acc)

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds €000	Holding	Investments	Cost €000
Sales			Purchases		
86,199	KDDI Corp Com NPV	2,243,651	106,210	KDDI Corp Com NPV	2,707,638
75,105	Honda Motor Co Ltd Com NPV	1,935,893	94,190	Honda Motor Co Ltd Com NPV	2,458,629
57,059	Sony Corp Com NPV	1,655,818	72,212	Sony Corp Com NPV	2,000,234
64,832	NTT DoCoMo Inc Com NPV	1,495,762	80,137	NTT DoCoMo Inc Com NPV	1,791,791
96,676	Astellas Pharma Inc Com NPV	1,291,393	122,203	Astellas Pharma Inc Com NPV	1,664,107
15,429	East Japan Railway Co Com NPV	1,269,846	19,074	East Japan Railway Co Com NPV	1,554,459
8,566	Murata Manufacturing Co Ltd Com NPV	1,015,343	10,771	Murata Manufacturing Co Ltd Com NPV	1,268,687
112,491	Nissan Motor Co Ltd Com NPV	974,106	135,557	Nissan Motor Co Ltd Com NPV	1,198,227
99,132	Panasonic Corp Com NPV	966,158	13,200	Daikin Industries Ltd Com NPV	1,106,769
10,502	Daikin Industries Ltd Com NPV	901,577	124,000	Panasonic Corp Com NPV	1,098,798
41,104	Komatsu Ltd Com NPV	875,231	51,500	Komatsu Ltd Com NPV	1,010,947
21,643	Denso Corp Com NPV	803,370	26,714	Denso Corp Com NPV	1,010,563
19,853	FUJIFILM Holdings Corp Com NPV	697,412	24,800	FUJIFILM Holdings Corp Com NPV	858,372
14,500	Kyocera Corp Com NPV	691,481	31,706	Daiwa House Industry Co Ltd Com NPV	819,972
25,347	Daiwa House Industry Co Ltd Com NPV	662,004	18,100	Kyocera Corp Com NPV	813,119
46,919	Kubota Corp Com NPV	634,907	59,090	Kubota Corp Com NPV	810,522
11,523	Eisai Co Ltd Com NPV	588,318	14,500	Eisai Co Ltd Com NPV	805,956
66,400	Toray Industries Inc Com NPV	548,034	83,300	Toray Industries Inc Com NPV	655,795
7,500	Nitto Denko Corp Com NPV	490,207	87,200	Sumitomo Mitsui Trust Holdings Inc Com NPV	618,679
24,464	Ajinomoto Co Inc Com NPV	480,563	9,400	Nitto Denko Corp Com NPV	601,565
15,800	Sompo Holdings Inc Com NPV	478,749	30,400	Ajinomoto Co Inc Com NPV	600,397
57,708	Sumitomo Mitsui Trust Holdings Inc Com NPV	462,244	19,800	Sompo Holdings Inc Com NPV	582,261
56,000	Asahi Kasei Corp Com NPV	440,076	70,000	Asahi Kasei Corp Com NPV	528,671
6,933	Sysmex Corp Com NPV	420,710	123,900	Resona Holdings Inc Com NPV	520,327
98,400	Resona Holdings Inc Com NPV	415,196	8,660	Sysmex Corp Com NPV	518,169
26,633	Sekisui House Ltd Com NPV	406,288	33,500	Sekisui House Ltd Com NPV	507,672
83,000	Fujitsu Ltd Com NPV	401,911	104,000	Fujitsu Ltd Com NPV	498,268
28,748	Aeon Co Ltd Com NPV	390,875	36,200	Aeon Co Ltd Com NPV	471,440
89,000	Tokyo Gas Co Ltd Com NPV	366,780	52,900	Inpex Corp Com NPV	439,077
42,157	Inpex Corp Com NPV	360,959	109,000	Tokyo Gas Co Ltd Com NPV	428,755
46,000	Tokyu Corp Com NPV	324,911	58,000	Tokyu Corp Com NPV	419,525
68,151	Sumitomo Chemical Co Ltd Com NPV	308,933	105,000	Osaka Gas Co Ltd Com NPV	373,680
8,312	Omron Corp Com NPV	304,164			

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares MSCI Japan SRI UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 6 March 2017 to 31 May 2017 \$'000
Operating income	2	72
Net gains on financial assets/liabilities at fair value through profit or loss	3	147
Total gains		219
Operating expenses	4	(6)
Net operating profit		213
Finance costs:		
Interest expense*	7	-
Total finance costs		-
Net profit for the financial period before tax		213
Taxation		(11)
Net profit for the financial period after tax		202
Increase in net assets attributable to redeemable participating shareholders from operations		202

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 6 March 2017 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	202
Share transactions:	
Proceeds from issue of redeemable participating shares	7,491
Payments on redemption of redeemable participating shares	-
Increase in net assets resulting from share transactions	7,491
Net assets attributable to redeemable participating shareholders at the end of the financial period	7,693

The accompanying notes form an integral part of these financial statements.

iShares MSCI Japan SRI UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		7
Margin cash account		1
Receivables	10	340
Financial assets at fair value through profit or loss	11	7,635
Total current assets		7,983
CURRENT LIABILITIES		
Bank overdrafts		(2)
Payables	12	(288)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(290)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	7,693

The accompanying notes form an integral part of these financial statements.

iShares MSCI Japan SRI UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 6 March 2017 to 31 May 2017 \$'000
Dividend income	72
	72

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 6 March 2017 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	146
Net gains on futures contracts	1
Net gains on foreign currency transactions*	-
	147

* Amounts which are less than \$500 are rounded to zero.

4. OPERATING EXPENSES

	Financial period from 6 March 2017 to 31 May 2017 \$'000
Management fees	(6)
	(6)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.30

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 6 March 2017 to 31 May 2017 \$'000
Transaction costs	(1)

7. INTEREST EXPENSE

	Financial period from 6 March 2017 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

iShares MSCI Japan SRI UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	1,500,000
Redeemed during the financial period	-
Balance at the end of financial period	1,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	7,693

	No. of Shares
Shares in issue	
As at 31 May 2017	1,500,000

	\$
Net asset value per share	
As at 31 May 2017	\$5.13

10. RECEIVABLES

	31 May 2017 \$'000
Sales of securities awaiting settlement	284
Dividend income receivable	56
	340

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	7,634
Unrealised gains on futures contracts	1
	7,635

12. PAYABLES

	31 May 2017 \$'000
Purchase of securities awaiting settlement	(286)
Management fees payable	(2)
	(288)

iShares MSCI Japan SRI UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value US\$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Japan			
Apparel retailers			
1,600	Asics Corp Com NPV	27	0.35
Auto manufacturers			
17,800	Honda Motor Co Ltd Com NPV	502	6.52
23,600	Nissan Motor Co Ltd Com NPV	226	2.94
Auto parts & equipment			
4,900	Denso Corp Com NPV	209	2.72
2,600	NGK Insulators Ltd Com NPV	53	0.68
1,400	Stanley Electric Co Ltd Com NPV	42	0.55
Banks			
3,400	Sumitomo Mitsui Trust Holdings Inc Com NPV	115	1.49
Beverages			
1,400	Suntory Beverage & Food Ltd Com NPV	68	0.88
Building materials and fixtures			
2,600	Daikin Industries Ltd Com NPV	255	3.31
Chemicals			
13,000	Asahi Kasei Corp Com NPV	125	1.62
1,000	Hitachi Chemical Co Ltd Com NPV	28	0.36
3,000	Kaneka Corp Com NPV	23	0.30
2,100	Kansai Paint Co Ltd Com NPV	45	0.59
1,700	Nitto Denko Corp Com NPV	137	1.78
16,000	Sumitomo Chemical Co Ltd Com NPV	84	1.09
1,900	Teijin Ltd Com NPV	35	0.46
15,000	Toray Industries Inc Com NPV	125	1.63
Commercial services			
700	Benesse Holdings Inc Com NPV	26	0.34
6,000	Dai Nippon Printing Co Ltd Com NPV	67	0.87
Computers			
20,000	Fujitsu Ltd Com NPV	146	1.90
1,300	Nomura Research Institute Ltd Com NPV	50	0.65
Diversified financial services			
1,100	AEON Financial Service Co Ltd Com NPV	23	0.30
Electronics			
3,300	Kyocera Corp Com NPV	190	2.48
2,000	Murata Manufacturing Co Ltd Com NPV	278	3.61
2,000	Omron Corp Com NPV	84	1.09
2,500	Yaskawa Electric Corp Com NPV	50	0.65
2,300	Yokogawa Electric Corp Com NPV	40	0.52
Engineering & construction			
6,500	Obayashi Corp Com NPV	72	0.94
Food			
5,600	Ajinomoto Co Inc Com NPV	120	1.56
900	Toyo Suisan Kaisha Ltd Com NPV	35	0.45

Holding	Investment	Fair value US\$'000	% of net asset value
Japan (cont)			
Gas			
19,000	Osaka Gas Co Ltd Com NPV	75	0.98
20,000	Tokyo Gas Co Ltd Com NPV	104	1.35
Healthcare products			
1,600	Sysmex Corp Com NPV	95	1.23
Home builders			
5,800	Daiwa House Industry Co Ltd Com NPV	190	2.47
4,100	Sekisui Chemical Co Ltd Com NPV	72	0.94
6,100	Sekisui House Ltd Com NPV	105	1.36
Home furnishings			
22,800	Panasonic Corp Com NPV	293	3.81
13,000	Sony Corp Com NPV	474	6.16
Insurance			
3,600	Sompo Holdings Inc Com NPV	139	1.81
Iron & steel			
2,100	Hitachi Metals Ltd Com NPV	28	0.36
3,100	Kobe Steel Ltd Com NPV	28	0.37
Machinery - diversified			
10,900	Kubota Corp Com NPV	173	2.25
Machinery, construction & mining			
9,500	Komatsu Ltd Com NPV	226	2.94
Mining			
5,000	Sumitomo Metal Mining Co Ltd Com NPV	61	0.79
Miscellaneous manufacturers			
4,200	FUJIFILM Holdings Corp Com NPV	153	1.99
Oil & gas			
9,500	Inpex Corp Com NPV	88	1.14
Pharmaceuticals			
1,900	Alfresa Holdings Corp Com NPV	37	0.48
22,200	Astellas Pharma Inc Com NPV	281	3.65
2,800	Eisai Co Ltd Com NPV	148	1.92
2,600	Kyowa Hakko Kirin Co Ltd Com NPV	44	0.58
700	Suzuken Co Ltd Com NPV	23	0.30
Retail			
6,300	Aeon Co Ltd Com NPV	95	1.24
500	Lawson Inc Com NPV	34	0.44
Telecommunications			
18,900	KDDI Corp Com NPV	524	6.81
14,300	NTT DoCoMo Inc Com NPV	351	4.56
Transportation			
3,400	East Japan Railway Co Com NPV	326	4.24
6,000	Keio Corp Com NPV	50	0.65
9,000	Nippon Express Co Ltd Com NPV	56	0.73
11,000	Tokyu Corp Com NPV	81	1.05
Total Japan		7,634	99.23
Total equities		7,634	99.23

iShares MSCI Japan SRI UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net assets value
Financial derivative instruments			
Futures contracts			
4 Mini Topix Index Futures June 2017	56	1	0.01
Total unrealised gains on futures contracts		1	0.01
Total financial derivative instruments		1	0.01

Holding	Investment	Fair value \$'000	% of net asset value
Total value of investments		7,635	99.24
Cash[†]		6	0.08
Other net assets		52	0.68
Net asset value attributable to redeemable participating shareholders at the end of the financial period		7,693	100.00

[†] Cash holdings of \$5,301 are held with State Street Bank and Trust Company. \$928 is held as security for futures contracts with HSBC Bank Plc.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	7,634	95.63
Exchange traded financial derivative instruments	1	0.01
Other assets	348	4.36
Total current assets	7,983	100.00

iShares MSCI Japan SRI UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales*			Purchases		
22,100	Resona Holdings Inc Com NPV	113	17,800	Honda Motor Co Ltd Com NPV	547
6,000	Shimizu Corp Com NPV	61	18,900	KDDI Corp Com NPV	492
4,500	Konica Minolta Inc Com NPV	35	13,000	Sony Corp Com NPV	409
3,000	Hulic Co Ltd Com NPV	28	14,300	NTT DoCoMo Inc Com NPV	336
1,100	Hitachi Construction Machinery Co Ltd Com NPV	26	3,400	East Japan Railway Co Com NPV	304
200	FUJIFILM Holdings Corp Com NPV	7	22,200	Astellas Pharma Inc Com NPV	298
300	Aeon Co Ltd Com NPV	5	2,000	Murata Manufacturing Co Ltd Com NPV	290
100	Suzuken Co Ltd/Aichi Japan Com NPV	3	22,800	Panasonic Corp Com NPV	255
100	Stanley Electric Co Ltd Com NPV	3	2,600	Daikin Industries Ltd Com NPV	250
100	Kansai Paint Co Ltd Com NPV	2	9,500	Komatsu Ltd Com NPV	237
100	Hitachi Metals Ltd Com NPV	1	23,600	Nissan Motor Co Ltd Com NPV	232
* Represents total sales during the financial period.			4,900	Denso Corp Com NPV	217
			3,300	Kyocera Corp Com NPV	186
			10,900	Kubota Corp Com NPV	176
			4,400	FUJIFILM Holdings Corp Com NPV	171
			5,800	Daiwa House Industry Co Ltd Com NPV	160
			2,800	Eisai Co Ltd Com NPV	156
			1,700	Nitto Denko Corp Com NPV	144
			3,600	Sompo Holdings Inc Com NPV	135
			15,000	Toray Industries Inc Com NPV	132
			13,000	Asahi Kasei Corp Com NPV	127
			22,100	Resona Holdings Inc Com NPV	123
			3,400	Sumitomo Mitsui Trust Holdings Inc Com NPV	123
			20,000	Fujitsu Ltd Com NPV	116
			5,600	Ajinomoto Co Inc Com NPV	111
			6,600	Aeon Co Ltd Com NPV	97
			6,100	Sekisui House Ltd Com NPV	97
			1,600	Sysmex Corp Com NPV	94
			9,500	Inpex Corp Com NPV	93
			16,000	Sumitomo Chemical Co Ltd Com NPV	91
			20,000	Tokyo Gas Co Ltd Com NPV	91
			2,000	Omron Corp Com NPV	88
			11,000	Tokyu Corp Com NPV	81

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares MSCI USA SRI UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 11 July 2016 to 31 May 2017 \$'000
Operating income	2	226
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,789
Total gains		2,015
Operating expenses	4	(32)
Net operating profit		1,983
Finance costs:		
Interest expense*	6	-
Total finance costs		-
Net profit for the financial period before tax		1,983
Taxation		(32)
Net profit for the financial period after tax		1,951
Increase in net assets attributable to redeemable participating shareholders from operations		1,951

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	1,951
Share transactions:	
Proceeds from issue of redeemable participating shares	21,111
Proceeds from issue of redeemable participating shares	(2,830)
Increase in net assets resulting from share transactions	18,281
Net assets attributable to redeemable participating shareholders at the end of the financial period	20,232

The accompanying notes form an integral part of these financial statements.

iShares MSCI USA SRI UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000
CURRENT ASSETS		
Cash		21
Receivables	10	29
Financial assets at fair value through profit or loss	11	20,187
Total current assets		20,237
CURRENT LIABILITIES		
Payables	12	(5)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(5)
Net assets attributable to redeemable participating shareholders		20,232
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	20,232

The accompanying notes form an integral part of these financial statements.

iShares MSCI USA SRI UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Interest income*	-
Dividend income	226
	226

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Net gains on investments in securities held at fair value through profit or loss	1,789
	1,789

4. OPERATING EXPENSES

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Management fees	(32)
	(32)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.30

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. INTEREST EXPENSE

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Bank interest*	-
	-

* Amounts which are less than \$500 are rounded to zero.

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 11 July 2016 to 31 May 2017 \$'000
Transaction costs	(2)

iShares MSCI USA SRI UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	4,000,000
Redeemed during the financial period	(500,000)
Balance at the end of financial period	3,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	20,232

	No. of Shares
Shares in issue	
As at 31 May 2017	3,500,000

	\$
Net asset value per share	
As at 31 May 2017	5.78

10. RECEIVABLES

	31 May 2017 \$'000
Dividend income receivable	29
	29

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000
Financial assets:	
Investment in equities	20,187
	20,187

12. PAYABLES

	31 May 2017 \$'000
Management fees payable	(5)
	(5)

iShares MSCI USA SRI UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value USD'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Bermuda			
Agriculture			
560	Bunge Ltd Com USD 0.01	45	0.22
Chemicals			
868	Axalta Coating Systems Ltd Com USD 1.00	27	0.13
Commercial services			
1,456	IHS Markit Ltd Com USD 0.01	67	0.33
Retail			
240	Signet Jewelers Ltd Com USD 0.18	11	0.06
Total Bermuda		150	0.74
Ireland			
Building materials and fixtures			
3,822	Johnson Controls International Plc Com USD 0.01	160	0.79
Computers			
2,534	Accenture Plc Com USD 0.0000225	315	1.56
Miscellaneous manufacturers			
1,043	Ingersoll-Rand Plc Com USD 1.00	94	0.46
Total Ireland		569	2.81
Netherlands			
Oil & gas services			
183	Core Laboratories NV Com EUR 0.02	19	0.09
Total Netherlands		19	0.09
Switzerland			
Electronics			
1,442	TE Connectivity Ltd Com CHF 0.57	114	0.56
Insurance			
1,902	Chubb Ltd Com CHF 24.15	272	1.35
Total Switzerland		386	1.91
United Kingdom			
Media			
2,491	Liberty Global Plc Com USD 0.01	74	0.37
Oil & gas services			
1,804	TechnipFMC Plc Com USD 1.00	52	0.26
Total United Kingdom		126	0.63
United States			
Airlines			
617	Southwest Airlines Co Com USD 1.00	37	0.18
Apparel retailers			
1,513	Hanesbrands Inc Com USD 0.01	31	0.15
5,455	Nike Inc Com USD 1.00	289	1.43
1,342	VF Corp Com NPV	72	0.36

Holding	Investment	Fair value USD'000	% of net asset value
United States (cont)			
Auto manufacturers			
527	Tesla Inc Com USD 0.001	180	0.89
Banks			
4,294	Bank of New York Mellon Corp Com USD 0.01	202	1.00
716	Comerica Inc Com USD 5.00	49	0.24
4,396	KeyCorp Com USD 1.00	77	0.38
565	M&T Bank Corp Com USD 0.50	89	0.44
882	Northern Trust Corp Com USD 1.667	77	0.38
225	Signature Bank Com USD 0.01	32	0.16
1,564	State Street Corp Com USD 1.00	127	0.63
Biotechnology			
884	Biogen Inc Com USD 0.0005	219	1.08
5,377	Gilead Sciences Inc Com USD 0.001	349	1.72
1,009	Vertex Pharmaceuticals Inc Com USD 0.01	125	0.62
Building materials and fixtures			
1,331	Masco Corp Com USD 1.00	50	0.24
Chemicals			
840	Air Products & Chemicals Inc Com USD 1.00	121	0.60
322	International Flavors & Fragrances Inc Com USD 0.125	44	0.22
1,358	Mosaic Co Com USD 0.01	31	0.15
1,162	Praxair Inc Com USD 0.01	154	0.76
323	Sherwin-Williams Co Com USD 1.00	107	0.53
Commercial services			
1,064	Ecolab Inc Com USD 1.00	141	0.70
293	ManpowerGroup Inc Com USD 0.01	30	0.15
568	Robert Half International Inc Com USD 0.001	26	0.13
337	United Rentals Inc Com USD 0.01	37	0.18
Computers			
6,839	Hewlett Packard Enterprise Co Com USD 0.01	129	0.64
6,945	HP Inc Com USD 0.01	130	0.64
Cosmetics & personal care			
10,435	Procter & Gamble Co Com NPV	919	4.54
Distribution & wholesale			
1,246	LKQ Corp Com USD 0.01	39	0.19
230	WW Grainger Inc Com USD 0.50	40	0.20
Diversified financial services			
3,181	American Express Co Com USD 0.20	245	1.21
495	BlackRock Inc Com USD 0.01*	202	1.00
4,870	Charles Schwab Corp Com USD 0.01	189	0.93
1,387	CME Group Inc Com USD 0.01	163	0.81
1,527	Franklin Resources Inc Com USD 0.10	64	0.32
986	T Rowe Price Group Inc Com USD 0.20	69	0.34
Electrical components & equipment			
174	Acuity Brands Inc Com USD 0.01	28	0.14

iShares MSCI USA SRI UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value USD'000	% of net asset value
Equities (cont)			
United States (cont)			
Electricity			
2,675	AES Corp Com USD 0.01	31	0.15
1,666	CenterPoint Energy Inc Com USD 0.01	48	0.24
1,135	CMS Energy Corp Com USD 0.01	54	0.27
1,233	Consolidated Edison Inc Com USD 0.10	102	0.50
1,288	Eversource Energy Com USD 5.00	80	0.39
Electronics			
1,330	Agilent Technologies Inc Com USD 0.01	80	0.40
3,864	Corning Inc Com USD 0.50	112	0.55
106	Mettler-Toledo International Inc Com USD 0.01	62	0.31
326	Waters Corp Com USD 0.01	59	0.29
Food			
827	Campbell Soup Co Com USD 0.0375	48	0.24
1,680	Conagra Brands Inc Com USD 5.00	65	0.32
2,402	General Mills Inc Com USD 0.10	136	0.67
1,064	Kellogg Co Com USD 0.25	76	0.38
463	McCormick & Co Inc Com NPV	48	0.24
6,309	Mondelez International Inc Com NPV	294	1.45
1,288	Whole Foods Market Inc Com NPV	45	0.22
Gas			
966	Sempra Energy Com NPV	113	0.56
Hand & machine tools			
248	Snap-on Inc Com USD 1.00	40	0.20
Healthcare products			
294	Align Technology Inc Com USD 0.0001	43	0.21
921	Becton Dickinson and Co Com USD 1.00	174	0.86
196	Cooper Cos Inc Com USD 0.10	43	0.21
868	Edwards Lifesciences Corp Com USD 1.00	100	0.49
327	Henry Schein Inc Com USD 0.01	60	0.30
365	IDEXX Laboratories Inc Com USD 0.10	61	0.30
350	Patterson Cos Inc Com USD 0.01	15	0.08
574	ResMed Inc Com USD 0.004	41	0.20
379	Varian Medical Systems Inc Com USD 1.00	38	0.19
Healthcare services			
1,075	Anthem Inc Com USD 0.01	196	0.97
686	Centene Corp Com USD 0.001	50	0.25
1,041	Cigna Corp Com USD 0.25	168	0.83
473	Envision Healthcare Corp Com USD 0.01	26	0.13
1,215	HCA Healthcare Inc Com USD 0.01	99	0.49
378	Mednax Inc Com USD 0.01	20	0.10
560	Quest Diagnostics Inc Com USD 0.01	61	0.30
611	Quintiles IMS Holdings Inc Com USD 0.01	53	0.26

Holding	Investment	Fair value USD'000	% of net asset value
United States (cont)			
Hotels			
1,356	Marriott International Inc Com USD 0.01	146	0.72
Household goods & home construction			
532	Clorox Co Com USD 1.00	72	0.36
1,454	Kimberly-Clark Corp Com USD 1.25	189	0.93
Insurance			
2,093	Marsh & McLennan Cos Inc Com USD 1.00	163	0.81
1,163	Principal Financial Group Inc Com USD 0.01	73	0.36
1,154	Travelers Cos Inc Com NPV	144	0.71
Machinery - diversified			
239	AGCO Corp Com USD 0.01	15	0.07
647	Cummins Inc Com USD 2.50	102	0.50
1,107	Deere & Co Com USD 1.00	136	0.67
532	Flowserve Corp Com USD 1.25	26	0.13
523	Rockwell Automation Inc Com USD 1.00	83	0.41
728	Xylem Inc Com USD 0.01	38	0.19
Machinery, construction & mining			
2,380	Caterpillar Inc Com USD 1.00	251	1.24
Media			
880	Charter Communications Inc Com USD 0.001	304	1.50
322	Scripps Networks Interactive Inc Com USD 0.01	22	0.11
3,149	Time Warner Inc Com USD 0.01	313	1.55
6,170	Walt Disney Co Com USD 0.01	666	3.29
Miscellaneous manufacturers			
630	Dover Corp Com USD 1.00	52	0.26
538	Parker-Hannifin Corp Com USD 0.50	85	0.42
Oil & gas			
5,033	ConocoPhillips Com USD 0.01	225	1.11
1,918	Devon Energy Corp Com USD 0.10	65	0.32
2,353	EOG Resources Inc Com USD 0.01	212	1.05
1,148	Hess Corp Com USD 1.00	53	0.26
3,495	Marathon Oil Corp Com USD 1.00	45	0.23
1,903	Noble Energy Inc Com USD 0.01	55	0.27
1,919	Phillips 66 Com USD 0.01	146	0.72
689	Pioneer Natural Resources Co Com USD 0.01	115	0.57
1,946	Southwestern Energy Co Com USD 0.01	12	0.06
Oil & gas services			
1,652	Baker Hughes Inc Com USD 1.00	91	0.45
1,534	National Oilwell Varco Inc Com USD 0.01	50	0.25
Packaging & containers			
1,344	Ball Corp Com NPV	55	0.27

iShares MSCI USA SRI UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value USD'000	% of net asset value
Equities (cont)			
United States (cont)			
Pharmaceuticals			
670	AmerisourceBergen Corp Com USD 0.01	61	0.30
1,309	Cardinal Health Inc Com NPV	97	0.48
1,903	Zoetis Inc Com USD 0.01	119	0.59
Pipelines			
854	Oneok Inc Com USD 0.01	42	0.21
Real estate investment & services			
1,232	CBRE Group Inc Com USD 0.01	43	0.21
182	Jones Lang LaSalle Inc Com USD 0.01	21	0.11
Real estate investment trusts			
1,740	American Tower Corp Reits USD 0.01	228	1.13
560	AvalonBay Communities Inc Reits USD 0.01	107	0.53
630	Boston Properties Inc Reits USD 0.01	76	0.38
643	Digital Realty Trust Inc Reits USD 0.01	76	0.38
313	Equinix Inc Reits USD 0.001	138	0.68
1,498	Equity Residential Reits USD 0.01	98	0.48
1,890	HCP Inc Reits USD 1.00	59	0.29
1,040	Iron Mountain Inc Reits USD 0.01	36	0.18
602	Liberty Property Trust Reits USD 0.001	25	0.12
2,142	Prologis Inc Reits USD 0.01	119	0.59
513	SBA Communications Corp Reits USD 0.01	71	0.35
1,106	UDR Inc Reits USD 0.01	43	0.21
702	Vornado Realty Trust Reits USD 0.04	65	0.32
3,051	Weyerhaeuser Co Reits USD 1.25	101	0.50
Retail			
1,156	Best Buy Co Inc Com USD 0.10	69	0.34
980	Gap Inc Com USD 0.05	22	0.11
3,389	McDonald's Corp Com USD 0.01	511	2.53
532	Nordstrom Inc Com NPV	22	0.11
323	PVH Corp Com USD 1.00	34	0.17
504	Tiffany & Co Com USD 0.01	44	0.21
547	Tractor Supply Co Com USD 0.008	30	0.15
Savings & loans			
1,402	People's United Financial Inc Com USD 0.01	23	0.11
Semiconductors			
19,340	Intel Corp Com USD 0.001	698	3.45
4,079	Texas Instruments Inc Com USD 1.00	337	1.66
Software			
812	Autodesk Inc Com USD 0.01	91	0.45
1,255	Cerner Corp Com USD 0.01	82	0.41
141	Dun & Bradstreet Corp Com USD 0.01	15	0.07
30,089	Microsoft Corp Com USD 0.00000625	2,101	10.38
Telecommunications			
20,486	Cisco Systems Inc Com USD 0.001	646	3.19
603	Motorola Solutions Inc Com USD 0.01	51	0.25
3,222	Sprint Corp Com USD 0.01	27	0.14

Holding	Investment	Fair value USD'000	% of net asset value
United States (cont)			
Toys			
463	Hasbro Inc Com USD 0.50	48	0.24
1,386	Mattel Inc Com USD 1.00	32	0.16
Transportation			
574	CH Robinson Worldwide Inc Com USD 0.10	38	0.19
3,803	CSX Corp Com USD 1.00	206	1.02
770	Expeditors International of Washington Inc Com USD 0.01	41	0.20
434	Kansas City Southern Com USD 0.01	41	0.20
1,191	Norfolk Southern Corp Com USD 1.00	148	0.73
2,798	United Parcel Service Inc Com USD 0.01	297	1.47
Total United States		18,937	93.60
Total equities		20,187	99.78
Total value of investments			
		20,187	99.78
Cash[†]			
		21	0.10
Other net assets			
		24	0.12
Net asset value attributable to redeemable participating shareholders at the end of the financial period			
		20,232	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.
^{*} Investments in related party.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Analysis of total current assets gross of all liabilities	Fair value USD'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	20,187	99.75
Other assets	50	0.25
Total current assets	20,237	100.00

iShares MSCI USA SRI UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
34,719	Microsoft Corp Com USD 0.00000625	2,068	4,630	Microsoft Corp Com USD 0.00000625	297
12,073	Procter & Gamble Co Com NPV	1,012	1,638	Procter & Gamble Co Com NPV	148
22,135	Intel Corp Com USD 0.001	766	3,197	Enbridge Inc Com NPV	134
7,165	Walt Disney Co Com USD 0.01	719	995	Walt Disney Co Com USD 0.01	110
23,574	Cisco Systems Inc Com USD 0.001	707	3,088	Cisco Systems Inc Com USD 0.001	106
4,027	McDonald's Corp Com USD 0.01	482	2,795	Intel Corp Com USD 0.001	100
6,206	Gilead Sciences Inc Com USD 0.001	459	638	McDonald's Corp Com USD 0.01	81
3,220	United Parcel Service Inc Com USD 0.01	372	829	Gilead Sciences Inc Com USD 0.001	59
2,920	Accenture Plc Com USD 0.0000225	345	884	Nike Inc Com USD 1.00	50
3,646	Time Warner Inc Com USD 0.01	338	497	Time Warner Inc Com USD 0.01	49
4,693	Texas Instruments Inc Com USD 1.00	334	614	Texas Instruments Inc Com USD 1.00	48
6,339	Nike Inc Com USD 1.00	329	386	Accenture Plc Com USD 0.0000225	48
7,310	Mondelez International Inc Com NPV	307	422	United Parcel Service Inc Com USD 0.01	45
1,027	Biogen Inc Com USD 0.0005	301	1,001	Mondelez International Inc Com NPV	44
2,175	Chubb Ltd Com CHF 24.15	282	136	Charter Communications Inc Com USD 0.001	43
1,016	Charter Communications Inc Com USD 0.001	277	143	Biogen Inc Com USD 0.0005	42
2,710	EOG Resources Inc Com USD 0.01	276	512	American Express Co Com USD 0.20	41
5,749	ConocoPhillips Com USD 0.01	273	579	DXC Technology Co Com USD 0.01	40
3,693	American Express Co Com USD 0.20	266	273	Chubb Ltd Com CHF 24.15	38
2,725	Caterpillar Inc Com USD 1.00	256	357	EOG Resources Inc Com USD 0.01	35
4,969	Bank of New York Mellon Corp Com USD 0.01	235	716	ConocoPhillips Com USD 0.01	34

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares OMX Stockholm Capped UCITS ETF

INCOME STATEMENT

For the financial period ended 31 May 2017

	Note	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Operating income	2	101,198
Net gains on financial assets/liabilities at fair value through profit or loss	3	314,816
Total gains		416,014
Operating expenses	4	(1,590)
Net operating profit		414,424
Finance costs:		
Interest expense	6	(151)
Total finance costs		(151)
Net profit for the financial period before tax		414,273
Taxation		(1,060)
Net profit for the financial period after tax		413,213
Increase in net assets attributable to redeemable participating shareholders from operations		413,213

There are no recognised gains or losses arising in the financial period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial period ended 31 May 2017

	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial period	-
Increase in net assets attributable to redeemable participating shareholders from operations	413,213
Share transactions:	
Proceeds from issue of redeemable participating shares	3,344,184
Payments on redemption of redeemable participating shares	(22,189)
Increase in net assets resulting from share transactions	3,321,995
Net assets attributable to redeemable participating shareholders at the end of the financial period	3,735,208

The accompanying notes form an integral part of these financial statements.

iShares OMX Stockholm Capped UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 Kr'000
CURRENT ASSETS		
Cash		38,737
Margin cash account		3,693
Receivables	10	8,983
Financial assets at fair value through profit or loss	11	3,691,806
Total current assets		3,743,219
CURRENT LIABILITIES		
Payables	12	(7,984)
Financial liabilities at fair value through profit or loss	11	(27)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(8,011)
Net asset value attributable to redeemable participating shareholders at the end of the financial period	9	3,735,208

The accompanying notes form an integral part of these financial statements.

iShares OMX Stockholm Capped UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Interest income*	-
Dividend income	100,773
Securities lending income	425
	101,198

* Amounts which are less than SEK'500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Net gains on investments in securities held at fair value through profit or loss	310,245
Net gains on futures contracts	4,491
Net gains on foreign currency transactions	80
	314,816

4. OPERATING EXPENSES

	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Management fees	(1,590)
	(1,590)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial period and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial period were as follows:

	TER % 31 May 2017
	0.10

As this Fund launched during the financial year, the fees, operating costs and expenses used to calculate the TER have been annualised.

6. INTEREST EXPENSE

	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Bank interest	(151)
	(151)

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2017. Please refer to note 10 of the financial statements of the Company for further details.

	Financial period from 16 December 2016 to 31 May 2017 Kr'000
Transaction costs	(80)

iShares OMX Stockholm Capped UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial period ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares
Balance at the beginning of financial period	-
Issued during the financial period	84,000,000
Redeemed during the financial period	(500,000)
Balance at the end of financial period	83,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	Kr'000
Net asset value	
As at 31 May 2017	3,735,208

	No. of Shares
Shares in issue	
As at 31 May 2017	83,500,000

	Kr
Net asset value per share	
As at 31 May 2017	44.73

10. RECEIVABLES

	31 May 2017 SEK'000
Sales of securities awaiting settlement	8,495
Dividend income receivable	376
Securities lending income receivable	112
	8,983

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 Kr'000
Financial assets:	
Investment in equities	3,691,806
	3,691,806

Financial liabilities:	
Unrealised losses on futures contracts	(27)
	(27)

12. PAYABLES

	31 May 2017 Kr'000
Purchase of securities awaiting settlement	(7,627)
Interest payable	(41)
Management fees payable	(316)
	(7,984)

iShares OMX Stockholm Capped UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value Kr'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
Canada			
Oil & gas			
226,446	Africa Oil Corp Com NPV	2,957	0.08
	Total Canada	2,957	0.08
Finland			
Forest products & paper			
81,638	Stora Enso Oyj Com NPV	8,997	0.24
	Total Finland	8,997	0.24
Luxembourg			
Telecommunications			
47,034	Millicom International Cellular SA Receipt USD 1.50	23,940	0.64
	Total Luxembourg	23,940	0.64
Malta			
Entertainment			
172,803	Kindred Group Plc Receipt GBP 0.005	16,131	0.43
	Total Malta	16,131	0.43
Sweden			
Aerospace & defence			
51,575	Saab AB Com NPV	23,322	0.62
Agriculture			
157,888	Swedish Match AB Com SEK 1.9823	46,293	1.24
Auto manufacturers			
1,357,134	Volvo AB Class 'B' Com SEK 1.20	192,849	5.16
278,097	Volvo AB Com SEK 1.20	39,545	1.06
Banks			
2,670,179	Nordea Bank AB Com SEK 1.00	297,992	7.98
1,192,705	Skandinaviska Enskilda Banken AB Com SEK 10.00	124,995	3.35
1,193,462	Svenska Handelsbanken AB Com NPV	146,080	3.91
796,870	Swedbank AB Com SEK 22.00	166,944	4.47
Biotechnology			
9,853	Vitrolife AB Com SEK 1.02	5,360	0.14
Building materials and fixtures			
28,726	Investment AB Latour Com NPV	11,574	0.31
292,777	Nibe Industrier AB Com SEK 0.1562^	23,759	0.64
Commercial services			
56,157	Intrum Justitia AB Com SEK 0.02	16,522	0.44
267,546	Securitas AB Com SEK 1.00	37,055	0.99
Cosmetics & personal care			
531,362	Svenska Cellulosa AB SCA Com SEK 3.33	162,969	4.36
Distribution & wholesale			
368,114	Ahlsell AB Com SEK 0.25	21,056	0.56

Holding	Investment	Fair value Kr'000	% of net asset value
Sweden (cont)			
Electronics			
769,923	Assa Abloy AB Com SEK 1.00	150,289	4.02
233,960	Fingerprint Cards AB Com SEK 0.04^	6,644	0.18
Engineering & construction			
53,616	JM AB Com SEK 1.00	17,527	0.47
61,012	NCC AB Com SEK 8.00	14,826	0.40
287,394	Skanska AB Com NPV	59,462	1.59
Entertainment			
104,098	Betsson AB Com NPV^	495	0.01
104,098	Betsson AB Com SEK 0.67^	8,250	0.22
Food			
20,694	AAK AB Com SEK 10.00	13,472	0.36
175,073	Cloetta AB Com SEK 5.00	6,688	0.18
66,187	ICA Gruppen AB Com SEK 2.50^	20,729	0.56
Forest products & paper			
137,029	BillerudKorsnas AB Com SEK 7.38	18,992	0.51
42,986	Holmen AB Com NPV	16,795	0.45
Hand & machine tools			
858,781	Sandvik AB Com SEK 1.20	116,966	3.13
Healthcare products			
276,768	Elektta AB Com SEK 0.50^	24,093	0.65
140,991	Gefinge AB Com SEK 0.50^	25,505	0.68
15,697	RaySearch Laboratories AB Com SEK 0.50	3,751	0.10
Healthcare services			
76,705	Attendo AB Com NPV	7,839	0.21
50,932	Capio AB Com SEK 0.51	2,623	0.07
Holding companies - diversified operations			
138,500	Industrivarden AB Class 'C' Com SEK 2.50	28,448	0.76
90,509	Industrivarden AB Com SEK 2.50	19,785	0.53
Home builders			
59,880	Bonava AB Com SEK 4.0	9,401	0.25
Home furnishings			
216,954	Electrolux AB Com SEK 5.00^	60,552	1.62
Hotels			
57,315	Rezidor Hotel Group AB Com EUR. 0.067	1,725	0.05
39,742	Scandic Hotels Group AB Com SEK 0.25	4,431	0.12
Investment services			
347,547	Investor AB Class 'B' Com SEK 6.25	139,644	3.74
73,634	Investor AB Com SEK 6.25^	29,189	0.78
178,206	Kinnevik AB Com SEK 0.10	44,480	1.19
15,217	Melker Schorling AB Com SEK 0.02	8,301	0.22
Iron & steel			
440,814	SSAB AB Class 'B' Com SEK 8.80	12,762	0.34
179,684	SSAB AB Com SEK 8.80	6,373	0.17
Leisure time			
182,207	Dometic Group AB Com NPV	13,000	0.35

iShares OMX Stockholm Capped UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value Kr'000	% of net asset value
Equities (cont)			
Sweden (cont)			
Machinery - diversified			
209,392	Hexagon AB Com EUR 0.22	79,716	2.14
327,889	Husqvarna AB Com SEK 2.00	29,559	0.79
Machinery, construction & mining			
283,614	Atlas Copco AB Class 'B' Com SEK 0.64	81,426	2.18
535,731	Atlas Copco AB Com SEK 0.64	172,291	4.61
Media			
37,595	Modern Times Group MTG AB Com SEK 5.00	11,245	0.30
Metal fabricate/ hardware			
51,433	Granges AB Com SEK 1.339775^	4,192	0.11
Mining			
217,251	Boliden AB Com SEK 2.11	51,684	1.38
Miscellaneous manufacturers			
222,348	Alfa Laval AB Com SEK 2.84	38,911	1.04
194,564	Hexpol AB Com SEK 2.00	17,608	0.47
178,055	Trelleborg AB Com SEK 25.00	36,394	0.98
Oil & gas			
158,215	Lundin Petroleum AB Com SEK 0.01	26,707	0.72
Pharmaceuticals			
12,680	BioGaia AB Com SEK 1.00	4,559	0.12
31,227	Recipharm AB Com SEK 0.50	3,864	0.11
136,879	Swedish Orphan Biovitrum AB Com SEK 0.55	18,670	0.50
Real estate investment & services			
32,896	Atrium Ljungberg AB Com SEK 2.50	4,780	0.13
216,673	Castellum AB Com SEK 0.50^	28,103	0.75
118,612	Fabege AB Com SEK 30.82	19,369	0.52
78,951	Fastighets AB Balder Com SEK 1.00^	17,203	0.46
122,614	Hemfosa Fastigheter AB Com SEK 1.00	11,072	0.30
99,337	Hufvudstaden AB Com SEK 5.00	14,672	0.39
467,420	Kloven AB Com NPV	4,543	0.12
160,055	Kungsleden AB Com SEK 0.42	8,419	0.23
30,779	L E Lundbergforetagen AB Com NPV	21,007	0.56
40,240	Pandox AB Com SEK 2.50	6,237	0.17
51,433	Sagax AB Com NPV^	4,835	0.13
293,964	SKF AB Com SEK 2.50	52,267	1.40
162,385	Wallenstam AB Com SEK 1.00	13,210	0.35
58,478	Wihlborgs Fastigheter AB Com SEK 2.50	10,397	0.28
Retail			
778,179	Hennes & Mauritz AB Com NPV^	168,476	4.51
Software			
128,116	NetEnt AB Com SEK 0.03	9,090	0.24
Telecommunications			
288,618	Tele2 AB Com SEK 1.25	25,817	0.69
2,559,786	Telefonaktiebolaget LM Ericsson Com SEK 5.00	162,291	4.35
2,265,416	Telia Co AB Com SEK 3.20	90,118	2.41
Total Sweden		3,458,084	92.58

Holding	Investment	Fair value Kr'000	% of net asset value
Equities (cont)			
Switzerland			
Machinery, construction & mining			
324,678	ABB Ltd Com CHF 0.12	71,105	1.90
Total Switzerland		71,105	1.90
United Kingdom			
Pharmaceuticals			
97,793	AstraZeneca Plc Com USD 0.25^	58,138	1.56
Total United Kingdom		58,138	1.56
United States			
Auto parts & equipment			
54,754	Autoliv Inc Receipt USD 1.00^	52,454	1.40
Total United States		52,454	1.40
Total equities		3,691,806	98.83

No. of contracts	Underlying exposure Kr'000	Fair value Kr'000	% of net assets value
Financial derivative instruments			
Futures contracts			
46	OMX Stockholm 30 Index Futures June 2017	7,562 (27)	0.00
Total unrealised loss on futures contracts		(27)	0.00
Total financial derivative instruments		(27)	0.00

Holding	Investment	Fair value Kr'000	% of net asset value
Total value of investments		3,691,779	98.83
Cash[†]		42,430	1.14
Other net assets		999	0.03
Net asset value attributable to redeemable participating shareholders at the end of the financial period		3,735,208	100.00

[†] Cash holdings of SEK 38,736,838 are held with State Street Bank and Trust Company. SEK 3,692,696 is held as security for futures contracts with HSBC Bank Plc.

[^] These securities are partially or fully transferred as securities lent.

iShares OMX Stockholm Capped UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value Kr'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	3,691,806	98.63
Other assets	51,413	1.37
Total current assets	3,743,219	100.00

iShares OMX Stockholm Capped UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial period ended 31 May 2017

Holding	Investments	Proceeds Kr'000	Holding	Investments	Cost Kr'000
Sales			Purchases		
7,338	Atlas Copco AB Com SEK 0.64	2,394	2,692,238	Nordea Bank AB Com SEK 1.00	274,876
22,059	Nordea Bank AB Com SEK 1.00	2,382	787,106	Hennes & Mauritz AB Com NPV	211,483
7,646	Svenska Cellulosa AB SCA Com SEK 3.33	2,303	801,482	Swedbank AB Com SEK 22.00	178,596
10,469	Assa Abloy AB Com SEK 1.00	2,041	1,200,660	Svenska Handelsbanken AB Com NPV	158,775
8,927	Hennes & Mauritz AB Com NPV	1,989	543,069	Atlas Copco AB Com SEK 0.64	154,146
13,711	Volvo AB Class 'B' Com SEK 1.20	1,982	1,370,845	Volvo AB Class 'B' Com SEK 1.20	149,329
4,826	Investor AB Class 'B' Com SEK 6.25	1,957	2,582,963	Telefonaktiebolaget LM Ericsson Com SEK 5.00	138,270
4,325	International Petroleum Corp Com NPV	1,846	539,008	Svenska Cellulosa AB SCA Com SEK 3.33	138,150
23,177	Telefonaktiebolaget LM Ericsson Com SEK 5.00	1,399	780,392	Assa Abloy AB Com SEK 1.00	134,813
6,889	Lundin Petroleum AB Com SEK 0.01	1,163	352,373	Investor AB Class 'B' Com SEK 6.25	119,526
10,187	Skandinaviska Enskilda Banken AB Com SEK 10.00	1,036	1,202,892	Skandinaviska Enskilda Banken AB Com SEK 10.00	117,944
4,612	Swedbank AB Com SEK 22.00	970	863,955	Sandvik AB Com SEK 1.20	98,508
7,198	Svenska Handelsbanken AB Com NPV	908	2,284,062	Telia Co AB Com SEK 3.20	84,072
2,933	Electrolux AB Com SEK 5.00	793	285,321	Atlas Copco AB Class 'B' Com SEK 0.64	72,671
5,174	Sandvik AB Com SEK 1.20	745	210,653	Hexagon AB Com EUR 0.22	69,416
18,646	Telia Co AB Com SEK 3.20	697	326,632	ABB Ltd Com CHF 0.12	63,875
6,870	Tele2 AB Com SEK 1.25	617	289,125	Skanska AB Com NPV	62,334
1,707	Atlas Copco AB Class 'B' Com SEK 0.64	506	55,084	Autoliv Inc Receipt USD 1.00	55,758
1,261	Hexagon AB Com EUR 0.22	483	218,558	Boliden AB Com SEK 2.11	53,842
14,768	Rezidor Hotel Group AB Com EUR. 0.067	439	295,735	SKF AB Com SEK 2.50	50,224
1,954	ABB Ltd Com CHF 0.12	424	98,382	AstraZeneca Plc Com USD 0.25	50,013
1,731	Skanska AB Com NPV	368	219,887	Electrolux AB Com SEK 5.00	49,043
1,771	SKF AB Com SEK 2.50	347	158,838	Swedish Match AB Com SEK 1.9823	47,024
			179,279	Kinnevik AB Com SEK 0.10	40,462
			269,156	Securitas AB Com SEK 1.00	37,027

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

iShares TA-35 Israel UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Operating income	2	145	46
Net gains on financial assets/liabilities at fair value through profit or loss	3	474	30
Total gains		619	76
Operating expenses	4	(43)	(11)
Net operating profit		576	65
Finance costs:			
Interest expense	6	(1)	-
Total finance costs		(1)	-
Net profit for the financial year/period before tax		575	65
Taxation		(11)	(5)
Net profit for the financial year/period after tax		564	60
Adjustment to align to the valuation methodology as set out in the prospectus	1	(11)	11
Increase in net assets attributable to redeemable participating shareholders from operations		553	71

There are no recognised gains or losses arising in the financial year/period other than those dealt with in the income statement. In arriving at the results of the financial year/period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year/period	7,667	-
Increase in net assets attributable to redeemable participating shareholders from operations	553	71
Share transactions:		
Proceeds from issue of redeemable participating shares	5,146	7,596
Payments on redemption of redeemable participating shares	(2,524)	-
Increase in net assets resulting from share transactions	2,622	7,596
Net assets attributable to redeemable participating shareholders at the end of the financial year/period	10,842	7,667

The accompanying notes form an integral part of these financial statements.

iShares TA-35 Israel UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		32	22
Receivables	10	5	2,570
Financial assets at fair value through profit or loss	11	10,810	7,617
Total current assets		10,847	10,209
CURRENT LIABILITIES			
Payables	12	(5)	(2,553)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(5)	(2,553)
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period		10,842	7,656
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	11
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period	9	10,842	7,667

The accompanying notes form an integral part of these financial statements.

iShares TA-35 Israel UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Interest income*	-	-
Dividend income	145	46
	145	46

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Net gains on investments in securities held at fair value through profit or loss	474	30
Net gains on foreign currency transactions*	-	-
	474	30

* Amounts which are less than \$500 are rounded to zero.

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Management fees	(43)	(11)
	(43)	(11)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 are disclosed in note 4 and note 12 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.60	0.60

6. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Bank interest	(1)	-
	(1)	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial year ended 31 May 2017 and financial period ended 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial period from 18 January 2016 to 31 May 2016 \$'000
Transaction costs	(7)	(3)

iShares TA-35 Israel UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year/period	1,500,000	-
Issued during the financial year/period	1,000,000	1,500,000
Redeemed during the financial year/period	(500,000)	-
Balance at the end of financial year/period	2,000,000	1,500,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	10,842
As at 31 May 2016	7,667

	No. of Shares
Shares in issue	
As at 31 May 2017	2,000,000
As at 31 May 2016	1,500,000

	\$
Net asset value per share	
As at 31 May 2017	5.42
As at 31 May 2016	5.11

10. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Subscription for shares awaiting settlement	-	2,558
Dividend income receivable	5	12
Tax reclaim receivable*	-	-
	5	2,570

* Amounts which are less than \$500 are rounded to zero.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	10,810	7,617
	10,810	7,617

12. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchase of securities awaiting settlement	-	(2,550)
Management fees payable	(5)	(3)
Interest payable*	-	-
	(5)	(2,553)

* Amounts which are less than \$500 are rounded to zero.

iShares TA-35 Israel UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 99.35%)			
Equities (31 May 2016: 99.35%)			
Ireland (31 May 2016: 7.46%)			
Pharmaceuticals			
10,734	Perrigo Co Plc Com EUR 0.001	752	6.93
	Total Ireland	752	6.93
Israel (31 May 2016: 79.29%)			
Aerospace & defence			
3,551	Elbit Systems Ltd Com ILS 1.00	432	3.98
Banks			
123,251	Bank Hapoalim BM Com ILS 1.00	821	7.57
164,310	Bank Leumi Le-Israel BM Com ILS 0.10	804	7.42
8,333	First International Bank Of Israel Ltd Com ILS 0.05	147	1.36
161,201	Israel Discount Bank Ltd Com ILS 0.10	419	3.86
19,294	Mizrahi Tefahot Bank Ltd Com ILS 0.10	344	3.17
Chemicals			
79,512	Israel Chemicals Ltd Com ILS 1.00	337	3.11
Food			
6,570	Frutarom Industries Ltd Com ILS 1.00	427	3.94
6,943	Strauss Group Ltd Com ILS 1.00	127	1.17
Household products			
3,017	SodaStream International Ltd Com ILS 0.645	162	1.49
Insurance			
17,794	Harel Insurance Investments & Financial Services Ltd Com ILS 0.10	105	0.97
Oil & gas			
26,501	Delek Drilling - LP ILS 1.00	109	1.01
581	Delek Group Ltd Com ILS 1.00	142	1.30
639	Israel Corp Ltd Com ILS 1.00	119	1.10
1,434,413	Isramco Negev 2 LP ILS 0.01	299	2.76
265,570	Oil Refineries Ltd Com ILS 1.00	113	1.04
1,405	Paz Oil Co Ltd Com ILS 5.00	242	2.23
Pharmaceuticals			
22,733	Teva Pharmaceutical Industries Ltd Com ILS 0.10	652	6.01
Real estate investment & services			
8,961	Airport City Ltd Com ILS 0.01	121	1.12
17,195	Alony Hetz Properties & Investments Ltd Com ILS 1.00	170	1.57
19,258	Amot Investments Ltd Com ILS 1.00	97	0.89
5,876	Azrieli Group Ltd Com ILS 0.10	316	2.92
660	Big Shopping Centers Ltd Com ILS 0.01	51	0.47
16,242	Gazit-Globe Ltd Com ILS 1.00	158	1.46
2,770	Melison Ltd Com ILS 1.00	144	1.33
Semiconductors			
13,259	Tower Semiconductor Ltd Com ILS 1.00	344	3.17

Holding	Investment	Fair value \$'000	% of net asset value
Israel (31 May 2016: 79.29%) (cont)			
Telecommunications			
306,266	Bezeq The Israeli Telecommunication Corp Ltd Com ILS 1.00	531	4.90
8,356	Cellcom Israel Ltd Com ILS 0.01	81	0.75
8,312	Nice Ltd Com ILS 1.00	647	5.97
17,629	Partner Communications Co Ltd Com ILS 0.01	98	0.90
	Total Israel	8,559	78.94
Netherlands (31 May 2016: 3.67%)			
Pharmaceuticals			
19,213	Mylan NV Com EUR 0.01	777	7.17
	Total Netherlands	777	7.17
United States (31 May 2016: 8.93%)			
Electricity			
5,505	Ormat Technologies Inc Com USD 0.001	331	3.05
Healthcare products			
61,737	OPKO Health Inc Com USD 0.01	391	3.61
	Total United States	722	6.66
	Total equities	10,810	99.70
	Total value of investments	10,810	99.70
	Cash[†]	32	0.30
	Other net assets	-	0.00
	Net asset value attributable to redeemable participating shareholders at the end of the financial year	10,842	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.
* Amounts less than \$500 are rounded to zero.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	10,810	99.66
Other assets	37	0.34
Total current assets	10,847	100.00

iShares TA-35 Israel UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
113,905	Bank Hapoalim BM Com ILS 1.00	638	8,804	Perrigo Co Plc Com EUR 0.001	755
154,670	Bank Leumi Le-Israel BM Com ILS 0.10	616	15,115	Mylan NV Com EUR 0.01	602
3,993	Perrigo Co Plc Com EUR 0.001	356	94,406	Bank Hapoalim BM Com ILS 1.00	575
5,510	Nice Ltd Com ILS 1.00	355	14,456	Teva Pharmaceutical Industries Ltd Com ILS 0.10	532
168,497	Bezeq The Israeli Telecommunication Corp Ltd Com ILS 1.00	307	120,021	Bank Leumi Le-Israel BM Com ILS 0.10	502
4,985	Teva Pharmaceutical Industries Ltd Com ILS 0.10	257	45,737	OPKO Health Inc Com USD 0.01	451
28,041	OPKO Health Inc Com USD 0.01	243	5,421	Nice Ltd Com ILS 1.00	368
2,076	Elbit Systems Ltd Com ILS 1.00	208	186,265	Bezeq The Israeli Telecommunication Corp Ltd Com ILS 1.00	328
323,666	Avner Oil Exploration LP ILS 0.01	207	13,284	Tower Semiconductor Ltd Com ILS 1.00	293
47,120	Israel Chemicals Ltd Com ILS 1.00	199	2,214	Elbit Systems Ltd Com ILS 1.00	239
3,713	Frutarom Industries Ltd Com ILS 1.00	182	107,399	Israel Discount Bank Ltd Com ILS 0.10	225
83,900	Israel Discount Bank Ltd Com ILS 0.10	156	5,000	Azrieli Group Ltd Com ILS 0.10	220
3,111	Ormat Technologies Inc Com USD 0.001	147	4,037	Frutarom Industries Ltd Com ILS 1.00	213
3,216	Azrieli Group Ltd Com ILS 0.10	142	49,699	Israel Chemicals Ltd Com ILS 1.00	213
809,921	Iramco Negev 2 LP ILS 0.01	138	3,374	Ormat Technologies Inc Com USD 0.001	180
10,384	Mizrahi Tefahot Bank Ltd Com ILS 0.10	137	11,638	Mizrahi Tefahot Bank Ltd Com ILS 0.10	177
542	Delek Group Ltd Com ILS 1.00	109	17,569	Alony Hetz Properties & Investments Ltd Com ILS 1.00	151
2,392	Mylan NV Com EUR 0.01	109	878,859	Iramco Negev 2 LP ILS 0.01	150
9,757	Gazit-Globe Ltd Com ILS 1.00	91	3,023	SodaStream International Ltd Com ILS 0.645	135
466	Paz Oil Co Ltd Com ILS 5.00	75	787	Paz Oil Co Ltd Com ILS 5.00	121
4,941	First International Bank Of Israel Ltd Com ILS 0.05	67	270,905	Oil Refineries Ltd Com ILS 1.00	106
352	Israel Corp Ltd Com ILS 1.00	63	17,983	Partner Communications Co Ltd Com ILS 0.01	105
1,419	Melisron Ltd Com ILS 1.00	60	9,159	Airport City Ltd Com ILS 0.01	102
3,702	Strauss Group Ltd Com ILS 1.00	59	18,151	Harel Insurance Investments & Financial Services Ltd Com ILS 0.10	97
15,699	Delek Drilling - LP ILS 1.00	54	440	Delek Group Ltd Com ILS 1.00	95
			10,165	Gazit-Globe Ltd Com ILS 1.00	95
			528	Israel Corp Ltd Com ILS 1.00	92
			8,524	Cellcom Israel Ltd Com ILS 0.01	89
			19,630	Amot Investments Ltd Com ILS 1.00	86
			123,384	Avner Oil Exploration LP ILS 0.01	83
			5,240	First International Bank Of Israel Ltd Com ILS 0.05	78

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares US Equity Buyback Achievers UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Operating income	2	271	236
Net gain/(losses) on financial assets/liabilities at fair value through profit or loss	3	2,453	(1,148)
Total gains/(losses)		2,724	(912)
Operating expenses	4	(98)	(63)
Net operating profit/(loss)		2,626	(975)
Finance costs:			
CFD interest paid*		-	-
Total finance costs		-	-
Net profit/(loss) for the financial year before tax		2,626	(975)
Taxation		(32)	(34)
Net profit/(loss) for the financial year after tax		2,594	(1,009)
Adjustment to align to the valuation methodology as set out in the prospectus*	1	(3)	-
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		2,591	(1,009)

* Amounts which are less than \$500 are rounded to zero.

There are no recognised gains or losses arising in the financial year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year	12,350	10,507
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	2,591	(1,009)
Share transactions:		
Proceeds from issue of redeemable participating shares	14,012	5,102
Payments on redemption of redeemable participating shares	(5,781)	(2,250)
Increase in net assets resulting from share transactions	8,231	2,852
Net assets attributable to redeemable participating shareholders at the end of the financial year	23,172	12,350

The accompanying notes form an integral part of these financial statements.

iShares US Equity Buyback Achievers UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		321	329
Receivables	9	29	20
Financial assets at fair value through profit or loss	10	22,833	12,004
Total current assets		23,183	12,353
CURRENT LIABILITIES			
Payables	11	(10)	(6)
Financial liabilities at fair value through profit or loss	10	(1)	-
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(11)	(6)
Net assets attributable to redeemable participating shareholders		23,172	12,347
Adjustment to align to the valuation methodology as set out in the prospectus	1	-	3
Net asset value attributable to redeemable participating shareholders at the end of the financial year	8	23,172	12,350

The accompanying notes form an integral part of these financial statements.

iShares US Equity Buyback Achievers UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Dividend income	271	236
Securities lending income*	-	-
	271	236

* Amounts which are less than \$500 are rounded to zero.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	2,396	(1,152)
Net gains on CFDs	57	4
	2,453	(1,148)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Management fees	(98)	(63)
	(98)	(63)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 11 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
	0.55	0.55

6. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial years ended 31 May 2017 and 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

	Financial year ended 31 May 2017 \$'000	Financial year ended 31 May 2016 \$'000
Transaction costs	(5)	(3)

7. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year	2,500,000	2,000,000
Issued during the financial year	2,500,000	1,000,000
Redeemed during the financial year	(1,000,000)	(500,000)
Balance at the end of financial year	4,000,000	2,500,000

iShares US Equity Buyback Achievers UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	\$'000
Net asset value	
As at 31 May 2017	23,172
As at 31 May 2016	12,350
As at 31 May 2015	10,507

	No. of Shares
Shares in issue	
As at 31 May 2017	4,000,000
As at 31 May 2016	2,500,000
As at 31 May 2015	2,000,000

	\$
Net asset value per share	
As at 31 May 2017	5.79
As at 31 May 2016	4.94
As at 31 May 2015	5.25

9. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Interest receivable	4	-
Dividend income receivable	25	20
	29	20

10. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in equities	22,822	11,997
Unrealised gains on CFDs	11	7
	22,833	12,004

Financial liabilities:		
Unrealised losses on CFDs	(1)	-
	(1)	-

11. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Management fees payable	(10)	(6)
	(10)	(6)

iShares US Equity Buyback Achievers UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 97.14%)			
Equities (31 May 2016: 97.14%)			
Bermuda (31 May 2016: 3.84%)			
Computers			
5,440	Genpact Ltd Com USD 0.01	148	0.64
Insurance			
4,989	Assured Guaranty Ltd Com USD 0.01	195	0.84
2,964	Axis Capital Holdings Ltd Com USD 0.0125	194	0.84
538	White Mountains Insurance Group Ltd Com USD 1.00	463	2.00
5,810	XL Group Ltd Com USD 0.01	254	1.09
Retail			
4,340	Signet Jewelers Ltd Com USD 0.18	209	0.90
Total Bermuda		1,463	6.31
British Virgin Islands (31 May 2016: Nil)			
Apparel retailers			
6,782	Michael Kors Holdings Ltd Com NPV	225	0.97
Total British Virgin Islands		225	0.97
Cayman Islands (31 May 2016: 0.99%)			
United States (31 May 2016: 92.31%)			
Aerospace & defence			
5,534	Spirit AeroSystems Holdings Inc Com USD 0.01	301	1.30
1,540	United Technologies Corp Com USD 1.00	187	0.81
Airlines			
10,111	American Airlines Group Inc Com USD 0.01^	489	2.11
3,329	Delta Air Lines Inc Com USD 0.0001	163	0.71
2,389	Southwest Airlines Co Com USD 1.00	144	0.62
5,066	United Continental Holdings Inc Com USD 0.01	404	1.74
Apparel retailers			
1,360	Carter's Inc Com USD 0.01	112	0.48
Auto parts & equipment			
7,374	Dana Inc Com USD 0.01	156	0.67
1,148	Lear Corp Com USD 0.01	171	0.74
4,092	Visteon Corp Com USD 0.01	410	1.77
Banks			
2,592	Capital One Financial Corp Com USD 0.01	200	0.86
715	Goldman Sachs Group Inc Com USD 0.01	151	0.65
8,546	Kearny Financial Corp Com USD 0.01	119	0.52
9,411	Regions Financial Corp Com USD 0.01	130	0.56
3,721	Synovus Financial Corp Com USD 1.00	152	0.66
Beverages			
3,219	Monster Beverage Corp Com USD 0.005	163	0.70

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 92.31%) (cont)			
Biotechnology			
1,250	United Therapeutics Corp Com USD 0.01	151	0.65
Building materials and fixtures			
11,455	Summit Materials Inc Com USD 0.01	308	1.33
Commercial services			
9,101	Hertz Global Holdings Inc Com USD 0.01	93	0.40
3,524	Insperity Inc Com USD 0.01	266	1.15
2,086	ManpowerGroup Inc Com USD 0.01	212	0.91
3,477	Quanta Services Inc Com USD 0.00001	107	0.46
10,957	Sotheby's Com USD 0.01	576	2.49
Computers			
3,332	NetApp Inc Com USD 0.001	135	0.58
4,828	NetScout Systems Inc Com USD 0.001	177	0.76
Distribution & wholesale			
522	WW Grainger Inc Com USD 0.50	90	0.39
Diversified financial services			
1,709	Ameriprise Financial Inc Com USD 0.01	206	0.89
4,488	E*Trade Financial Corp Com USD 0.01	155	0.67
3,103	Franklin Resources Inc Com USD 0.10	130	0.56
2,322	GATX Corp Com USD 0.625	138	0.60
4,151	Legg Mason Inc Com USD 0.10	153	0.66
17,112	Nationstar Mortgage Holdings Inc Com USD 0.01	279	1.20
26,601	Navient Corp Com USD 0.01	384	1.66
3,299	Nelnet Inc Com USD 0.01	130	0.56
Electronics			
17,432	Corning Inc Com USD 0.50	507	2.19
3,761	Sanmina Corp Com USD 0.01	138	0.59
Entertainment			
835	Churchill Downs Inc Com NPV	140	0.61
3,149	Marriott Vacations Worldwide Corp Com USD 0.01	367	1.58
Food			
7,619	Sprouts Farmers Market Inc Com USD 0.001	183	0.79
5,415	Whole Foods Market Inc Com NPV	189	0.82
Hand & machine tools			
2,454	Lincoln Electric Holdings Inc Com NPV	219	0.95
Healthcare services			
2,280	DaVita Inc Com USD 0.001	151	0.65
2,839	LifePoint Health Inc Com USD 0.01	173	0.75
3,175	Magellan Health Inc Com USD 0.01	218	0.94
Home builders			
5,375	PulteGroup Inc Com USD 0.01	122	0.53
4,549	Toll Brothers Inc Com USD 0.01	168	0.72
Home furnishings			
2,420	iRobot Corp Com USD 0.01	224	0.97
Hotels			
17,574	La Quinta Holdings Inc Com USD 0.01	244	1.05

iShares US Equity Buyback Achievers UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Equities (31 May 2016: 97.14%) (cont)			
United States (31 May 2016: 92.31%) (cont)			
Insurance			
6,529	American International Group Inc Com USD 2.50	415	1.79
3,368	Assurant Inc Com USD 0.01	330	1.42
6,783	CNO Financial Group Inc Com USD 0.01	139	0.60
3,877	Hartford Financial Services Group Inc Com USD 0.01	192	0.83
2,805	Lincoln National Corp Com NPV	182	0.79
31,923	MBIA Inc Com USD 1.00	261	1.13
1,367	Primerica Inc Com USD 0.01	99	0.42
1,320	Travelers Cos Inc Com NPV	165	0.71
6,086	Voya Financial Inc Com USD 0.01	208	0.90
Internet			
1,213	F5 Networks Inc Com NPV	156	0.67
6,041	Symantec Corp Com USD 0.01	183	0.79
Investment services			
21,374	Apollo Investment Corp Com USD 0.001	134	0.58
Iron & steel			
3,286	Carpenter Technology Corp Com USD 5.00	120	0.52
Leisure time			
6,549	Vista Outdoor Inc Com USD 0.01	137	0.59
Machinery - diversified			
2,477	AGCO Corp Com USD 0.01	159	0.69
835	Cummins Inc Com USD 2.50	132	0.57
2,364	Wabtec Corp Com USD 0.01	193	0.83
Media			
3,072	CBS Corp Com USD 0.001	188	0.81
7,179	Discovery Communications Inc Com USD 0.01	190	0.82
19,901	Houghton Mifflin Harcourt Co Com USD 0.01	246	1.06
12,118	Time Inc Com USD 0.01	152	0.66
4,638	Tribune Media Co Com USD 0.01	177	0.76
4,292	Twenty-First Century Fox Inc Com USD 0.01	116	0.50
Metal fabricate/ hardware			
3,317	Timken Co Com NPV	153	0.66
Miscellaneous manufacturers			
10,071	General Electric Co Com USD 0.06	276	1.19
Oil & gas			
5,715	Murphy USA Inc Com USD 0.01	389	1.68
2,170	Valero Energy Corp Com USD 0.01	133	0.57
Oil & gas services			
8,854	MRC Global Inc Com USD 0.01	160	0.69
Pharmaceuticals			
3,215	Express Scripts Holding Co Com USD 0.01	192	0.83

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 92.31%) (cont)			
Real estate investment trusts			
10,265	Invesco Mortgage Capital Inc Reits USD 0.01	166	0.72
3,440	Macerich Co Reits USD 0.01	197	0.85
Retail			
11,223	American Eagle Outfitters Inc Com USD 0.01	129	0.56
4,919	AutoNation Inc Com USD 0.01	194	0.84
5,402	Bed Bath & Beyond Inc Com USD 0.01	186	0.80
4,121	Best Buy Co Inc Com USD 0.10	245	1.06
4,973	Big Lots Inc Com USD 0.01	243	1.05
2,464	CarMax Inc Com USD 0.50	155	0.67
12,375	Chico's FAS Inc Com USD 0.01	117	0.50
1,935	Children's Place Inc Com USD 0.10	209	0.90
390	Chipotle Mexican Grill Inc Com USD 0.01	186	0.80
4,156	Dillard's Inc Com NPV	214	0.92
1,737	Dollar General Corp Com USD 0.875	128	0.55
8,819	DSW Inc Com NPV	148	0.64
3,181	Group 1 Automotive Inc Com USD 0.01	191	0.83
4,244	Kohl's Corp Com USD 0.01	163	0.70
1,926	MSC Industrial Direct Co Inc Com USD 0.001	162	0.70
721	Panera Bread Co Com USD 0.0001	227	0.98
2,789	Penske Automotive Group Inc Com USD 0.0001	118	0.51
3,841	Target Corp Com USD 0.0833	212	0.91
10,380	Wendy's Co Com USD 0.10	168	0.73
Savings & loans			
12,679	Beneficial Bancorp Inc Com USD 0.01	186	0.80
14,438	Investors Bancorp Inc Com USD 0.01	191	0.83
Semiconductors			
8,772	Integrated Device Technology Inc Com USD 0.001	224	0.97
3,375	Qorvo Inc Com USD 0.0001	263	1.13
Software			
8,706	Nuance Communications Inc Com USD 0.001	161	0.69
Telecommunications			
8,158	DigitalGlobe Inc Com USD 0.001	254	1.10
Transportation			
3,566	Hub Group Inc Com USD 0.01	128	0.55
8,661	Swift Transportation Co Com USD 0.001	207	0.90
Total United States		21,134	91.21
Total equities		22,822	98.49

iShares US Equity Buyback Achievers UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

No. of contracts	Underlying exposure \$'000	Fair value \$'000	% of net asset value
Financial derivative instruments (31 May 2016: 0.06%)			
Contracts for difference (31 May 2016: 0.06%)			
1,019 CNO Financial Group Inc*/**	21	-	0.00
526 Everest Re Group Ltd*	134	6	0.03
177 Primerica Inc*	13	(1)	(0.01)
1,018 RenaissanceRe Holdings Ltd*	145	5	0.02
Total unrealised losses on contracts for difference		(1)	(0.01)
Total unrealised gains on contracts for difference		11	0.05
Net unrealised gains on contracts for difference		10	0.04
Total financial derivative instruments		10	0.04

	Fair value \$'000	% of net asset value
Total value of investments	22,832	98.53
Cash[†]	321	1.39
Other net assets	19	0.08
Net asset value attributable to redeemable participating shareholders at the end of the financial year	23,172	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

^{*} These securities are partially or fully transferred as securities lent.

^{*} The Counterparty for CFDs is Morgan Stanley.

^{**} Investments which are less than \$500 are rounded to zero.

Equities are primarily classified by country of incorporation of the entity in which the Fund holds shares.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	22,822	98.45
Over-the-counter financial derivative instruments	11	0.04
Other assets	350	1.51
Total current assets	23,183	100.00

iShares US Equity Buyback Achievers UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
20,633	Quanta Services Inc Com USD 0.00001	720	15,073	Sotheby's Com USD 0.01	610
41,026	Wendy's Co Com USD 0.1	551	12,347	American Airlines Group Inc Com USD 0.01	545
16,390	Chemtura Corp Com USD 0.01	541	607	White Mountains Insurance Group Ltd Com USD 1.00	544
10,634	Cree Inc Com USD 0.00125	293	8,199	Murphy USA Inc Com USD 0.01	524
7,469	National Oilwell Varco Inc Com USD 0.01	279	18,774	Corning Inc Com USD 0.5	494
12,275	H&R Block Inc Com NPV	263	32,405	Navient Corp Com USD 0.01	483
13,579	TiVo Inc Com USD 0.001	257	6,258	United Continental Holdings Inc Com USD 0.01	446
3,802	Moog Inc Com USD 1	245	4,661	Visteon Corp Com USD 0.01	409
6,303	Assured Guaranty Ltd Com USD 0.01	242	6,868	Spirit AeroSystems Holdings Inc Com USD 0.01	401
4,225	Harley-Davidson Inc Com USD 0.01	241	4,466	Marriott Vacations Worldwide Corp Com USD 0.01	396
8,925	Juniper Networks Inc Com USD 0.00001	239	5,274	Inspireity Inc Com USD 0.01	380
1,018	Northrop Grumman Corp Com USD 1	232	5,114	Signet Jewelers Ltd Com USD 0.18	374
13,765	NRG Energy Inc Com USD 0.01	224	38,059	MBIA Inc Com USD 1.00	369
5,610	Voya Financial Inc Com USD 0.01	217	20,738	Nationstar Mortgage Holdings Inc Com USD 0.01	367
3,877	Netgear Inc Com USD 0.001	215	12,377	General Electric Co Com USD 0.06	364
11,664	Dana Inc Com USD 0.01	214	14,321	Summit Materials Inc Com USD 0.01	362
1,922	Nordson Corp Com NPV	213	8,242	Michael Kors Holdings Ltd Com NPV	340
1,446	Parker-Hannifin Corp Com USD 0.5	211	5,217	Qorvo Inc Com USD 0.0001	339
4,080	Shutterfly Inc Com USD 0.0001	210	5,297	American International Group Inc Com USD 2.5	335
1,976	Deere & Co Com USD 1.00	208	11,207	DigitalGlobe Inc Com USD 0.001	319
			3,260	Assurant Inc Com USD 0.01	312

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

iShares US Mortgage Backed Securities UCITS ETF

INCOME STATEMENT

For the financial year ended 31 May 2017

	Note	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
Operating income	2	8,255	138
Net losses on financial assets/liabilities at fair value through profit or loss	3	(5,726)	(363)
Total gains/(losses)		2,529	(225)
Operating expenses	4	(736)	(13)
Net operating profit		1,793	(238)
Finance costs:			
Distributions to redeemable participating shareholders	6	(3,729)	-
Interest expense	8	(1)	-
Total finance costs		(3,730)	-
Net loss for the financial year/period		(1,937)	(238)
Decrease in net assets attributable to redeemable participating shareholders from operations		(1,937)	(238)

There are no recognised gains or losses arising in the financial year/period other than those dealt with in the income statement. In arriving at the results of the financial year/period, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the financial year ended 31 May 2017

	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the financial year/period	217,076	-
Decrease in net assets attributable to redeemable participating shareholders from operations	(1,937)	(238)
Share transactions:		
Proceeds from issue of redeemable participating shares	107,304	217,314
Payments on redemption of redeemable participating shares	(47,390)	-
Increase in net assets resulting from share transactions	59,914	217,314
Net assets attributable to redeemable participating shareholders at the end of the financial year/period	275,053	217,076

The accompanying notes form an integral part of these financial statements.

iShares US Mortgage Backed Securities UCITS ETF

BALANCE SHEET

As at 31 May 2017

	Note	31 May 2017 \$'000	31 May 2016 \$'000
CURRENT ASSETS			
Cash		275	4,602
Cash equivalents		6,258	-
Receivables	11	862	648
Financial assets at fair value through profit or loss	12	269,939	211,839
Total current assets		277,334	217,089
CURRENT LIABILITIES			
Payables	13	(2,281)	(13)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(2,281)	(13)
Net asset value attributable to redeemable participating shareholders at the end of the financial year/period	10	275,053	217,076

The accompanying notes form an integral part of these financial statements.

iShares US Mortgage Backed Securities UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2017

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS AND OTHER NOTES

The accounting policies are set out on pages 56 to 58. The adjustment between the financial statements valuation policy and the valuation methodology set out in the prospectus is detailed further in accounting policy (n). The financial instruments and risks are set out on pages 59 to 92. The notes relating to tax, soft commissions, exchange rates, commitments and contingent liabilities, related party transactions, financial derivative instruments and subsequent events are set out in the notes to the financial statements of the Company on pages 95 to 101.

2. OPERATING INCOME

	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
Interest income	62	-
Bond interest income	8,193	138
	8,255	138

3. NET LOSSES ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
Net losses on investments in securities held at fair value through profit or loss	(5,726)	(363)
	(5,726)	(363)

4. OPERATING EXPENSES

	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
Management fees	(736)	(13)
	(736)	(13)

5. MANAGEMENT FEES

Fees earned by the Manager during the financial year and balances outstanding as at 31 May 2017 and 31 May 2016 are disclosed in note 4 and note 13 respectively.

Please refer to note 6 of the financial statements of the Company for each Fund's management fee rate.

The Fund employs an "all in one" fee structure, paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). The TER is calculated in accordance with the Committee of European Securities Regulators ("CESR") guidelines on the methodology for calculation of the ongoing charges figure in the Key Investor Information Document.

Total fees paid to the Manager as a percentage of the average Fund assets for the financial year were as follows:

	TER % 31 May 2017	TER % 31 May 2016
USD (Dist)	0.28	0.28
USD (Acc)	0.28	-

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the financial year were as follows:

	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
June	127	-
December	3,903	-
	4,030	-
Equalisation income	(765)	-
Equalisation expense	464	-
	3,729	-

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial year ended 31 May 2017 and financial period ended 31 May 2016. Please refer to note 10 of the financial statements of the Company for further details.

iShares US Mortgage Backed Securities UCITS ETF

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 May 2017

8. INTEREST EXPENSE

	Financial year ended 31 May 2017 \$'000	Financial period from 25 May 2016 to 31 May 2016 \$'000
Bank interest	(1)	-
	(1)	-

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

USD (Dist) Class	31 May 2017 No. of Shares	31 May 2016 No. of Shares
Balance at the beginning of financial year/period	43,400,000	-
Issued during the financial year/period	21,570,500	43,400,000
Redeemed during the financial year/period	(9,708,676)	-
Balance at the end of financial year/period	55,261,824	43,400,000

USD (Acc) Class	31 May 2017 No. of Shares
Balance at the beginning of financial year/period	-
Issued during the financial year/period	2,000
Redeemed during the financial year/period	-
Balance at the end of financial year/period	2,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

USD (Dist) Class

	\$'000
Net asset value	
As at 31 May 2017	275,043
As at 31 May 2016	217,076

	No. of Shares
Shares in issue	
As at 31 May 2017	55,261,824
As at 31 May 2016	43,400,000

	\$
Net asset value per share	
As at 31 May 2017	4.98
As at 31 May 2016	5.00

USD (Acc) Class

	\$'000
Net asset value	
As at 31 May 2017	10

	No. of Shares
Shares in issue	
As at 31 May 2017	2,000

	\$
Net asset value per share	
As at 31 May 2017	5.04

11. RECEIVABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Interest receivable	4	-
Bond income receivable	858	648
	862	648

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 May 2017 \$'000	31 May 2016 \$'000
Financial assets:		
Investment in MBSs	269,939	211,839
	269,939	211,839

13. PAYABLES

	31 May 2017 \$'000	31 May 2016 \$'000
Purchases of securities awaiting settlement	(2,216)	-
Management fees payable	(65)	(13)
	(2,281)	(13)

iShares US Mortgage Backed Securities UCITS ETF

SCHEDULE OF INVESTMENTS

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (31 May 2016: 97.59%)			
Mortgage Backed Securities (31 May 2016: 97.59%)			
United States (31 May 2016: 97.59%)			
Mortgage Backed Securities: AA+ rating			
6,000,660	Fannie Mae Pool 2.5% 01/05/2031	6,064	2.20
149,376	Fannie Mae Pool 2.5% 01/06/2031	151	0.06
484,614	Fannie Mae Pool 2.5% 01/08/2031	490	0.18
878,951	Fannie Mae Pool 2.5% 01/09/2031	888	0.32
465,452	Fannie Mae Pool 2.5% 01/09/2031	470	0.17
541,215	Fannie Mae Pool 2.5% 01/10/2031	547	0.20
1,340,169	Fannie Mae Pool 2.5% 01/11/2031	1,354	0.49
142,796	Fannie Mae Pool 2.5% 01/11/2031	144	0.05
453,265	Fannie Mae Pool 2.5% 01/11/2031	458	0.17
534,565	Fannie Mae Pool 2.5% 01/01/2032	540	0.20
145,187	Fannie Mae Pool 2.5% 01/01/2032	147	0.05
220,162	Fannie Mae Pool 2.5% 01/03/2032	222	0.08
593,353	Fannie Mae Pool 2.5% 01/01/2043	579	0.21
57,242	Fannie Mae Pool 3% 01/06/2030	59	0.02
5,343,709	Fannie Mae Pool 3% 01/03/2031	5,516	2.01
218,895	Fannie Mae Pool 3% 01/05/2031	226	0.08
1,908,846	Fannie Mae Pool 3% 01/07/2031	1,970	0.72
394,022	Fannie Mae Pool 3% 01/02/2032	407	0.15
472,949	Fannie Mae Pool 3% 01/05/2032	488	0.18
517,788	Fannie Mae Pool 3% 01/11/2045	522	0.19
2,033,470	Fannie Mae Pool 3% 01/05/2046	2,046	0.74
712,555	Fannie Mae Pool 3% 01/06/2046	718	0.26
2,828,292	Fannie Mae Pool 3% 01/07/2046	2,845	1.03
3,795,561	Fannie Mae Pool 3% 01/08/2046	3,820	1.39
168,108	Fannie Mae Pool 3% 01/09/2046	169	0.06
3,771,820	Fannie Mae Pool 3% 01/11/2046	3,803	1.38
371,719	Fannie Mae Pool 3% 01/11/2046	374	0.14
1,825,458	Fannie Mae Pool 3% 01/11/2046	1,836	0.67
1,227,793	Fannie Mae Pool 3% 01/12/2046	1,236	0.45
3,118,938	Fannie Mae Pool 3% 01/12/2046	3,145	1.14
244,602	Fannie Mae Pool 3% 01/12/2046	246	0.09
421,880	Fannie Mae Pool 3.5% 01/09/2026	442	0.16
105,601	Fannie Mae Pool 3.5% 01/02/2031	111	0.04
3,552,944	Fannie Mae Pool 3.5% 01/06/2031	3,726	1.35
196,452	Fannie Mae Pool 3.5% 01/03/2032	206	0.08
1,125,032	Fannie Mae Pool 3.5% 01/09/2044	1,166	0.42
571,294	Fannie Mae Pool 3.5% 01/03/2045	593	0.22
24,411,174	Fannie Mae Pool 3.5% 01/05/2045	25,305	9.20
773,622	Fannie Mae Pool 3.5% 01/11/2046	799	0.29
668,789	Fannie Mae Pool 3.5% 01/11/2046	694	0.25
780,513	Fannie Mae Pool 3.5% 01/12/2046	807	0.29
389,996	Fannie Mae Pool 3.5% 01/01/2047	403	0.15
1,937,045	Fannie Mae Pool 4% 01/12/2025	2,045	0.74
32,071,994	Fannie Mae Pool 4% 01/04/2046	33,922	12.33
259,455	Fannie Mae Pool 4% 01/07/2046	274	0.10
580,776	Fannie Mae Pool 4.5% 01/12/2024	614	0.22

Holding	Investment	Fair value \$'000	% of net asset value
United States (31 May 2016: 97.59%) (cont)			
Mortgage Backed Securities: AA+ rating (cont)			
1,067,479	Fannie Mae Pool 4.5% 01/07/2046	1,153	0.42
1,639,059	Fannie Mae Pool 4.5% 01/08/2046	1,770	0.64
783,254	Fannie Mae Pool 4.5% 01/09/2046	846	0.31
1,033,320	Fannie Mae Pool 4.5% 01/01/2047	1,116	0.41
870,834	Fannie Mae Pool 4.5% 01/01/2047	941	0.34
1,731,417	Fannie Mae Pool 4.5% 01/01/2047	1,870	0.68
1,001,397	Fannie Mae Pool 4.5% 01/02/2047	1,082	0.39
1,404,899	Fannie Mae Pool 4.5% 01/02/2047	1,518	0.55
1,555,969	Fannie Mae Pool 4.5% 01/03/2047	1,682	0.61
239,191	Fannie Mae Pool 5% 01/04/2038	263	0.10
117,968	Fannie Mae Pool 5% 01/02/2041	130	0.05
402,475	Fannie Mae Pool 5% 01/11/2044	447	0.16
749,068	Fannie Mae Pool 5% 01/12/2044	828	0.30
253,483	Fannie Mae Pool 5.5% 01/01/2039	283	0.10
1,270,387	Freddie Mac Gold Pool 4% 01/04/2047	1,343	0.49
2,274,682	Freddie Mac Gold Pool 2.5% 01/05/2031	2,300	0.84
2,127,150	Freddie Mac Gold Pool 2.5% 01/09/2031	2,151	0.78
815,061	Freddie Mac Gold Pool 2.5% 01/12/2031	824	0.30
511,627	Freddie Mac Gold Pool 2.5% 01/02/2032	517	0.19
244,332	Freddie Mac Gold Pool 2.5% 01/12/2046	238	0.09
528,135	Freddie Mac Gold Pool 3% 01/12/2026	547	0.20
669,861	Freddie Mac Gold Pool 3% 01/08/2029	693	0.25
4,199,153	Freddie Mac Gold Pool 3% 01/04/2031	4,338	1.58
716,887	Freddie Mac Gold Pool 3% 01/05/2031	741	0.27
65,721	Freddie Mac Gold Pool 3% 01/07/2031	68	0.02
68,642	Freddie Mac Gold Pool 3% 01/09/2031	71	0.03
424,331	Freddie Mac Gold Pool 3% 01/11/2031	438	0.16
341,567	Freddie Mac Gold Pool 3% 01/03/2032	353	0.13
343,234	Freddie Mac Gold Pool 3% 01/03/2032	355	0.13
608,937	Freddie Mac Gold Pool 3% 01/06/2046	612	0.22
27,818,091	Freddie Mac Gold Pool 3% 01/06/2046	27,971	10.17
1,551,041	Freddie Mac Gold Pool 3% 01/12/2046	1,561	0.57
1,262,333	Freddie Mac Gold Pool 3.5% 01/12/2028	1,327	0.48
1,485,002	Freddie Mac Gold Pool 3.5% 01/03/2031	1,560	0.57
400,664	Freddie Mac Gold Pool 3.5% 01/05/2031	421	0.15
4,543,068	Freddie Mac Gold Pool 3.5% 01/04/2046	4,699	1.71
375,546	Freddie Mac Gold Pool 3.5% 01/07/2046	388	0.14
1,046,789	Freddie Mac Gold Pool 3.5% 01/08/2046	1,082	0.39
6,334,289	Freddie Mac Gold Pool 3.5% 01/08/2046	6,549	2.38
330,241	Freddie Mac Gold Pool 3.5% 01/09/2046	341	0.12
1,068,863	Freddie Mac Gold Pool 3.5% 01/10/2046	1,105	0.40
345,063	Freddie Mac Gold Pool 3.5% 01/10/2046	357	0.13
3,833,540	Freddie Mac Gold Pool 3.5% 01/10/2046	3,968	1.44
727,289	Freddie Mac Gold Pool 3.5% 01/11/2046	752	0.27
1,317,349	Freddie Mac Gold Pool 4% 01/04/2025	1,386	0.50
1,389,063	Freddie Mac Gold Pool 4% 01/04/2047	1,469	0.53
219,414	Freddie Mac Gold Pool 4.5% 01/07/2041	237	0.09
240,988	Freddie Mac Gold Pool 4.5% 01/05/2042	261	0.09
75,925	Freddie Mac Gold Pool 4.5% 01/02/2044	82	0.03
1,405,268	Freddie Mac Gold Pool 4.5% 01/01/2045	1,535	0.56

iShares US Mortgage Backed Securities UCITS ETF

SCHEDULE OF INVESTMENTS (continued)

As at 31 May 2017

Holding	Investment	Fair value \$'000	% of net asset value
Mortgage Backed Securities (31 May 2016: 97.59%) (cont)			
United States (31 May 2016: 97.59%) (cont)			
Mortgage Backed Securities: AA+ rating (cont)			
142,257	Freddie Mac Gold Pool 4.5% 01/08/2045	154	0.06
454,137	Freddie Mac Gold Pool 4.5% 01/09/2046	496	0.18
13,542,174	Freddie Mac Gold Pool 5% 01/08/2041	14,979	5.45
163,057	Freddie Mac Gold Pool 5% 01/10/2041	180	0.07
361,685	Ginnie Mae I Pool 5% 15/08/2040	398	0.14
46,989	Ginnie Mae II Pool 2.5% 20/05/2046	46	0.02
119,943	Ginnie Mae II Pool 2.5% 20/08/2046	118	0.04
341,088	Ginnie Mae II Pool 2.5% 20/10/2046	337	0.12
393,848	Ginnie Mae II Pool 2.5% 20/12/2046	389	0.14
3,277,604	Ginnie Mae II Pool 3% 20/07/2046	3,343	1.22
4,426,011	Ginnie Mae II Pool 3% 20/09/2046	4,515	1.64
3,520,208	Ginnie Mae II Pool 3% 20/12/2046	3,591	1.31
4,102,043	Ginnie Mae II Pool 3% 20/01/2047	4,185	1.52
1,019,625	Ginnie Mae II Pool 3% 20/03/2047	1,040	0.38
600,000	Ginnie Mae II Pool 3% 20/05/2047	612	0.22
991,907	Ginnie Mae II Pool 3.5% 20/11/2046	1,036	0.38
1,128,126	Ginnie Mae II Pool 3.5% 20/12/2046	1,178	0.43
741,185	Ginnie Mae II Pool 3.5% 20/01/2047	774	0.28
2,868,839	Ginnie Mae II Pool 3.5% 20/02/2047	2,996	1.09
3,035,520	Ginnie Mae II Pool 3.5% 20/03/2047	3,170	1.15
15,461,932	Ginnie Mae II Pool 3.5% 20/04/2047	16,149	5.87
2,175,000	Ginnie Mae II Pool 3.5% 20/05/2047	2,272	0.83
154,662	Ginnie Mae II Pool 4% 20/11/2045	164	0.06
275,762	Ginnie Mae II Pool 4% 20/11/2046	292	0.11
3,567,586	Ginnie Mae II Pool 4% 20/12/2046	3,780	1.37
147,736	Ginnie Mae II Pool 4% 20/01/2047	157	0.06
322,211	Ginnie Mae II Pool 4% 20/02/2047	342	0.12
647,048	Ginnie Mae II Pool 4% 20/03/2047	686	0.25
175,000	Ginnie Mae II Pool 4% 20/05/2047	186	0.07
262,956	Ginnie Mae II Pool 4.5% 20/11/2039	275	0.10
299,947	Ginnie Mae II Pool 4.5% 20/09/2046	323	0.12
209,845	Ginnie Mae II Pool 4.5% 20/10/2046	226	0.08
525,411	Ginnie Mae II Pool 4.5% 20/04/2047	564	0.21
350,000	Ginnie Mae II Pool 4.5% 20/05/2047	376	0.14
1,358,000	Ginnie Mae II pool 4.5% 21/06/2047	1,454	0.53
Total United States		269,939	98.14
Total mortgage backed securities		269,939	98.14
Total value of investments			
		269,939	98.14
Cash equivalents (31 May 2016: Nil)			
UCITS collective investment schemes - Money Market Funds (31 May 2016: Nil)			
6,257,791	Institutional Cash Series Plc – Institutional USD Liquidity Fund*	6,258	2.28

Holding	Investment	Fair value \$'000	% of net asset value
Cash[†]		275	0.10
Other net assets		(1,419)	(0.52)
Net asset value attributable to redeemable participating shareholders at the end of the financial year		275,053	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company

All credit ratings are shown as at 31 May 2017.

Fixed income securities are primarily classified by the country of incorporation of the issuer for corporate fixed income securities and country of issuer for government type fixed.

Analysis of total current assets gross of all liabilities	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing	251,766	90.78
Transferable securities dealt in an another regulated market	18,173	6.55
UCITS collective investment schemes - Money Market Funds	6,258	2.26
Other assets	1,137	0.41
Total current assets	277,334	100.00

iShares US Mortgage Backed Securities UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the financial year ended 31 May 2017

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
26,640,155	Ginnie Mae II Pool 3.5% 20/05/2046	27,589	15,493,900	Ginnie Mae II Pool 3.5% 20/1/2017	16,035
12,877,302	Fannie Mae Pool 4.5% 03/01/2046	13,744	6,940,018	Freddie Mac Gold Pool 3.5% 04/01/2046	7,332
5,236,752	Freddie Mac Gold Pool 3% 06/01/2046	5,306	6,569,758	Freddie Mac Gold Pool 3.5% 08/01/2046	6,951
4,492,368	Ginnie Mae II Pool 4.5% 20/09/2046	4,777	5,960,884	Ginnie Mae II Pool 4.5% 20/09/2046	6,439
4,253,741	Ginnie Mae II Pool 3% 20/10/2046	4,234	4,589,941	Ginnie Mae II Pool 3% 20/09/2046	4,804
3,770,000	Ginnie Mae II Pool 4.5% 20/04/2047	4,033	4,315,546	Ginnie Mae II Pool 3% 20/10/2046	4,498
3,206,365	Ginnie Mae II Pool 4% 20/03/2046	3,410	4,141,746	Ginnie Mae II Pool 3% 20/11/2046	4,179
2,951,926	Freddie Mac Gold Pool 4% 01/01/2045	3,069	3,962,806	Fannie Mae Pool 3% 08/01/2046	4,124
2,887,201	Fannie Mae Pool 3% 09/01/2046	2,836	3,770,000	Ginnie Mae II Pool 4.5% 20/04/2047	4,024
2,544,130	Freddie Mac Gold Pool 3% 06/01/2046	2,547	3,922,753	Freddie Mac Gold Pool 3.5% 10/01/2046	3,999
2,531,173	Freddie Mac Gold Pool 2.5% 05/01/2031	2,546	3,948,430	Fannie Mae Pool 3% 11/01/2046	3,943
2,211,341	Freddie Mac Gold Pool 3.5% 03/01/2046	2,326	3,687,625	Ginnie Mae II Pool 4% 20/12/2046	3,898
2,134,894	Fannie Mae Pool 4% 04/01/2046	2,284	3,517,104	Ginnie Mae II Pool 3% 20/07/2046	3,693
2,065,363	Freddie Mac Gold Pool 3.5% 04/01/2046	2,165	3,566,553	Ginnie Mae II Pool 3% 20/12/2046	3,613
2,074,786	Freddie Mac Gold Pool 3.5% 04/01/2046	2,111	3,364,182	Ginnie Mae II Pool 4% 20/03/2046	3,611
1,888,667	Fannie Mae Pool 3% 08/01/2031	1,927	3,264,092	Freddie Mac Gold Pool 4% 01/01/2045	3,506
1,685,181	Freddie Mac Gold Pool 3.5% 05/01/2046	1,738	3,232,718	Freddie Mac Gold Pool 3% 06/01/2046	3,361
1,678,449	Freddie Mac Gold Pool 3.5% 07/01/2046	1,732	3,193,671	Fannie Mae Pool 3% 12/01/2046	3,155
1,358,000	Ginnie Mae II Pool 4.5% 18/05/2047	1,447	3,043,543	Ginnie Mae II Pool 3.5% 20/03/2047	3,153
1,429,717	Fannie Mae Pool 3% 05/01/2046	1,446	2,966,022	Fannie Mae Pool 3% 07/01/2046	3,061
1,294,677	Freddie Mac Gold Pool 3.5% 07/01/2046	1,328	2,949,376	Fannie Mae Pool 3% 09/01/2046	3,060
1,209,551	Ginnie Mae II Pool 3.5% 20/06/2046	1,269	2,888,746	Ginnie Mae II Pool 3.5% 20/02/2047	3,003
1,139,579	Fannie Mae Pool 3% 03/01/2031	1,186	2,472,102	Freddie Mac Gold Pool 3.5% 07/01/2046	2,614
1,053,356	Ginnie Mae II Pool 4% 20/10/2045	1,125	2,331,264	Freddie Mac Gold Pool 3.5% 03/01/2046	2,460
			2,253,794	Freddie Mac Gold Pool 2.5% 09/01/2031	2,336
			2,158,942	Freddie Mac Gold Pool 3.5% 04/01/2046	2,261
			2,175,000	Ginnie Mae II Pool 3.5% 20/05/2047	2,261
			2,135,165	Fannie Mae Pool 3% 05/01/2046	2,191
			1,972,456	Fannie Mae Pool 3% 07/01/2031	2,072

The CBI requires a Schedule of material changes in the composition of the portfolio during the financial year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial year is available, upon request, at no cost from the Administrator.

GLOSSARY* (unaudited)**Futures contracts**

A futures contract is a contract, traded on an exchange, to buy or sell a certain underlying instrument at a certain date in the future, at a specified price. They are entered into for the purposes of gaining exposure to or hedging against changes in interest rates, changes in the value of securities or foreign currencies. Depending on the terms of a particular contract, futures can be settled either through physical delivery of the underlying instrument or by payment of a cash amount on the settlement date. Upon entering into the contract the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the contracts size and risk profile. During the life of the contract the Fund agrees to pay or receive an amount of cash equal to the daily fluctuation in the value of the contract known as variation margin. When the contract is closed, the Fund records a realised gain or loss equal to the difference between the value of the contract at the time it was open and the value at the time it was closed.

Forward currency contracts

A forward currency contract is an agreement between two parties to buy or sell a currency at a set exchange rate at a certain date in the future. The Fund enters into forward currency contracts as an economic hedge against transactions or financial instruments and to obtain exposure to foreign currencies.

The unrealised gain or loss on open forward currency contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract as at the financial period end date.

Realised gains or losses are recognised on the maturity of a contract as the difference between the rate that the contract was entered into and the closing spot rate at the settlement date of the contract.

Contracts for difference

A CFD is an agreement between the Fund and a CFD counterparty to pay or receive the change in the value of an underlying security.

In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. The Fund pays the counterparty a floating rate of interest on the notional amount of the CFD. The return to the Fund on a CFD contract will be the gain or loss on the notional amount plus any dividends accrued less the interest paid on the notional amount.

In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. The Fund receives from the counterparty a floating rate of interest on the notional amount of the CFD.

At each valuation point the difference in price between the opening price of the CFD and the market price of the underlying equity is recorded as the fair value (unrealised gain or loss) of the CFD in the Balance sheet. Changes in the CFD contract value are settled daily with the CFD counterparty by paying or receiving collateral. Changes in unrealised gains or losses are recognised in the Income statement. When the CFD is closed the difference between the opening price of the CFD and the closing price is recorded as a realised fair value gain or loss in the Statement of comprehensive income. The interest and dividends received or paid are recorded in the Statement of comprehensive income as interest or dividend income/expense.

Redeemable participating shares

The redeemable participating shares can be redeemed for cash equal to a proportionate share of the NAV calculated in accordance with the Company's prospectus. The redeemable participating share is valued at the redemption amount that is payable at the Balance sheet date if the shareholder exercised their right to put the shares back to the Company.

The fair value of the financial liabilities for the redeemable participating shares is the redemption amount per share, calculated as the NAV per share less any associated duties and charges and any redemption fee which is payable on the shares redeemed. Any potential duties and charges are at the discretion of the Board of Directors.

Any distributions on these shares are recognised in the Income statement as finance costs.

* The Glossary is an integral part of the notes to the financial statements.

GLOSSARY* (unaudited) (continued)

Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, it is measured at its fair value through profit or loss, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Equalisation on Distributions

Equalisation arrangements are applied in the case of shares in the Company. These arrangements are intended to ensure that the income distribution per share is not affected by changes in the number of shares in issue during the financial year.

To ensure that each shareholder receives the same rate of distribution per share, the buying price of each share contains an amount called equalisation. This is equivalent to the net of distributable income less expenses, accrued in the Company at the time of purchase/sale.

As part of the distribution payment, the average amount of this equalisation is returned to shareholders who subscribed to or redeemed from the Company during the financial year. The equalisation element of the distribution is treated as a repayment of capital.

* The Glossary is an integral part of the notes to the financial statements.

REPORT ON REMUNERATION (unaudited)

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

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

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

Role of the Compensation Committees

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

(a) MDCC

The MDCC's primary purposes include:

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

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

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

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

(b) EMEA Compensation Committee

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

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

The Committee consists of a minimum of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. The current members are: David Blumer, Head of the EMEA Region; Dan Dunay, Global Head of Compensation; and Karen Dennehy, EMEA Head of Human Resources.

REPORT ON REMUNERATION (unaudited) (continued)

(b) EMEA Compensation Committee (continued)

Only members of the Committee have the right to attend Committee meetings and the Committee may request the attendance of any executive or other person as deemed appropriate to facilitate the review of remuneration recommendations and policy design to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

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

Decision making process

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

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

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

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

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

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

Individuals are not involved in setting their own remuneration.

Control functions

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

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

Link between pay and performance

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

- ▶ attracting, retaining and motivating employees capable of making significant contributions to the long-term success of the business;

REPORT ON REMUNERATION (unaudited) (continued)

Link between pay and performance (continued)

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

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

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

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

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

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

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

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

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

REPORT ON REMUNERATION (unaudited) (continued)

Link between pay and performance (continued)

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three- year performance period based on a measurement of As Adjusted Operating Margin¹ and Organic Revenue Growth². Determination of pay-out will be made based on BlackRock’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where BlackRock’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

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

Identified Staff

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

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

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

Quantitative Remuneration Disclosure

Appropriate disclosures will be made in due course in accordance with Article 69(3) of the Directive once a full performance year has been completed.

¹ As Adjusted Operating Margin: As reported in BlackRock, Inc.’s external filings, reflects adjusted Operating Income divided by Total Revenue net of distribution and servicing expenses and amortisation of deferred sales commission.

² Organic Revenue Growth: Equal to net new base fees plus net new Aladdin revenue generated in the financial year (in Dollars).

SUPPLEMENTARY INFORMATION (unaudited)**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 of Ireland, 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. 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.

Securities Lending and CFDs

The below table details the value of securities on loan as a proportion of the Funds' total lendable assets and NAV and the value of CFDs as a proportion of the Fund's NAV, as at 31 May 2017 and the returns earned for the financial year ended 31 May 2017. Total lendable assets represents the aggregate value of assets forming part of the Funds' securities lending programme. This excludes any assets held by the Funds that are not considered lendable due to any market, regulatory, investment or other restriction. The value of the CFDs is based on the underlying exposure value on a gross absolute basis as disclosed in the Fund's schedule of investments.

Fund	Currency	Securities on loan		CFDs	
		% of lendable assets	% of NAV	% of NAV	Returns earned '000
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$	2.66	2.51	-	-
iShares \$ Treasury Bond 20+yr UCITS ETF	\$	7.00	6.51	-	-
iShares € Govt Bond 20yr Target Duration UCITS ETF	€	8.64	7.81	-	-
iShares € Ultrashort Bond UCITS ETF	€	4.47	4.20	-	-
iShares £ Ultrashort Bond UCITS ETF	£	3.36	3.02	-	-
iShares Ageing Population UCITS ETF	\$	0.95	0.84	-	-
iShares Automation and Robotics UCITS ETF	\$	2.55	2.24	-	-
iShares Digitalisation UCITS ETF	\$	6.14	5.64	-	-
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€	0.55	0.24	-	-
iShares Edge MSCI Europe Multifactor UCITS ETF	€	9.48	7.18	-	-
iShares Edge MSCI Europe Quality Factor UCITS ETF	€	2.19	1.87	-	-
iShares Edge MSCI Europe Size Factor UCITS ETF	€	2.47	2.19	-	-
iShares Edge MSCI Europe Value Factor UCITS ETF	€	6.13	5.45	-	-
iShares Edge MSCI USA Value Factor UCITS	\$	0.13	0.11	-	-
iShares Edge MSCI World Momentum Factor UCITS ETF	\$	1.16	0.44	-	-
iShares Edge MSCI World Multifactor UCITS ETF	\$	3.32	2.50	-	-
iShares Edge MSCI World Quality Factor UCITS ETF	\$	5.73	4.33	-	-
iShares Edge MSCI World Size Factor UCITS ETF	\$	5.43	4.68	-	-
iShares Edge MSCI World Value Factor UCITS ETF	\$	9.30	7.94	-	-
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$	3.88	3.52	-	-
iShares Healthcare Innovation UCITS ETF	\$	4.09	3.64	-	-
iShares MSCI EMU Large Cap UCITS ETF	€	4.85	4.52	-	-
iShares MSCI EMU Mid Cap UCITS ETF	€	19.73	17.96	-	-
iShares MSCI France UCITS ETF	€	0.62	0.58	-	-
iShares OMX Stockholm Capped UCITS ETF	Kr	6.55	6.04	-	-
iShares US Equity Buyback Achievers UCITS ETF	\$	1.45	1.36	1.35	60

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Securities Lending and CFDs (continued)**

The total income earned from securities lending transactions is split between the relevant Fund and the Securities Lending Agent. The Funds receive at least 62.5%, while the Securities Lending Agent receives up to 37.5% of such income, with all operational costs borne out of the Securities Lending Agent's share. Income earned during the financial year by the Funds from securities lending transactions is disclosed in the Funds' related parties section to the financial statements.

All returns and costs from CFDs will accrue to the Funds and are not subject to any returns sharing arrangements with the Fund's Manager or any other third parties.

The following tables detail the value of securities on loan and associated collateral received, analysed by borrowing counterparty as at 31 May 2017.

Counterparty*	Securities on loan	Collateral received
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000	\$'000
Barclays Bank Plc	11,412	12,065
Nomura International Plc	5,243	5,855
J.P. Morgan Securities Plc	3,704	4,019
BNP Paribas SA	265	285
Total	20,624	22,224

Counterparty*	Securities on loan	Collateral received
iShares \$ Treasury Bond 20+yr UCITS ETF	\$'000	\$'000
HSBC Bank Plc	21,020	23,208
Total	21,020	23,208

Counterparty*	Securities on loan	Collateral received
iShares € Govt Bond 20yr Target Duration UCITS ETF	€000	€000
The Bank of Nova Scotia	2,325	2,559
Total	2,325	2,559

Counterparty*	Securities on loan	Collateral received
iShares € Ultrashort Bond UCITS ETF	€000	€000
Barclays Bank Plc	26,248	27,750
J.P. Morgan Securities Plc	22,035	23,376
BNP Paribas SA	11,888	12,803
Citigroup Global Markets Ltd	8,358	8,708
UBS AG	7,381	8,192
Nomura International Plc	5,547	6,194
HSBC Bank Plc	2,758	3,029
BNP Paribas Arbitrage SNC	2,576	2,842
Total	86,791	92,894

Counterparty*	Securities on loan	Collateral received
iShares £ Ultrashort Bond UCITS ETF	£'000	£'000
Barclays Bank Plc	4,391	4,642
Citigroup Global Markets Ltd	1,902	1,982
J.P. Morgan Securities Plc	1,898	2,005
Total	8,191	8,629

Counterparty*	Securities on loan	Collateral received
iShares Ageing Population UCITS ETF	\$'000	\$'000
Citigroup Global Markets Ltd	246	262
J.P. Morgan Securities Plc	165	182
Total	411	444

Counterparty*	Securities on loan	Collateral received
iShares Automation & Robotics UCITS ETF	\$'000	\$'000
HSBC Bank Plc	7,068	7,728
J.P. Morgan Securities Plc	2,760	3,046
Macquarie Bank Limited	2,395	2,616
Barclays Capital Securities Ltd	404	454
The Bank of Nova Scotia	32	36
Total	12,659	13,880

Counterparty*	Securities on loan	Collateral received
iShares Digitalisation UCITS ETF	\$'000	\$'000
Macquarie Bank Limited	2,002	2,187
J.P. Morgan Securities Plc	888	981
Citigroup Global Markets Ltd	738	785
Total	3,628	3,953

* The respective counterparty's country of establishment is detailed on page 536.

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Securities Lending and CFDs (continued)**

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI Europe		
Momentum Factor UCITS ETF	€000	€000
The Bank of Nova Scotia	149	166
Total	149	166

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI Europe		
Multifactor UCITS ETF	€000	€000
UBS AG	9,849	11,026
Citigroup Global Markets Ltd	7,886	8,394
HSBC Bank Plc	1,688	1,845
Total	19,423	21,265

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI Europe		
Quality Factor UCITS ETF	€000	€000
HSBC Bank Plc	249	273
Citigroup Global Markets Ltd	94	100
Total	343	373

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI Europe Size Factor		
UCITS ETF	€000	€000
UBS AG	93	104
Citigroup Global Markets Ltd	69	74
HSBC Bank Plc	48	52
Total	210	230

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI Europe Value		
Factor UCITS ETF	€000	€000
UBS AG	40,797	45,671
Citigroup Global Markets Ltd	15,455	16,449
HSBC Bank Plc	4,742	5,185
BNP Paribas Arbitrage SNC	1,968	2,180
The Bank of Nova Scotia	185	206
Total	63,147	69,691

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI USA Value		
Factor UCITS ETF	\$'000	\$'000
Citigroup Global Markets Ltd	1,188	1,265
Total	1,188	1,265

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI World		
Momentum Factor UCITS ETF	\$'000	\$'000
UBS AG	846	947
HSBC Bank Plc	642	702
Total	1,488	1,649

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI World		
Multifactor UCITS ETF	\$'000	\$'000
UBS AG	3,003	3,362
HSBC Bank Plc	1,397	1,527
Citigroup Global Markets Ltd	1,165	1,240
Macquarie Bank Limited	7	8
Total	5,572	6,137

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI World Quality		
Factor UCITS ETF	\$'000	\$'000
J.P. Morgan Securities Plc	10,228	11,287
HSBC Bank Plc	1,761	1,926
Citigroup Global Markets Ltd	930	989
Macquarie Bank Limited	145	159
Total	13,064	14,361

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI World Size		
Factor UCITS ETF	\$'000	\$'000
UBS AG	5,623	6,295
Citigroup Global Markets Ltd	1,903	2,025
HSBC Bank Plc	1,292	1,413
J.P. Morgan Securities Plc	1,226	1,353
Macquarie Bank Limited	681	744
Total	10,725	11,830

* The respective counterparty's country of establishment is detailed on page 536.

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Securities Lending and CFDs (continued)**

Counterparty*	Securities on loan	Collateral received
iShares Edge MSCI World Value		
Factor UCITS ETF	\$'000	\$'000
UBS AG	32,693	36,600
J.P. Morgan Securities Plc	29,921	33,020
HSBC Bank Plc	8,670	9,480
Macquarie Bank Limited	7,259	7,931
Citigroup Global Markets Ltd	3,955	4,209
Total	82,498	91,240

Counterparty*	Securities on loan	Collateral received
iShares Fallen Angels High Yield		
Corp Bond UCITS ETF	\$'000	\$'000
J.P. Morgan Securities Plc	7,236	7,766
Barclays Bank Plc	2,164	2,289
Total	9,400	10,055

Counterparty*	Securities on loan	Collateral received
iShares Healthcare Innovation		
UCITS ETF	\$'000	\$'000
Citigroup Global Markets Ltd	972	1,035
Total	972	1,035

Counterparty*	Securities on loan	Collateral received
iShares MSCI EMU Large Cap		
UCITS ETF	€000	€000
J.P. Morgan Securities Plc	4,646	5,127
Societe Generale SA	1,722	1,832
Citigroup Global Markets Ltd	308	328
HSBC Bank Plc	307	335
UBS AG	265	297
Total	7,248	7,919

Counterparty*	Securities on loan	Collateral received
iShares MSCI EMU Mid Cap UCITS ETF	€000	€000
Morgan Stanley & Co. International Plc	38,339	41,067
Total	38,339	41,067

Counterparty*	Securities on loan	Collateral received
iShares MSCI France UCITS ETF	€000	€000
Societe Generale SA	208	221
Total	208	221

Counterparty*	Securities on loan	Collateral received
iShares OMX Stockholm Capped		
UCITS ETF	Kr'000	Kr'000
J.P. Morgan Securities Plc	182,776	201,704
Citigroup Global Markets Ltd	42,652	45,395
Total	225,428	247,099

Counterparty*	Securities on loan	Collateral received
iShares US Equity Buyback		
Achievers UCITS ETF	\$'000	\$'000
HSBC Bank Plc	326	357
Total	326	357

The following table details the underlying exposure value for CFDs, analysed by counterparty as at 31 May 2017.

Counterparty*	Underlying Exposure
iShares US Equity Buyback	\$'000
Achievers UCITS ETF	313

* The respective counterparty's country of establishment is detailed on page 536.

All securities on loan and CFDs have an open maturity tenor as they are callable or terminable on a daily basis

Collateral

The Funds engage in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Funds, in respect of securities lending transactions, as at 31 May 2017.

Currency	Non-cash Collateral received
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000
AUD	80
CAD	23
CHF	248
DKK	136
EUR	12,334
GBP	1,632
JPY	875
NOK	9
SEK	793
USD	6,094
Total	22,224

Currency	Non-cash Collateral received
iShares \$ Treasury Bond 20+yr UCITS ETF	\$'000
CAD	135
CHF	24
EUR	2,974
GBP	8,084
JPY	3,941
USD	8,050
Total	23,208

Currency	Non-cash Collateral received
iShares € Govt Bond 20yr Target Duration UCITS ETF	€000
CAD	160
EUR	86
GBP	2,272
JPY	3
USD	38
Total	2,559

Currency	Non-cash Collateral received
iShares € Ultrashort Bond UCITS ETF	€000
AUD	78
CAD	49
CHF	1,169
DKK	2,061
EUR	51,864
GBP	8,874
JPY	4,846
NOK	800
SEK	2,593
USD	20,560
Total	92,894

Currency	Non-cash Collateral received
iShares £ Ultrashort Bond UCITS ETF	£'000
DKK	196
EUR	5,867
GBP	732
NOK	81
SEK	238
USD	1,515
Total	8,629

Currency	Non-cash Collateral received
iShares Ageing Population UCITS ETF	\$'000
AUD	7
CHF	3
DKK	1
EUR	274
GBP	35
JPY	46
SEK	6
USD	72
Total	444

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Currency	Non-cash Collateral received
iShares Automation & Robotics UCITS ETF	\$'000
AUD	574
CHF	269
DKK	20
EUR	4,923
GBP	1,999
JPY	1,045
NOK	18
USD	5,032
Total	13,880

Currency	Non-cash Collateral received
iShares Digitalisation UCITS ETF	\$'000
AUD	423
CHF	16
DKK	4
EUR	999
GBP	274
JPY	249
NOK	15
SEK	17
USD	1,956
Total	3,953

Currency	Non-cash Collateral received
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€000
EUR	1
GBP	163
USD	2
Total	166

Currency	Non-cash Collateral received
iShares Edge MSCI Europe Multifactor UCITS ETF	€000
AUD	38
CAD	2
CHF	101
DKK	38
EUR	7,618
GBP	1,127
JPY	3,183
SEK	177
USD	8,981
Total	21,265

Currency	Non-cash Collateral received
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000
CHF	7
EUR	205
GBP	51
JPY	6
SEK	2
USD	102
Total	373

Currency	Non-cash Collateral received
iShares Edge MSCI Europe Size Factor UCITS ETF	€000
CHF	2
EUR	84
GBP	17
JPY	31
SEK	2
USD	94
Total	230

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Currency	Non-cash Collateral received
iShares Edge MSCI Europe Value Factor UCITS ETF	€000
AUD	156
CAD	9
CHF	1,158
DKK	74
EUR	17,540
GBP	4,109
JPY	13,131
SEK	348
USD	33,166
Total	69,691

Currency	Non-cash Collateral received
iShares Edge MSCI USA Value Factor UCITS ETF	\$'000
CHF	1
DKK	6
EUR	967
GBP	38
SEK	27
USD	226
Total	1,265

Currency	Non-cash Collateral received
iShares Edge MSCI World Momentum UCITS ETF	\$'000
AUD	3
CHF	22
EUR	359
GBP	170
JPY	286
USD	809
Total	1,649

Currency	Non-cash Collateral received
iShares Edge MSCI World Multifactor UCITS ETF	\$'000
AUD	13
CAD	1
CHF	54
DKK	6
EUR	1,768
GBP	473
JPY	993
SEK	26
USD	2,803
Total	6,137

Currency	Non-cash Collateral received
iShares Edge MSCI World Quality Factor UCITS ETF	\$'000
AUD	435
CHF	223
DKK	4
EUR	6,253
GBP	2,049
JPY	2,905
NOK	1
SEK	21
USD	2,470
Total	14,361

Currency	Non-cash Collateral received
iShares Edge MSCI World Size Factor UCITS ETF	\$'000
AUD	202
CAD	1
CHF	86
DKK	9
EUR	2,954
GBP	860
JPY	2,169
NOK	5
SEK	43
USD	5,501
Total	11,830

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Currency	Non-cash Collateral received
iShares Edge MSCI World Value Factor UCITS ETF	\$'000
AUD	2,720
CAD	7
CHF	918
DKK	19
EUR	22,217
GBP	8,902
JPY	19,015
NOK	56
SEK	89
USD	37,297
Total	91,240

Currency	Non-cash Collateral received
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000
AUD	61
CHF	125
DKK	329
EUR	4,838
GBP	1,723
JPY	808
NOK	136
SEK	270
USD	1,765
Total	10,055

Currency	Non-cash Collateral received
iShares Healthcare Innovation UCITS ETF	\$'000
DKK	5
EUR	791
GBP	31
SEK	22
USD	186
Total	1,035

Currency	Non-cash Collateral received
iShares MSCI EMU Large Cap UCITS ETF	€000
AUD	186
CAD	33
CHF	294
DKK	7
EUR	2,897
GBP	863
JPY	2,005
SEK	7
USD	1,627
Total	7,919

Currency	Non-cash Collateral received
iShares MSCI EMU Mid Cap UCITS ETF	€000
EUR	25,889
GBP	7,425
JPY	7,753
Total	41,067

Currency	Non-cash Collateral received
iShares MSCI France UCITS ETF	€000
CAD	4
CHF	25
DKK	1
EUR	48
GBP	2
JPY	74
USD	67
Total	221

Currency	Non-cash Collateral received
iShares OMX Stockholm Capped UCITS ETF	Kr'000
AUD	7,265
CHF	3,138
DKK	203
EUR	116,719
GBP	31,315
JPY	51,132
SEK	960
USD	36,367
Total	247,099

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Currency	Non-cash Collateral received
iShares US Equity Buyback Achievers UCITS ETF	\$'000
CHF	9
EUR	168
GBP	62
JPY	8
USD	110
Total	357

There was no collateral received or pledged in relation to the CFDs held on iShares US Equity Buyback Achievers UCITS ETF as at 31 May 2017.

The Funds are the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and CFDs, cannot be sold, re-invested or pledged.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Funds by way of title transfer collateral arrangement in respect of securities lending transactions as at 31 May 2017.

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	51	951	12,396	-	13,398
Equities						
Recognised equity index	-	-	-	-	8,826	8,826
Total	-	51	951	12,396	8,826	22,224

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares \$ Treasury Bond 20+yr UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equities						
Recognised equity index	-	-	-	-	23,208	23,208
Total	-	-	-	-	23,208	23,208

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares €Govt Bond 20yr Target Duration UCITS ETF	€000	€000	€000	€000	€000	€000
Equities						
Recognised equity index	-	-	-	-	2,559	2,559
Total	-	-	-	-	2,559	2,559

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares €Ultrashort Bond UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	4	4,292	5,225	60,414	-	69,935
Equities						
Recognised equity index	-	-	-	-	22,699	22,699
ETFs						
Non-UCITS	-	-	-	-	260	260
Total	4	4,292	5,225	60,414	22,959	92,894

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares £ Ultrashort Bond UCITS ETF	£'000	£'000	£'000	£'000	£'000	£'000
Fixed income						
Investment grade	1	435	782	7,411	-	8,629
Total	1	435	782	7,411	-	8,629

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Ageing Population UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	5	1	228	-	234
Equities						
Recognised equity index	-	-	-	-	210	210
Total	-	5	1	228	210	444

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Automation & Robotics UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	110	63	2,242	-	2,415
Equities						
Recognised equity index	-	-	-	-	11,208	11,208
ETFs						
UCITS	-	-	-	-	1	1
Non-UCITS	-	-	-	-	256	256
Total	-	110	63	2,242	11,465	13,880

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Digitalisation UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	15	41	1,057	-	1,113
Equities						
Recognised equity index	-	-	-	-	2,840	2,840
Total	-	15	41	1,057	2,840	3,953

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI Europe Momentum Factor UCITS ETF	€'000	€'000	€'000	€'000	€'000	€'000
Equities						
Recognised equity index	-	-	-	-	166	166
Total	-	-	-	-	166	166

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI Europe Multifactor UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	-	189	-	7,328	-	7,517
Equities						
Recognised equity index	-	-	-	-	13,648	13,648
ETFs						
UCITS	-	-	-	-	4	4
Non-UCITS	-	-	-	-	96	96
Total	-	189	-	7,328	13,748	21,265

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI Europe Quality Factor UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	-	6	-	140	-	146
Equities						
Recognised equity index	-	-	-	-	222	222
ETFs						
Non-UCITS	-	-	-	-	5	5
Total	-	6		140	227	373

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI Europe Size Factor UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	-	2	-	72	-	74
Equities						
Recognised equity index	-	-	-	-	154	154
ETFs						
Non-UCITS	-	-	-	-	2	2
Total	-	2	-	72	156	230

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI Europe Value Factor UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	-	394	-	14,740	-	15,134
Equities						
Recognised equity index	-	-	-	-	54,191	54,191
ETFs						
UCITS	-	-	-	-	15	15
Non-UCITS	-	-	-	-	351	351
Total	-	394	-	14,740	54,557	69,691

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI USA Value Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	25	-	1,042	-	1,067
Equities						
Recognised equity index	-	-	-	-	198	198
Total	-	25	-	1,042	198	1,265

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI World Momentum Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	10	-	150	-	160
Equities						
Recognised equity index	-	-	-	-	1,470	1,470
ETFs						
Non-UCITS	-	-	-	-	19	19
Total	-	10	-	150	1,489	1,649

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI World Multifactor UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	46	-	1,352	-	1,398
Equities						
Recognised equity index	-	-	-	-	4,690	4,690
ETFs						
UCITS	-	-	-	-	1	1
Non-UCITS	-	-	-	-	48	48
Total	-	46	-	1,352	4,739	6,137

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI World Quality Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	47	87	1,976	-	2,110
Equities						
Recognised equity index	-	-	-	-	12,214	12,214
ETFs						
Non-UCITS	-	-	-	-	37	37
Total	-	47	87	1,976	12,251	14,361

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI World Size Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	59	22	2,185	-	2,266
Equities						
Recognised equity index	-	-	-	-	9,500	9,500
ETFs						
UCITS	-	-	-	-	2	2
Non-UCITS	-	-	-	-	62	62
Total	-	59	22	2,185	9,564	11,830

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	216	370	8,934	-	9,520
Equities						
Recognised equity index	-	-	-	-	81,323	81,323
ETFs						
UCITS	-	-	-	-	12	12
Non-UCITS	-	-	-	-	385	385
Total	-	216	370	8,934	81,720	91,240

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	728	298	5,578	-	6,604
Equities						
Recognised equity index	-	-	-	-	3,451	3,451
Total	-	728	298	5,578	3,451	10,055

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares Healthcare Innovation UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	21	-	852	-	873
Equities						
Recognised equity index	-				162	162
Total	-	21	-	852	162	1,035

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares MSCI EMU Large Cap UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	-	11	38	673	-	722
Equities						
Recognised equity index	-	-	-	-	7,189	7,189
ETFs						
Non-UCITS	-	-	-	-	8	8
Total	-	11	38	673	7,197	7,919

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares MSCI EMU Mid Cap UCITS ETF	€000	€000	€000	€000	€000	€000
Fixed income						
Investment grade	-	-	-	29,339	-	29,339
Equities						
Recognised equity index	-	-	-	-	11,728	11,728
Total	-	-	-	29,339	11,728	41,067

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares MSCI France UCITS ETF	€000	€000	€000	€000	€000	€000
Equities						
Recognised equity index	-	-	-	-	221	221
Total	-	-	-	-	221	221

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares OMX Stockholm Capped UCITS ETF	Kr'000	Kr'000	Kr'000	Kr'000	Kr'000	Kr'000
Fixed income						
Investment grade	-	883	1,511	50,439	-	52,833
Equities						
Recognised equity index	-	-	-	-	194,266	194,266
Total	-	883	1,511	50,439	194,266	247,099

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

	Maturity tenor				Open	Total
	8-30 days	31-90 days	91-365 days	More than 365 days		
iShares US Equity Buyback Achievers UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed income						
Investment grade	-	5	-	75	-	80
Equities						
Recognised equity index	-	-	-	-	270	270
ETFs						
Non-UCITS	-	-	-	-	7	7
Total	-	5	-	75	277	357

No collateral had a maturity tenor of less than 8 days.

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

A recognised equity index contains at least 20 equities where no single equity represents more than 20% of the total index and no five equities combined represent more than 60% of the total index

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while for equity securities, ETFs and money market funds received or posted as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 31 May 2017, all non-cash collateral received by the Funds in respect of securities lending transactions is held by the Funds' Depositary (or through its delegates), with the exception of the amounts disclosed in the following table which are held through a securities settlement system.

Custodian	Non-cash collateral received Securities lending
iShares \$ Short Duration High Yield Corp Bond UCITS ETF	\$'000
Euroclear SA/NV	12,577
Total	12,577

Custodian	Non-cash collateral received Securities lending
iShares € Ultrashort Bond UCITS ETF	€000
Euroclear SA/NV	69,070
Total	69,070

Custodian	Non-cash collateral received Securities lending
iShares £ Ultrashort Bond UCITS ETF	£'000
Euroclear SA/NV	8,629
Total	8,629

Custodian	Non-cash collateral received Securities lending
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000
Euroclear SA/NV	5,651
Total	5,651

SUPPLEMENTARY INFORMATION (unaudited) (continued)

Collateral (continued)

There was no collateral received or pledged in relation to the CFDs held on iShares US Equity Buyback Achievers UCITS ETF as at 31 May 2017.

The following table lists the ten largest issuers by value of non-cash collateral received by the Funds by way of title transfer collateral arrangement across securities lending transactions as at 31 May 2017.

Collateral issuer	Value	% of NAV
iShares \$ Short Duration High Yield		
Corp Bond UCITS ETF	\$'000	
French Republic	2,465	0.30
Republic of Austria	2,347	0.29
United States Treasury	2,326	0.28
Kingdom of The Netherlands	2,273	0.28
Republic of Germany	1,889	0.23
United Kingdom	1,048	0.13
STMicroelectronics NV	428	0.05
Republic of Finland	362	0.04
Kingdom of Sweden	308	0.04
Pinnacle Foods Finance LLC /		
Pinnacle Foods Finance Corp	265	0.03
Other issuers	8,513	1.04
Total	22,224	2.71

Collateral issuer	Value	% of NAV
iShares \$ Treasury Bond 20+yr UCITS ETF		
\$'000		
Royal Dutch Shell Plc	2,110	0.65
Imperial Tobacco Group Plc	2,110	0.65
Glencore Plc	1,832	0.57
Procter & Gamble Co	1,452	0.45
Chevron Corp	1,189	0.37
Kyocera Corp	1,185	0.37
WPP Plc	1,064	0.33
Associated British Foods Plc	991	0.31
United Technologies Corp	957	0.30
Sky Plc	932	0.29
Other issuers	9,386	2.90
Total	23,208	7.19

Collateral issuer	Value	% of NAV
iShares € Govt Bond 20yr Target		
Duration UCITS ETF	€000	
Glaxosmithkline Plc	255	0.84
Imperial Tobacco Group Plc	246	0.81
Bt Group Plc	211	0.70
Rolls-Royce Holdings Plc	189	0.62
Relx Plc	180	0.59
Bhp Billiton Plc	174	0.57
Bank Of Montreal	160	0.53
Experian Plc	143	0.47
Ashtead Group Plc	129	0.43
Smith & Nephew Plc	118	0.39
Other issuers	754	2.49
Total	2,559	8.44

Collateral issuer	Value	% of NAV
iShares € Ultrashort Bond UCITS ETF		
€000		
French Republic	9,177	0.44
Kingdom of The Netherlands	8,903	0.43
Republic of Austria	8,381	0.41
Kingdom of Belgium	7,845	0.38
Republic of Finland	7,404	0.36
United States Treasury	6,958	0.34
United Kingdom	5,462	0.26
Kreditanstalt fuer Wiederaufbau	4,992	0.24
Republic of Germany	5,166	0.25
Kingdom of Sweden	2,809	0.14
Other issuers	25,797	1.25
Total	92,894	4.50

Collateral issuer	Value	% of NAV
iShares £ Ultrashort Bond UCITS ETF		
£'000		
United States Treasury	1,259	0.46
Kingdom of The Netherlands	1,223	0.45
French Republic	1,192	0.44
Republic of Austria	1,035	0.38
Republic of Finland	855	0.31
Kingdom of Belgium	804	0.30
Republic of Germany	759	0.28
United Kingdom	501	0.18
Kreditanstalt fuer Wiederaufbau	396	0.15
Kingdom of Sweden	327	0.13
Other issuers	278	0.10
Total	8,629	3.18

Collateral issuer	Value	% of NAV
iShares Ageing Population UCITS ETF		
\$'000		
French Republic	55	0.11
United States Treasury	47	0.10
Republic of Germany	47	0.10
Republic of Austria	47	0.10
Kingdom of The Netherlands	26	0.05
United Kingdom	12	0.02
Deutsche Bank AG	9	0.02
Astrazeneca Plc	5	0.01
CRH Plc	5	0.01
UniCredit SpA	5	0.01
Other issuers	186	0.38
Total	444	0.91

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Collateral issuer	Value	% of NAV
iShares Automation & Robotics		
UCITS ETF	\$'000	
United Kingdom	1,436	0.25
Citigroup Inc	710	0.13
Intesa Sanpaolo SpA	694	0.12
Allianz SE	677	0.12
Banco Santander SA	600	0.11
French Republic	480	0.08
JPMorgan Chase & Co	461	0.08
United States Treasury	458	0.08
Wells Fargo & Co	327	0.06
Berkshire Hathaway Inc	317	0.06
Other issuers	7,720	1.36
Total	13,880	2.45

Collateral issuer	Value	% of NAV
iShares Digitalisation UCITS ETF		
Factor UCITS ETF	\$'000	
United States Treasury	522	0.81
Infosys Ltd	200	0.31
Medtronic Plc	200	0.31
National Australia Bank Ltd	200	0.31
Adobe Systems Inc	199	0.31
Australia & New Zealand Banking Group Ltd	188	0.29
Gilead Sciences Inc	185	0.29
French Republic	182	0.28
Zimmer Biomet Holdings Inc	161	0.25
Republic of Germany	141	0.22
Other issuers	1,775	2.77
Total	3,953	6.15

Collateral issuer	Value	% of NAV
iShares Edge MSCI Europe Momentum		
Factor UCITS ETF	€000	
Unilever Plc	16	0.03
Smith & Nephew Plc	16	0.03
Bhp Billiton Plc	16	0.03
Centrica Plc	16	0.03
Rio Tinto Plc	16	0.03
Booker Group Plc	14	0.02
Centamin Plc	12	0.02
Investec Plc	11	0.02
Dixons Carphone Plc	9	0.01
Indivior Plc	9	0.01
Other issuers	31	0.04
Total	166	0.27

Collateral issuer	Value	% of NAV
iShares Edge MSCI Europe Multifactor		
UCITS ETF	€000	
French Republic	1,613	0.60
Republic of Germany	1,508	0.56
United States Treasury	1,508	0.56
Republic of Austria	1,503	0.56
Kingdom of The Netherlands	833	0.31
United Kingdom	551	0.20
Baidu Inc	290	0.11
Netflix Inc	286	0.11
Citigroup Inc	218	0.08
Sempra Energy	200	0.07
Other issuers	12,755	4.70
Total	21,265	7.86

Collateral issuer	Value	% of NAV
iShares Edge MSCI Europe Quality		
Factor UCITS ETF	€000	
United Kingdom	50	0.27
French Republic	30	0.16
Citigroup Inc	25	0.14
Allianz SE	24	0.13
Intesa Sanpaolo SpA	23	0.13
Banco Santander SA	21	0.11
Republic of Germany	18	0.10
United States Treasury	18	0.10
Republic of Austria	18	0.10
JPMorgan Chase & Co	12	0.07
Other issuers	134	0.72
Total	373	2.03

Collateral issuer	Value	% of NAV
iShares Edge MSCI Europe Size Factor		
UCITS ETF	€000	
French Republic	16	0.17
Republic of Germany	13	0.14
United States Treasury	13	0.14
Republic of Austria	13	0.14
United Kingdom	11	0.11
Kingdom of The Netherlands	8	0.08
Citigroup Inc	5	0.05
Allianz SE	5	0.05
Intesa Sanpaolo SpA	4	0.04
Banco Santander SA	4	0.04
Other issuers	138	1.44
Total	230	2.40

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Collateral issuer	Value	% of NAV
iShares Edge MSCI Europe Value Factor		
UCITS ETF	€000	
French Republic	3,279	0.28
Republic of Germany	2,955	0.25
United States Treasury	2,955	0.25
Republic of Austria	2,945	0.25
Kingdom of The Netherlands	1,641	0.14
United Kingdom	1,354	0.12
Netflix Inc	1,184	0.10
Baidu Inc	1,153	0.10
Sempra Energy	829	0.07
SoftBank Group Corp	793	0.07
Other issuers	50,603	4.38
Total	69,691	6.01

Collateral issuer	Value	% of NAV
iShares Edge MSCI USA Value Factor		
UCITS ETF	\$'000	
Republic of Germany	227	0.03
French Republic	227	0.03
United States Treasury	227	0.02
Republic of Austria	226	0.02
Kingdom of The Netherlands	124	0.01
United Kingdom	35	0.00
UPM-Kymmene Oyj	21	0.00
Banco Bilbao Vizcaya Argentaria SA	19	0.00
CRH Plc	19	0.00
Assa Abloy AB	18	0.00
Other issuers	122	0.01
Total	1,265	0.12

Collateral issuer	Value	% of NAV
iShares Edge MSCI World Momentum		
Factor UCITS ETF	\$'000	
United Kingdom	123	0.04
Citigroup Inc	69	0.02
Allianz SE	61	0.02
Intesa Sanpaolo SpA	58	0.02
Banco Santander SA	55	0.02
Baidu Inc	36	0.01
French Republic	34	0.01
JPMorgan Chase & Co	30	0.01
Wells Fargo & Co	30	0.01
Berkshire Hathaway Inc	29	0.01
Other issuers	1,124	0.32
Total	1,649	0.49

Collateral issuer	Value	% of NAV
iShares Edge MSCI World Multifactor		
UCITS ETF	\$'000	
United Kingdom	300	0.13
French Republic	299	0.13
United States Treasury	224	0.10
Republic of Germany	223	0.10
Republic of Austria	222	0.10
Citigroup Inc	155	0.07
Allianz SE	134	0.06
Kingdom of The Netherlands	130	0.06
Intesa Sanpaolo SpA	127	0.06
Banco Santander SA	119	0.05
Other issuers	4,204	1.89
Total	6,137	2.75

Collateral issuer	Value	% of NAV
iShares Edge MSCI World Quality Factor		
UCITS ETF	\$'000	
French Republic	740	0.25
United Kingdom	688	0.23
Deutsche Bank AG	609	0.20
Intesa Sanpaolo SpA	353	0.12
Astrazeneca Plc	317	0.11
UniCredit SpA	287	0.10
SAP SE	233	0.08
Koninklijke Philips NV	232	0.08
United States Treasury	217	0.07
Altria Group Inc	216	0.07
Other issuers	10,469	3.45
Total	14,361	4.76

Collateral issuer	Value	% of NAV
iShares Edge MSCI World Size Factor		
UCITS ETF	\$'000	
French Republic	497	0.22
United States Treasury	495	0.22
Republic of Germany	364	0.16
Republic of Austria	363	0.16
United Kingdom	341	0.15
Kingdom of The Netherlands	206	0.09
Baidu Inc	173	0.08
Netflix Inc	163	0.07
Citigroup Inc	158	0.07
Intesa Sanpaolo SpA	141	0.06
Other issuers	8,929	3.88
Total	11,830	5.16

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Collateral issuer	Value	% of NAV
iShares Edge MSCI World Value Factor UCITS ETF	\$'000	
United Kingdom	2,720	0.26
French Republic	2,646	0.25
United States Treasury	2,171	0.21
Deutsche Bank AG	1,859	0.18
Intesa Sanpaolo SpA	1,352	0.13
Citigroup Inc	1,032	0.10
Baidu Inc	1,030	0.10
Netflix Inc	949	0.09
Astrazeneca Plc	928	0.09
Gilead Sciences Inc	861	0.08
Other issuers	75,692	7.30
Total	91,240	8.79

Collateral issuer	Value	% of NAV
iShares Fallen Angels High Yield Corp Bond UCITS ETF	\$'000	
Kingdom of The Netherlands	1,037	0.39
United Kingdom	839	0.31
Republic of Finland	693	0.26
Kingdom of Belgium	667	0.25
Kreditanstalt fuer Wiederaufbau	646	0.24
French Republic	572	0.21
United States Treasury	473	0.18
Republic of Austria	435	0.16
Kingdom of Sweden	420	0.16
Republic of Germany	355	0.13
Other issuers	3,918	1.47
Total	10,055	3.76

Collateral issuer	Value	% of NAV
iShares Healthcare Innovation UCITS ETF	\$'000	
Republic Of Germany	186	0.72
French Republic	186	0.72
United States Treasury	186	0.72
Republic Of Austria	185	0.71
Kingdom Of The Netherlands	101	0.39
United Kingdom	28	0.11
Upm-Kymmene Oyj	17	0.07
Banco Bilbao Vizcaya Argentaria Sa	16	0.06
Crh Plc	15	0.06
Assa Abloy Ab	14	0.05
Other issuers	101	0.39
Total	1,035	4.00

Collateral issuer	Value	% of NAV
iShares MSCI EMU Large Cap UCITS ETF	€000	
French Republic	290	0.18
Deutsche Bank AG	266	0.17
United Kingdom	215	0.13
Royal Dutch Shell Plc	178	0.11
Nestle SA	174	0.11
Banco Santander SA	151	0.09
Astrazeneca Plc	144	0.09
UniCredit SpA	130	0.08
Intesa Sanpaolo SpA	115	0.07
SAP SE	106	0.07
Other issuers	6,150	3.83
Total	7,919	4.93

Collateral issuer	Value	% of NAV
iShares MSCI EMU Mid Cap UCITS ETF	€000	
Republic of Germany	7,335	3.44
State of Japan	7,335	3.44
French Republic	7,335	3.44
United Kingdom	7,335	3.44
Intesa Sanpaolo SpA	3,860	1.81
LVMH Moet Hennessy Louis Vuitton SE	3,633	1.70
Cie De Saint-Gobain	2,982	1.40
Bureau Veritas SA	320	0.15
SPIE SA	194	0.09
Nitori Holdings Co Ltd	185	0.09
Other issuers	553	0.24
Total	41,067	19.24

Collateral issuer	Value	% of NAV
iShares MSCI France UCITS ETF	€000	
Nestle SA	21	0.06
Banco Santander SA	15	0.04
Royal Dutch Shell Plc	14	0.04
Telefonica SA	9	0.02
Hilton Worldwide Holdings Inc	8	0.02
Keyence Corp	7	0.02
VCA Inc	6	0.02
CaixaBank SA	5	0.01
IAC/InterActiveCorp	5	0.01
Mizuho Financial Group Inc	5	0.01
Other issuers	126	0.36
Total	221	0.61

SUPPLEMENTARY INFORMATION (unaudited) (continued)**Collateral (continued)**

Collateral issuer	Value	% of NAV	Collateral issuer	Value	% of NAV
iShares OMX Stockholm Capped			iShares US Equity Buyback Achievers		
UCITS ETF	Kr'000		UCITS ETF	\$'000	
French Republic	16,639	0.45	United Kingdom	62	0.27
Deutsche Bank AG	10,214	0.27	Citigroup Inc	33	0.14
United States Treasury	8,371	0.22	Allianz Se	31	0.13
Republic of Germany	8,156	0.22	Intesa Sanpaolo Spa	30	0.13
Republic of Austria	8,128	0.22	Banco Santander Sa	28	0.12
United Kingdom	7,045	0.19	French Republic	16	0.07
Astrazeneca Plc	5,668	0.15	Jpmorgan Chase & Co	15	0.06
UniCredit SpA	5,122	0.14	Wells Fargo & Co	15	0.06
Kingdom of The Netherlands	4,453	0.12	Berkshire Hathaway Inc	15	0.06
SAP SE	4,172	0.11	Morgan Stanley	12	0.05
Other issuers	169,131	4.53	Other issuers	100	0.45
Total	247,099	6.62	Total	357	1.54

There was no collateral received or pledged in relation to the CFDs held on iShares US Equity Buyback Achievers UCITS ETF as at 31 May 2017.

No securities collateral received from a single issuer, in relation to efficient portfolio management and OTC financial derivative instruments, has exceeded 20% of any of the respective Funds' NAV at the financial year end date.

None of the Funds have been fully collateralised in securities issued or guaranteed by an EU member state at the financial year end date.

Counterparties to securities lending transactions and CFD's.

Counterparty name	Country of establishment
Barclays Bank Plc	United Kingdom
Barclays Capital Securities Ltd	United Kingdom
BNP Paribas Arbitrage SNC	France
BNP Paribas SA	France
Citigroup Global Markets Ltd	United Kingdom
J.P. Morgan Securities Plc	United Kingdom
Macquarie Bank Limited	Australia
Morgan Stanley & Co. International Plc	United Kingdom
Nomura International Plc	United Kingdom
Societe Generale SA	France
The Bank of Nova Scotia	Canada
UBS AG	Switzerland

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